



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

February 17, 2010

Ordinance 16757

Proposed No. 2009-0492.2

Sponsors Gossett

1 AN ORDINANCE authorizing the King County executive
2 to execute a sale to the Port of Seattle of one unimproved
3 parcel of county-owned real property in council district 5.

4 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

5 SECTION 1. Findings:

6 A. King County's facilities management division ("FMD") is custodian of
7 Assessor's Parcel No. 092204-9164. This is a parcel of unimproved land located within
8 road right-of-way at the southwest corner of the intersection of 20th Avenue South and
9 South 212th Street. The parcel consists of two thirty-foot wide legs joined at a ninety-
10 degree angle. It has a total area of 9,930 square feet (0.23 acres), with overall length of
11 196.22 feet and overall width of 164.75 feet. Each leg of the property includes asphalt
12 roadway paving along the northern and eastern portions respectively, with the balance of
13 the land unimproved and overgrown ("the L-shaped parcel").

14 B. The King County department of executive services, finance and business
15 operations division, treasury operations section ("the treasurer") unsuccessfully attempted
16 to sell the subject property during foreclosure proceedings in December 1961 for an
17 amount equal to unpaid property taxes. Subsequently, the treasurer deeded it as tax title
18 property to King County in 1962. FMD is responsible for the management and
19 disposition of tax title properties.

20 C. The L-shaped parcel lies south of SeaTac International Airport but is not
21 related to other county fee-owned parcels that are proximate to the airport.

22 D. The Port of Seattle ("the port"), a governmental agency, regulates and
23 maintains SeaTac International Airport.

24 E. Commencing in 1990 under the auspices of the Federal Aviation
25 Administration's Noise Remedy Program, the port purchased all residential properties
26 lying under the flight path south of the airport and removed all improvements ("the
27 area"). The port fences, secures and controls the area.

28 F. The L-shaped parcel lies within the area.

29 G. As Federal Aviation Administration ("FAA") regulations prohibit any further
30 residential use, the city of Des Moines ("the city") rezoned the Area to B-P Business Park
31 in 1966 through the city's Ordinance 1162.

32 H. One of the port's functions is to support economic development within King
33 County. With that goal, the port and the city joined together in 2007, through the city's
34 Resolution No. 1049 to form an agreement to develop the Des Moines Creek Business
35 Park.

36 I. The Des Moines Creek Business Park will lie within the area, representing a
37 ninety-acre industrial park development project that is intended to stimulate opportunities
38 for creating jobs and expanding commerce.

39 J. The port wishes to complete its purchase of parcels within the area and
40 requests that the county sell the L-shaped parcel. The L-shaped parcel will be used in
41 conjunction with the intended B-P zoning development. FMD has agreed to sell.

42 K. In accordance with K.C.C. 4.56.070, the facilities management division has
43 declared the property legally described in Attachment A to be surplus to the foreseeable
44 needs of the county.

45 L. FMD has determined that the L-shaped parcel does not meet the criteria for
46 affordable housing as the FAA Noise Remedy Program prohibits residential development
47 in the area. It is not a candidate for county governmental services, and the county has no
48 underlying easements or reservations. Its highest value is use in conjunction with the
49 adjacent lands under B-P zoning.

50 M. FMD has determined that the parcel's odd shape makes it impractical to build
51 on the property.

52 SECTION 2. A. The state of Washington mandates disposition of tax title
53 properties by the various counties in which such parcels are located, through chapter
54 36.35 RCW, Tax Title Lands. Rights granted under chapter 36.35 RCW enable FMD to
55 sell the L-shaped parcel for not less than the principal amount of the unpaid taxes at what
56 it deems a reasonable estimate of value and to negotiate a direct sale with the port without
57 holding public auction.

58 B. The port and FMD have agreed to the appraised value of \$38,000. The Real
59 Estate purchase and sale agreement, which is Attachment B to this ordinance, represents
60 the agreement between the parties.

