



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 16, 2014

Ordinance 17955

Proposed No. 2014-0476.2

Sponsors Lambert

1 AN ORDINANCE authorizing the conveyance of the
2 surplus property located at 19101 North East Union Hill
3 Road, Redmond, Washington, in council district three.

4 STATEMENT OF FACTS:

5 1. The department of transportation declared approximately 1.43 acres of
6 the property located at 19101 North East Union Hill Road, Redmond,
7 Washington, located within council district three, surplus to its needs on
8 October 22, 2014.

9 2. The facilities management division offered the property to other county
10 agencies on October 27, 2014, and received no interest.

11 3. The facilities management division declared the property surplus to the
12 current and future foreseeable needs of the county on November 13, 2014.

13 4. The facilities management division previously found the property was
14 not suitable for affordable housing development.

15 5. King County received an offer from the city of Redmond and accepted
16 a purchase price of one million thirteen thousand dollars on October 17,
17 2013.

18 6. King County is selling the property to the city of Redmond pursuant to
19 the authority granted in the Intergovernmental Disposition of Property
20 Act, chapter 39.33 RCW, and K.C.C. 4.56.140.

21 7. During its review, council staff discovered a inadvertant but
22 substantive typographical error. On page 10 of the purchase and sale
23 agreement, which is Attachment A to this ordinance, in the second line of
24 Section 8.3, the word "Buyer" is incorrect and should be replaced with the
25 word "Seller" so that the corrected sentence reads: "Seller shall have cured
26 any exceptions to title to which Buyer has objected within the Review
27 Period in Section 4.3 and to which Seller has agreed to remove or resolve
28 under Section 4.3." The city of Redmond agrees with this change."

29 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

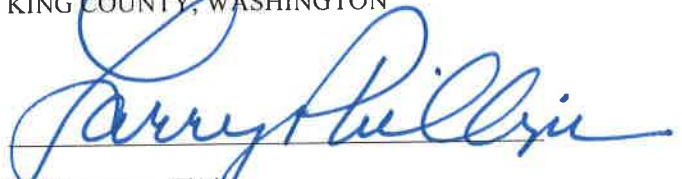
30 SECTION 1. Conditioned upon the executive making the correction to the
31 purchase and sale agreement as described in Statement of Fact 7, the executive is
32 authorized to convey the 1.43 acres of property located at 19101 North East Union Hill
33 Road to the city of Redmond consistent with a purchase and sale agreement substantially
34 in the form of Attachment A to this ordinance and to take
35

36 all actions necessary to implement the terms of the purchase and sale agreement.
37

Ordinance 17955 was introduced on 12/1/2014 and passed as amended by the Metropolitan King County Council on 12/15/2014, by the following vote:

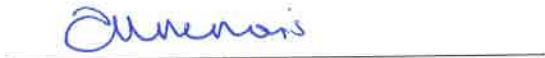
Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott and Mr. Dembowski
No: 0
Excused: 1 - Mr. Upthegrove

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 24th day of December, 2014.



Dow Constantine, County Executive

RECEIVED
2014 DEC 26 PM 3:39
CLERK
KING COUNTY COUNCIL

Attachments: A. Real Estate Purchase and Sale Agreement

ATTACHMENT A:

REAL ESTATE PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into by and between **KING COUNTY**, a political subdivision of the State of Washington (the "Seller") and **CITY OF REDMOND**, a municipal corporation of the State of Washington (the "Buyer"). Seller and Buyer may also be referred to hereinafter individually as "Party" or collectively as the "Parties." The effective date of the Agreement is defined in Section 11.17 of this Agreement.

RECITALS

A. Seller is the owner of that certain real property located in the City of Redmond, King County, State of Washington, which consists of approximately 62,300 square feet of land located at the northwest corner of 19101 NE Union Hill Road and commonly known as Cadman Pit, the legal description of which is attached hereto as **EXHIBIT A** (the "Real Property").

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real 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 and convey to Buyer on the Closing Date (as defined in Section 10.1 below) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

(a) all the Seller's right, title and interest in the Real Property as legally described in **EXHIBIT A**;

(b) all of Seller's right, title and interest in improvements and structures located on the Real 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 or appurtenant to the Real Property ("Personal Property");

(d) all of Seller's easements and other rights that are appurtenant to the Real Property including but not limited to, Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of

connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real 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 conveyance of the Property, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of **One Million Thirteen Thousand and No/100ths Dollars (\$1,013,000.00)** (the "Purchase Price").

