



King County

Metropolitan King County Council Budget and Fiscal Management Committee

Staff Report

Agenda item No:	5	Date:	September 3, 2013
Proposed ord.:	2013-0363	Prepared by:	Wendy Soo Hoo

SUBJECT

Proposed Ordinance 2013-0363 would approve a purchase and sale agreement for the sale of a surplus 0.51 acre property in the Redmond area.

SUMMARY

The proposed ordinance would authorize sale of two surplus Roads Services Division lots located at 20604 NE Novelty Hill Road in the Redmond area for the appraised market value of \$195,000.

ANALYSIS

The property was originally comprised of two improved lots with houses prior to acquisition by the Roads Services Division (RSD) in 1999 for road widening needs. RSD purchased the two properties for \$191,100 and \$235,000 (a total of \$426,000).

RSD subsequently demolished the house on the lower value lot and encumbered the lot with an easement to provide access to the remaining house. The removal of the house and placement of the access easement for the adjoining property significantly reduced the value of the lot.

The existing tenant in the remaining house has rented the property from King County for 12 years.

Surplus Process: FMD circulated surplus property notices to King County agencies. None expressed interest and the property was determined to be not suitable for affordable housing.

Marketing and Sale: FMD determined it was more economical and timely to use a direct negotiated sale with the long term tenant, saving a 3 percent commission, needed maintenance and clean-up costs, etc.

Appraisal Summary: The two parcels of the property were appraised for \$195,000 effective June 27, 2012. The subject property consists of an average quality 1960's rambler with limited updating over the past 20 years (except some newer windows), that needs a variety of repairs. The house is located close to a busy road, and the former front entry is rendered nearly obsolete with planned roadway improvements. The neighborhood is about 85 percent developed to single family homes that vary widely in age, quality and condition.

AMENDMENT

Council's legal counsel identified two disclosure forms that were not signed prior to transmittal. The amendment adds the correct, signed disclosure forms.

REASONABLENESS

Unless there are questions from the committee, Council staff analysis is complete. It would be a reasonable and prudent business decision for the committee to take action at this time.

INVITED

1. Kathy Brown, Director, Facilities Management Division
2. Steve Salyer, Manager, Real Estate Services Section
3. Brenda Bauer, Director, Roads Services Division

ATTACHMENTS

1. Proposed Ordinance 2013-0363
2. Transmittal Letter
3. Fiscal Note
4. Amendment



KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

August 30, 2013

Ordinance

Proposed No. 2013-0363.1

Sponsors Lambert

1 AN ORDINANCE approving the sale of surplus roads
2 services division property located in council district three.

3 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 SECTION 1. Findings:

5 A. The road services division is the custodian of certain property located at
6 20604 NE Novelty Hill Road, and 10004 206th Avenue NE, Redmond area.

7 B. The road services division has determined that the subject property is surplus
8 to its needs and the needs of the public.

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

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

13 E. The executive has negotiated a purchase and sale agreement for the sale of the
14 property to Shirley Ann Cunningham for \$195,000.

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

18 SECTION 2. The council, having determined that the sale of the subject property
19 is in the best interest of the public, hereby authorizes the executive to execute a purchase

Ordinance

20 and sale agreement in substantially similar form as provided in Attachment A to this
21 ordinance and to execute any other documents necessary to convey and deliver the
22 property to the buyer. All actions up to now taken by county officials, agent and
23 employees consistent with the terms and purposes of the purchase and sale agreement are
24 hereby ratified, confirmed and approved.

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

Ordinance

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

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Real Estate Purchase and Sale Agreement

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ATTACHMENT A:

REAL ESTATE PURCHASE AND SALE AGREEMENT

Effective Date:

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 home rule charter county and political subdivision of the State of Washington (the "Seller") and Shirley Ann Cunningham, an unmarried person, residing at 20604 NE Novelty Hill Road, Redmond, WA 98053, (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 12.21 of this Agreement.

RECITALS

A. Seller is the owner of those certain contiguous real properties located in unincorporated King County, Washington, which consist of a total approximate 27,075 (15,000 and 12,075) square feet, and which are identified as Assessor's Parcel Numbers 805350-0264 and 805350-0266. These parcels are located at 20604 NE Novelty Hill Road in the Redmond area of unincorporated King County, the legal descriptions for which are attached hereto and incorporated herein by this reference as **EXHIBIT A** (both parcels will hereinafter be referred to together as the "Property").