61 C. FMD will recoup advertising, postage and selling fees from the gross proceeds
62 of sale of approximately \$7,535. In accordance with RCW 36.35.110, the treasurer is
63 directed to justly apportion sale proceeds to the various funds existing at the date of the

64 sale, in the territory in which the L-shaped parcel is located, according to the tax levies of
65 the year last in process of collection.

66 SECTION 3. Pursuant to K.C.C. 4.56.080, the King County council must
67 approve sale of real property owned by the county valued in excess of \$10,000. The
68 proposed ordinance authorizes the executive to execute the purchase and sale agreement,
69 which is Attachment B to this ordinance.

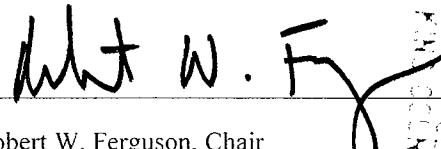
70 SECTION 4. The King County council, having determined that it is not practical
71 to build on the L-shaped parcel due to the physical characteristics of the property, and
72 having determined that sale of the L-shaped parcel is in the best interest of the county,

73 does hereby authorize the King County executive to execute the necessary documents to
74 deliver L-shaped parcel to the port.

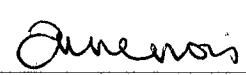
Ordinance 16757 was introduced on 8/17/2009 and passed by the Metropolitan King County Council on 2/16/2010, by the following vote:

Yes: 6 - Ms. Drago, Mr. von Reichbauer, Mr. Gossett, Ms. Lambert,
Mr. Ferguson and Mr. Dunn
No: 0
Excused: 3 - Mr. Phillips, Ms. Hague and Ms. Patterson

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Robert W. Ferguson, Chair

ATTEST:


Anne Noris, Clerk of the Council

RECEIVED
2010 FEB 26 PM 3:57
CLERK
KING COUNTY COUNCIL

APPROVED this 26th day of February, 2010.


Dow Constantine, County Executive

Attachments: A. Legal Description of the L-Shaped Parcel, B. Real Estate Purchase and Sale Agreement

LEGAL DESCRIPTION OF THE L-SHAPED PARCEL

LEGAL DESCRIPTION

The north 30 feet of the east 196.25 feet of the north half of the north half of the northeast quarter of the southwest quarter of the northwest quarter of Section 9, Township 22 North, Range 4 East, Willamette Meridian, in King County, Washington;

Together with the east 30 feet of the north half of the north half of the northeast quarter of the southwest quarter of the northwest quarter of Section 9, Township 22 North, Range 4 East, Willamette Meridian, in King County, Washington;

EXCEPT the north 30 feet thereof.

END

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of _____, 2009, by and between **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington (the "Seller") and **Port of Seattle**, a municipal corporation of the State of Washington (the "Buyer").

RECITALS

A. Seller is the owner of that certain real property located at 21201 20th Avenue South, in the City of Des Moines, County of King, State of Washington, consisting of 9,930 square feet, commonly identified as Assessor's Parcel No. 092204-9164, and the legal description for which is attached hereto as **EXHIBIT A** (the "Property").

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

AGREEMENT

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

ARTICLE 1.

PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Subject to and upon the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined) 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**;
- (b) all of Seller's right, title and interest in improvements and structures located on the Property, if any;
- (c) all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Property ("Personal Property"); and

(d) all of Seller's tenements, hereditaments, easements and rights appurtenant to the Property including but not limited to, all of the Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the Property, easements for public utilities, all sewers and service drainage easements, all rights of connection to the sewers, and all rights of ingress and egress, and all leases, licenses, government approvals and permits affecting the Property.

Hereinafter, the items listed in Section 1.1 are collectively referred to as the "Property."

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the sale, transfer, conveyance, assignment and delivery of the Property, Buyer shall, in full payment therefore, pay to Seller on the Closing Date a total purchase price of Thirty Eight Thousand Dollars (\$38,000) (the "Purchase Price").

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

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 municipal corporation, (ii) has been or will be on or before the closing date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party or which is presently in effect and applicable to Seller. This agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.