2.2. DEPOSIT. Within ten (10) business days after the execution of this Agreement, Buyer shall deliver to First American Title Insurance Company – Seattle, Washington Office (the "Escrow Holder"), in its capacity as Escrow Holder, immediately available cash funds in the amount of **Fifty Thousand and No/100 Dollars (\$50,000.00)** (the "Deposit"). The Deposit shall be invested by the Escrow Holder in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. Upon deposit with Escrow Holder, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing.

2.3. 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 AND CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. 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.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (a) is within the powers of Seller as a home rule charter county and political subdivision of the State of Washington, and (b) subject to the contingency in Section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.

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

3.1.4. 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:

(a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or

(b) sell, dispose of or encumber any portion of the Property.

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

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a municipal 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.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer (a) is within the powers of Buyer as a municipal corporation, and (b) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer's governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

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

3.2.4. INDEMNIFICATION. From and after the Closing Date, 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 and made on or after the Closing Date and based on occurrences on or after the Closing Date.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" (which is contained in Section 6 of the form) if the answer to any of the questions in that section would be "yes". Seller will provide the same, with only such environmental section completed by the Seller, to Buyer within five (5) days after the Effective Date. Nothing in the Seller Disclosure Statement creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that the Seller Disclosure Statement is not part of this Agreement, Seller has no duties to Buyer other than those set forth in this Agreement, Buyer has no independent cause of action under the Seller Disclosure Statement and specifically and without limitation, Buyer will not have a remedy for economic loss resulting from negligent errors, inaccuracies or omissions on the Seller Disclosure Statement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. 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:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (d) The compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
- (e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;
- (f) The manner or quality of the construction or materials, if any, incorporated into the Property;
- (g) 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. 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, as amended ("RCRA"); "hazardous substance" as defined in the Washington State Model Toxics Control Act, as amended ("MTCA"); 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, pesticides, 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; or

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

3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller's disclaimer of the condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 5.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) 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 Hazardous Substances, underground storage tanks or contaminated soil, or the actual or threatened release, deposit, seepage, migration or escape of Hazardous 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. Notwithstanding the foregoing, Buyer expressly is not agreeing to accept any part of Seller's liability, if any, to third parties for any release, deposit, seepage, migration, or escape of Hazardous Substances from the Property to other properties, including groundwater therein, and the Parties agree that such liability to third parties shall remain as provided under applicable law.

3.4. 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.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by Bargain and Sale Deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the district, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

4.2. TITLE COMMITMENT. Buyer shall within five (5) days after the Effective Date order a preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the 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.

4.3. REVIEW OF TITLE COMMITMENT AND SURVEY. Buyer shall have until twenty-five (25) days after the Effective Date (the "Review Period") in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment ("Buyers Objections"). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within ten (10) days after Seller receives Buyer's notice of objections of any exceptions to title which Seller will not remove or otherwise resolve following Buyer's request within the Review Period ("Seller's Response"), and Buyer may, at Buyer's option, either proceed to Closing and thereby waive the Buyers Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within ten (10) days after receipt of Seller's Response. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have seven (7) days to make Buyers Objections to any new exception, and Seller shall have five

(5) days to provide Seller's Response.

4.4. 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 Permitted Exceptions, the lien of current real property taxes not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the district, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. 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.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval ("Due Diligence Contingency"). If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller within sixty (60) days of the Effective Date ("Due Diligence Period"). In such event this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency and the Deposit shall be nonrefundable to Buyer except in the event of a default hereunder by Seller.

5.1.1. INSPECTIONS. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all Due Diligence materials that Buyer may reasonably request from Seller that are in Seller's possession and are not subject to attorney-client privilege or that Seller is not otherwise protected from disclosing by law; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the Property; and (e) determine whether Buyer'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 and conduct tests, investigations and studies set forth in this Article 5 upon three (3) days advance written notice; provided that such right of

entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. The Buyer will not be permitted to undertake activities that damage County property. In connection with any such inspections and tests, 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 the Property for the above purposes, except to the extent caused by or arising out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3 RIGHT OF ENTRY INSURANCE. Prior to the entry of Buyer or its contractors for invasive testing of the Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor's Pollution insurance in the amount of \$1,000,000 per claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller's performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council ("Council Approval Contingency"). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within ninety (90) days of the Effective Date ("Council Approval Period"). If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall automatically extend for one (1) additional ninety (90) day period. If the Council Approval Contingency is not satisfied within a 180-day period, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