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

AGREEMENT

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

ARTICLE 1.

PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Subject to and upon the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date (as defined in Article 10.2 below) and Buyer shall buy, assume and accept from Seller on the Closing Date the following assets and properties:

(a) all the Seller's right, title and interest in the Property, as described in **EXHIBIT A**; subject to Seller's retention of reservations as described in **EXHIBIT B** (the form of deed), which is attached hereto and incorporated herein by this reference, including but not

limited to the reservation of easements for right-of-way and all related purposes, including future road widening, and the reservation of easements for the general benefit of King County as provided for in Exhibit B and in Section 4.4.1 of this Agreement;

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

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

(d) all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller and attached or appurtenant to the Property ("Personal Property").

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

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the sale, transfer, conveyance, assignment and delivery of the Purchased Assets, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of One Hundred Ninety Five Thousand AND NO/100ths DOLLARS (\$195,000.00) (the "Purchase Price").

2.2 BUYER'S FINANCING CONTINGENCY. This Agreement is contingent on Buyer obtaining a residential real estate loan for purchase of the Property (the "Financing Contingency.")

2.2.1. Within two (2) business days of Seller's written notification to Buyer that an ordinance authorizing this transaction has been transmitted to the King County Council for consideration and approval. Buyer shall submit to its lender a completed loan application and submit to Seller proof thereof. Buyer shall have thirty (30) calendar days thereafter to secure a written loan commitment from Buyer's lender (the "Financing Contingency Expiration Date"), by which date Buyer shall, by written notice to Seller, either (a) waive the Financing Contingency or (b) terminate this Agreement. If Buyer fails to notify Seller by the Financing Contingency Expiration Date that the Financing Contingency is waived or the Agreement terminated, the Financing Contingency shall be deemed waived.

2.2.2. Should the Council Approval Contingency provided for at Section 5.2 of this Agreement not be satisfied by the date the loan commitment from Buyer's lender expires,

either Party to this Agreement may, by written notice to the other Party, terminate this Agreement.

2.3. EARNEST MONEY. Not later than two (2) business days following the mutual execution of this Agreement, Buyer shall deposit with Escrow Agent (defined in Section 10.1 of this Agreement) a promissory note in the form attached hereto as **EXHIBIT C** the amount of Nine Thousand Seven Hundred Fifty AND NO/100 DOLLARS (\$ 9,750.00), or five percent (5%) of the Purchase Price, as the initial earnest money deposit (the "Earnest Money Note"). Within two (2) business days after satisfaction of the Due Diligence Inspection, Feasibility Contingency removal, including securing financing, set forth in Section 5.1 of this Agreement, the Earnest Money Note shall be replaced with cash in the same amount as the Earnest Money Note and such cash shall be deposited into escrow as the earnest money (the "Earnest Money"). Upon closing of this transaction, the Earnest Money will be applied toward the Purchase Price that is due Seller. Should Buyer default on its obligations under this Agreement, the Seller shall be entitled to retain the Earnest Money as liquidated damages.

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

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

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

3.1.1. Definition of Seller. The Seller is a home rule charter county and political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.1.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a home rule charter county and political subdivision of the State of Washington, (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party or which is presently in effect and applicable to Seller. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.

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

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

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

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

3.1.6. 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.

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

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

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

(ii) sell, dispose of or encumber any portion of the Property;

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

3.1.10 Condition of the Property.

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

(i) The water, soil and geology;

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

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

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

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

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

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

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

(c) Without limitation, Seller does not make and specifically disclaims any warranties, express or implied, any warranties or representations with respect to the structural condition of the Purchased Assets, the area of land being purchased, the existence or non-existence of any Hazardous Substances or underground storage tanks, or the actual or threatened release, deposit, seepage, migration or escape of Hazardous Substances, from or into the Purchased Assets, and the compliance or noncompliance of the Purchased Assets with applicable federal, state, county and local laws and regulations, including, without limitation, environmental laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term "Hazardous Substances" shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials, chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

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

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

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

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

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

3.2.1. Buyer's Legal Status. Buyer is an unmarried person.

3.2.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Buyer is within the power and authority of Buyer as an unmarried person. 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.