3.1.3. Litigation. There is no pending, or to the best of Seller's knowledge, 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. There is no pending or, to the best of Seller's knowledge, contemplated condemnation or similar proceeding with respect to the Property or any part thereof.

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

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

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

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. Except for the warranties, representations and indemnifications contained in this Agreement, Seller does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, with respect to the Property and no employee or agent of seller is authorized otherwise. Without limitation, the foregoing specifically excludes, except for

warranties, representations and indemnifications contained in this agreement, any warranties or representations with respect to the structural condition of the Property, 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 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 and seismic/building codes, laws and regulations.

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

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

3.2.1. Organization. Buyer is a municipal corporation of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.2.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a municipal corporation, (ii) has been or will be on or before the closing date, duly authorized by all necessary action of the Buyer's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Buyer is a party 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 it has performed any inspections it deems necessary to assure itself of the physical condition of the Property and hereby waives the right to further inspection or investigation. Buyer waives any contingencies related to and is satisfied with the physical condition of the Property for purposes of this sale. Buyer hereby approves 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, and except to the extent provided in Article 4 of this Agreement, 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 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. No Broker. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker’s, finder’s or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

ARTICLE 4. **ENVIRONMENTAL LIABILITY**

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 as currently adopted or hereinafter amended; 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.

Nothing in this agreement shall be deemed to waive any statutory claim for contribution that the Buyer might have against the Seller under federal or state environmental statutes that arises from hazardous materials deposited or released on the Property by the Seller during the

Seller's period of ownership. The Buyer may not, however, assert such a claim to the extent that the Buyer creates the need for or exacerbates the cost of remediation upon which a statutory claim for contribution is based as a result of the Buyer performing construction activities on the property, changing the configuration of the Property or changing the use of the Property.

If the Buyer discovers the presence of hazardous materials at levels that could give rise to a statutory claim for contribution against the Seller it shall immediately notify the Seller in writing. The parties shall make their best efforts to reach agreement as to which party is responsible for remediation under the terms of this Agreement prior to undertaking any remediation.

In no event shall the Seller be responsible for any costs of remediation that exceed the minimum necessary to satisfy the state or federal agency with jurisdiction over the remediation.

ARTICLE 5. **INDEMNIFICATION AND HOLD HARMLESS**

5.1 Seller's Indemnifications: Seller shall indemnify and hold harmless the Buyer and its elected officials, officers, agents or employees, or any of them from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, which are caused by or result from (i) any negligent action or omission of Seller, its officers, agents and employees arising from the ownership, operation and/or maintenance of the Property and in performing its obligations under this Agreement and/or (ii) from any accident or occurrence related to the property occurring prior to the effective date of conveyance. In the event that any suit based upon such a claim, action, loss or damage is brought against the Buyer or the Buyer and Seller, Seller shall defend the same at its sole cost and expense and, if final judgment be rendered against the Buyer and its elected officials, officers, agents and employees or jointly against the Buyer and Seller and their respective elected officials, officers, agents and employees, Seller shall satisfy the same.

5.2 Buyer's Indemnifications: The Buyer shall indemnify and hold harmless Seller and its elected officials, officers, agents or employees, or any of them from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, which are caused by or result from (i) any negligent action or omission of the Buyer, its officers, agents and employees arising from the ownership, operation and/or maintenance of the Property and in performing its obligations under this Agreement and/or (ii) from any accident or occurrence related to the property occurring after the effective date of conveyance. In the event that any suit based upon such a claim, action, loss or damage is brought against the Seller or the Buyer and Seller, the Buyer shall defend the same at its sole cost and expense and, if final judgment be rendered against Seller and its elected officials, officers, agents and employees or jointly against the Buyer and Seller and their respective elected officials, officers, agents and employees, the Buyer shall satisfy the same.

5.3 Mutual Indemnifications: Each Party to this Agreement shall immediately notify the other of any and all claims, actions, losses or damages that arise or are brought against that Party relating to or pertaining to the Property.