5.3. LEGAL SUBDIVISION CONTINGENCY. The sale of the Property is contingent on legal subdivision, as defined in RCW 58.17, tax parcel segregation, or boundary line adjustment (collectively, "Subdivision"), of the portions of the Property that are not currently separate tax parcels. Prior to conveyance of the Property, the Buyer shall obtain Subdivision approval to create the parcel described in **EXHIBIT A**. Buyer shall be responsible for completing any actions required to secure approval of such Subdivision, at its sole risk and expense. Seller and Buyer shall adjust the legal description set forth in **EXHIBIT A** as necessary to account for any changes resulting from such Subdivision of the Property. If Subdivision approval has not been obtained within the Council Approval Period, this Agreement shall automatically extend for one additional ninety (90) day period. If Subdivision approval has not been obtained within 180 days of the Effective Date, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. The Parties may agree to further extend the time period for obtaining Subdivision approval.

ARTICLE 6.
COVENANTS OF SELLER PENDING CLOSING

6.1. 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 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 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 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 the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. 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.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer has objected within the Review Period in Section 4.3 and to which Buyer has agreed to remove or resolve under Section 4.3.

8.4. 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.

**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. 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.

9.2. 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.

9.3. 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 and the other exceptions allowed for under Sections 4.1, 4.3 and 4.4 of this Agreement.

**ARTICLE 10.
CLOSING**

10.1. CLOSING/CLOSING DATE. The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties ("Closing Date"). Upon execution of this Agreement, the Parties shall set up an escrow account with First American Title Insurance Company – Seattle, Washington Office (the "Escrow Agent"). The Escrow Agent shall serve as closing agent for the transaction contemplated herein.

10.2. PRORATIONS. All prorations shall be made as of the Closing Date. 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, all other expenses hereunder shall be paid by the Party incurring such expenses.

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

(a) A Bargain and Sale Deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

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

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

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller Cash or immediately available funds in the amount of the Purchase Price.

ARTICLE 11: MISCELLANEOUS PROVISIONS

11.1. NATURE AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Each statement, representation, warranty, indemnity, covenant, and agreement made by Seller or Buyer in this Agreement 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 any other persons or entity.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages. Buyer expressly agrees that the retention of the Deposit by Seller represents a reasonable estimation of the damages in the event of Buyer's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty. Buyer and Seller acknowledge and agree that these damages have been specifically negotiated and are to compensate Seller for taking the Property off the market and for its costs and expenses associated with this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer's sole and exclusive remedies shall to (a) terminate this Agreement and receive a refund of the Deposit; or (b) to specifically enforce this Agreement.

11.2.3. ATTORNEYS' FEES. In any action to enforce this Agreement, each Party shall bear its own attorneys' fees and costs.

11.3. TIME

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

11.3.2. COMPUTATION OF TIME. Any period of time in this Agreement shall mean Pacific Time and shall begin the day after the event starting the period and shall expire at 5:00 p.m. of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which case the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday.

11.4. 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 (2) 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 the Parties may specify by notice to the other Party and given as provided herein:

| | | |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| If to Buyer: | If Delivered: City of Redmond MS: 4NPW Real Property Manager 15670 NE 85 th Street Redmond, WA 98052 | If Mailed: City of Redmond MS: 4NPW Real Property Manager PO Box 97010 Redmond, WA 98073-9710 |
| If to Seller: | King County Real Estate Services ADM-ES-0830 500 Fourth Avenue, Room 830 Seattle, WA 98104-2337 | |

11.5. 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 both Parties hereto.

11.6. 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 Agreement should and/or must be defeated, invalidated or voided.

11.7. 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.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party hereto, its successors and assigns.

11.9. 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.

11.10. 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.

11.11. 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.

11.12. GOVERNING LAW AND VENUE. 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. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, such lawsuit shall be brought in King County Superior Court.

11.13. NON-MERGER. The terms and provisions of this Agreement shall not merge in, but shall survive, the Closing of the transaction contemplated under this Agreement.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. 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. The 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.

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

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

11.17. EFFECTIVE DATE. This Agreement shall be effective as of the date it has been signed by both Parties (the "Effective Date").