Each party agrees that its obligations under this paragraph extend to any claim, demand, and/or cause of action brought by or on behalf of any employees, or agents. For this purpose, each party, by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW, but only to the extent necessary to indemnify the other party.

In the event that a court of competent jurisdiction finds that the Buyer and the County were concurrently negligent, then each party's liability shall only be to the extent of each party's negligence. As permitted under Washington law, the County and Buyer shall indemnify, defend, and hold the other harmless to the full extent of the indemnitor's negligence arising from the performance of this Agreement.

These indemnification provisions shall survive the closing of the Property and any termination of this Agreement.

ARTICLE 6 TITLE MATTERS

6.1 TITLE. Seller shall deliver to Buyer good and marketable title, free and clear of all liens, defects and encumbrances except the Permitted Exceptions.

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

6.1.2 Survey. Buyer hereby waives its option, at its expense, to have a Survey of the Property performed.

6.1.3 Review of Title Commitment and Survey. Buyer is satisfied with and accepts conditions of the Title Commitment issued by Chicago Title Insurance Company as of August 14, 2008 and any exceptions or other items set forth in the Title Commitment. All such exceptions shall be deemed to be "Permitted Exceptions".

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

6.3. CONVEYANCE. Seller shall convey to Buyer the title to the Property by Quit Claim Deed, in the form attached hereto as **EXHIBIT B**.

ARTICLE 7. CONTINGENCIES

7.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer has satisfied 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.

ARTICLE 8. COVENANTS OF SELLER PENDING CLOSING

8.1 CONDUCT, NOTICE OF CHANGE. Seller covenants that between the date hereof and the Closing, 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 shall have been performed at or prior to the Closing 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 9. COVENANTS OF BUYER PENDING CLOSING

9.1. 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 Date (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing 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 occurs prior to the Closing Date.

ARTICLE 10.
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:

10.1. 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.

10.2. 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.

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

10.4. 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.

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

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

10.7 Port Commission Approval of Purchase -The Port of Seattle Commission approved the purchase of this property on June 27, 2008 in a public meeting.

ARTICLE 11.
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:

11.1. 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.

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

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

11.4. 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.

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

11.6. APPROVAL OF KING COUNTY COUNCIL. Seller's obligation to close is contingent upon approval of the Metropolitan King County Council by ordinance of the conveyance of the Property from Seller to Buyer. This contingency shall automatically be removed upon the effective date of such ordinance.

ARTICLE 12.
CLOSING

12.1. CLOSING/CLOSING DATE. The Closing shall take place no earlier than 11 days, and no later than 30 days, after approval by King County Council, as defined in Section 11.6. Upon execution of this Agreement, the parties agree to set up an escrow account with Chicago Title Insurance Company (the "Escrow Agent"). The Escrow Agent shall serve as closing agent for the transaction contemplated herein and closing shall occur in the offices of Escrow Agent in Seattle, Washington. The title, right of possession and interest to the Property shall pass to Buyer upon the Closing Date and thereafter the risk of loss thereof shall be the responsibility of Buyer.

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

12.2.1. Closing Costs. Seller shall pay the cost of one-half (½) 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 (½) 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 10.2 and Section 9.4 above, all other expenses hereunder shall be paid by the party incurring such expenses.

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

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

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

12.4. BUYER'S DELIVERY OF DOCUMENTS AND PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller the Purchase Price in cash.

ARTICLE 13. TERMINATION

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

ARTICLE 14. MISCELLANEOUS PROVISIONS

14.1. 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.

14.2. 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 the exclusive jurisdiction and venue.

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

14.4. 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 any parties may specify by notice to all other parties and given as provided herein:

If to Buyer: Allan Royal, Manager Port Real Estate Development
Port of Seattle
Seattle Tacoma International Airport
68727 Seattle, Washington 98168

If to Seller: Real Estate Services Section Manager
King County Administration Building
500 Fourth Avenue, Room 500
Seattle, Washington 98104

With a copy to: Pete Ramels, Senior Deputy Prosecuting Atty
King County Courthouse
516 3rd Ave, Room W400
Seattle, Washington 98104

With a copy to: Traci Goodwin
Senior Port Counsel
P.O. Box 1209
Seattle, WA 98111

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

14.6. 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.

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

14.8. 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.

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

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

14.11. 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.

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

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

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

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

Each party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of the terms found in this Agreement.

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

| | |
|-----------|-----------------------------------|
| EXHIBIT A | Legal Description |
| EXHIBIT B | Quit Claim Deed |
| EXHIBIT C | Certificate of Non-Foreign Status |

EXECUTED as of the date and year first above written:

SELLER:

Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____
Deputy Prosecuting Attorney

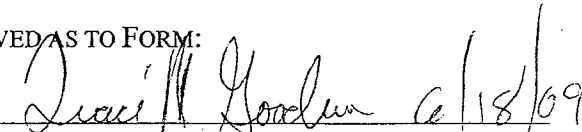
EXECUTED as of the date and year first above written:

BUYER:

Name: 

Its: 

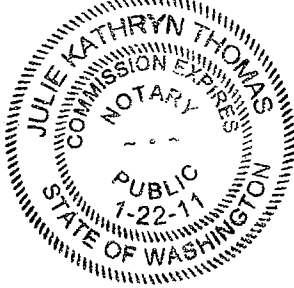
APPROVED AS TO FORM:

By:  6/18/09
Port of Seattle Attorney

STATE OF WASHINGTON } ss.
COUNTY OF KING }

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

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 19th day of June, 2009.



Julie Kathryn Thomas
Printed Name
NOTARY PUBLIC in and for the State of Washington,
residing at Bothell, WA
My Commission Expires 1-22-11

Julie Kathryn Thomas

STATE OF WASHINGTON } ss.
COUNTY OF KING }

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

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2009.

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

EXHIBIT A

LEGAL DESCRIPTION

The north 30 feet of the east 196.25 feet of the north half of the north half of the northeast quarter of the southwest quarter of the northwest quarter of Section 9, Township 22 North, Range 4 East, Willamette Meridian, in King County, Washington;

Together with the east 30 feet of the north half of the north half of the northeast quarter of the southwest quarter of the northwest quarter of Section 9, Township 22 North, Range 4 East, Willamette Meridian, in King County, Washington;

EXCEPT the north 30 feet thereof.

END

EXHIBIT B

QUIT CLAIM DEED

Grantor: King County
Grantee: Port of Seattle
Legal Des: Portion of N 1/2 of N 1/2 of NE 1/4 of SW 1/4 of NW 1/4 of 9-22-4
Tax ID #: 092204-9164

The Grantor herein, **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington, for and in consideration of mutual benefits, receipt of which is hereby acknowledged, grants unto Grantee as fully and completely as it can by virtue of the premises, and conveys same unto Grantee, the following described real estate, situate in King County, Washington, together with all after-acquired title of the Grantor herein:

The north 30 feet of the east 196.25 feet of the north half of the north half of the northeast quarter of the southwest quarter of the northwest quarter of Section 9, Township 22 North, Range 4 East, Willamette Meridian, in King County, Washington;
Together with the east 30 feet of the north half of the north half of the northeast quarter of the southwest quarter of the northwest quarter of Section 9, Township 22 North, Range 4 East, Willamette Meridian, in King County, Washington;
EXCEPT the north 30 feet thereof.

The rights, conditions, and provisions of this easement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

DATED this _____ day of _____, 2009.

KING COUNTY

BY: _____

ITS: _____

EXHIBIT C

Certificate of Non-Foreign Status

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

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Transferor's United States employer identification number is 91-6001327; and
3. Transferor's office address is King County Facilities Management Division, Asset Development and Management Section, Room 500 King County Administration Building, 500 Fourth Avenue, Seattle, Washington, 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 _____ day of _____, 2009.

TRANSFEROR:

KING COUNTY

By: _____

Title: _____