11.18. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 3.2.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

Senior Deputy Prosecuting Attorney

By: Pete Rando
APPROVED AS TO FORM ONLY:

Date: 11/17/2014

Title: Manager, Real Estate Services
King County

Name: Gail Houser

By: Gail Houser
SELLER: KING COUNTY

James E. Haney, City Attorney

By: James E. Haney
APPROVED AS TO FORM ONLY:

Date: Sept 29, 2014

Title: Mayor

Name: John Marchione

By: McCabe for
BUYER: CITY OF REDMOND

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

Portions of the Southwest quarter of the Southeast quarter, Section 6, and the Northwest quarter of the Northeast quarter, Section 7, Township 25 North, Range 6 East, W.M., King County, Washington, described as follows:

BEGINNING at the intersection of the Southerly right of way margin of Union Hill Road NE, as established by deed recorded under Recording No. 20080109001406 with the East line of the West 814 feet of said Southwest quarter, Southeast quarter, said intersection being on an arc of a curve concave to the north from which its center bears North 23°55'46" East, 1951.86 feet distant;

thence Easterly along the arc of said curve and margin through a central angle of 05°57'35" a distance of 203.03 feet;

thence South 00°27'57" West 113.29 feet to a top of slope;

thence the following courses along said top of slope, South 15°02'52" West 12.37 feet;

South 00°15'47" West 8.93 feet;

South 35°25'05" West 20.10 feet;

South 81°51'00" West 12.52 feet;

South 14°28'58" West 27.31 feet;

South 32°11'17" West 23.50 feet;

South 01°06'59" West 22.87 feet;

South 30°58'44" West 11.73 feet;

South 18°49'08" East 60.08 feet;

South 02°33'55" East 30.28 feet;

thence leaving said top of slope, North 88°53'01" West 168.00 feet to the East line of the West 814 feet of said Northwest quarter, Northeast quarter;

thence North 00°18'05" East along said East line 97.76 feet to the South line of said Section 6 and the beginning of said East line of the West 814 feet of the Southwest quarter, Southeast quarter;

thence North 02°13'11" East along said East line 290.43 feet to the POINT OF BEGINNING.

The above-described parcel contains 62,300 square feet, more or less.

Prepared by:

WHPacific, Inc.

12100 NE 195th Street Suite 300

Bothell, WA 98011

425-951-4800

Project No. 209.037560

EXHIBIT B

BARGAIN AND SALE DEED AS TO FORM

AFTER RECORDING RETURN TO:

KING COUNTY
REAL ESTATE SERVICES
ADM-ES-0830
500 FOURTH AVENUE, ROOM 830
SEATTLE, WA 98104
ATTN: KATE DONLEY

BARGAIN AND SALE DEED

Grantor -- King County, Washington

Grantee -- Redmond, City of

Legal ----

Tax Acct. --

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of mutual benefits, pursuant to King County Ordinance No. _____, does hereby bargain, sell and convey unto the Grantee, the CITY OF REDMOND, a municipal corporation of the State of Washington, the following the real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

**GRANTOR
KING COUNTY**

**GRANTEE
CITY OF REDMOND**

BY _____

BY _____

TITLE _____

TITLE _____

DATE _____

DATE _____

Approved as to Form:

By _____

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

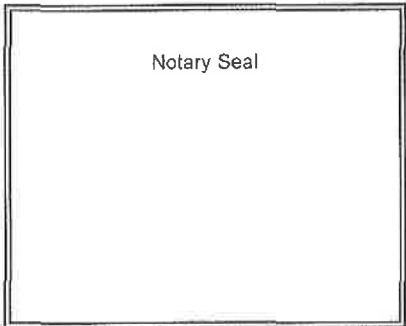
On this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Gail Houser**, to me known to be the Manager of the Real Estate Services Section in the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that she was authorized to execute said instrument on behalf of King County for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.
Notary Public in and for the
State of Washington, residing
at _____
City and State
My appointment expires _____

STATE OF WASHINGTON)
) §
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **John Marchione** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Mayor of the City of Redmond to be the free and voluntary act of the City of Redmond for the uses and purposes mentioned in this instrument.

Dated: _____, 2014.



Notary Signature: _____
Print Name: _____
Notary Public in and for the State of Washington
My Appointment Expires _____

EXHIBIT C

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this ____ day of _____, 2014, by KING COUNTY (“**Seller**”), in favor of _____, a political subdivision of the State of Washington (“**Buyer**”), with reference to the following facts.

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

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

SELLER:

By: _____

Its: _____

EXHIBIT D

**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. 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);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 800 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by 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 _____, 2014.

King County, Transferor:

By: _____
Print Name: _____
Title: _____