(a) Buyer acknowledges and accepts Seller's disclaimer of the Property condition in Section 3.1.9 of this Agreement.

(b) Buyer acknowledges that, within the Due Diligence Period (as defined in Article 5.1 below), it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Purchased Assets. Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations.

(c) Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1 of this Agreement, and to the extent of any fraud or deliberate misrepresentation by Seller, Seller shall have no liability for, and that Buyer shall have no recourse against the Seller for, any defect or deficiency of any kind whatsoever in the Property including without limitation those relating to Hazardous Substances, without regard to whether such defect or deficiency was discovered or discoverable by the Buyer or Seller.

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

3.2.7. Indemnification. From and after Closing, 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. This Section 3.2.7 shall survive Closing and the expiration or earlier termination of this Agreement.

3.2.8. Broker. Buyer is solely responsible for and agrees to pay a commission in accordance with any listing or commission agreement to which Buyer is a party, if applicable.

ARTICLE 4. TITLE MATTERS

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

4.2. Title Commitment. Buyer shall, at its expense, obtain a current owner's standard policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400 (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

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

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

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

4.4. CONVEYANCE. Seller shall convey to Buyer the title to the Property by deed, in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions and reservations of Seller that may be defined in **EXHIBIT B**. Rights reserved in federal patents or state deeds, building or use restrictions general to the district, and building or zoning regulations or provisions shall be deemed Permitted Exceptions.

4.4.1. Reservation of Easements. The conveyance deed described in Section 4.4 above shall include the reservation by Seller of permanent easements for right-of-way and related uses as well as easements for the general benefit of King County as provided for with specificity in Exhibit B.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense and in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval. If Buyer approves of the condition of the Property, Buyer agrees to notify Seller, in writing, thereby removing the contingency. Buyer shall make such determination within ninety calendar (90) days following the date of mutual execution of this Agreement ("Due Diligence Period");

provided, however, that Buyer may, as provided for in Section 5.1.3 of this Agreement and at its sole and absolute discretion, waive its right to conduct further due diligence and feasibility investigation and inspection, thereby removing this contingency concurrent with the date of mutual execution of this Agreement. In the event this contingency is not satisfied or waived within the Due Diligence Period, Buyer may terminate this Agreement upon written notice to Seller on or before the expiration of the Due Diligence Period, and neither Party shall have any further rights or obligations to the other hereunder and the Earnest Money Note shall be returned.

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

5.1.2. Right of Entry. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property pursuant to a County permit and conduct the tests, investigations and studies set forth in this Article 5 upon three (3) business days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. The Buyer will not be permitted to undertake activities that damage County property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. If Buyer undertakes any invasive tests or activities disruptive to the Property, Buyer shall restore the Property to its original condition or better. In connection with such inspections, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Buyer caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering Seller's property for the above purposes, to the extent not caused by or arising out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3. WAIVER OF DUE DILIGENCE INSPECTION AND FEASIBILITY CONTINGENCY. By its signature set forth on the line below, Buyer acknowledges that it is satisfied that the condition of the Property for Buyer's contemplated use meets with its approval and that Buyer has, at its sole and absolute discretion, elected to waive its right to conduct further due diligence investigation and inspection as provided for in Section 5.1 of this Agreement and the contingency provided therein is therefore satisfied.

BUYER: *S. Cunningham* Dated: 4/9/13

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

**ARTICLE 6.
COVENANTS OF SELLER PENDING CLOSING**

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

**ARTICLE 7.
COVENANTS OF BUYER PENDING CLOSING**

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

**ARTICLE 8.
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

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

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

8.2. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Seller contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

8.3. OBLIGATIONS. All obligations required by the terms of this Agreement to be

performed by Seller at or before Closing shall have been properly performed in all material respects.

8.4. TITLE. Any and all matters shown or referred to in the Title Commitment to which Buyer has objected within the time specified in Section 4.1 shall have been cured by Seller, unless such objections have been waived by Buyer. The Title Company is irrevocably committed to issue an owner's extended coverage policy of title insurance containing no exceptions other than the Permitted Exceptions.

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

ARTICLE 9.

CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

ALL OBLIGATIONS OF SELLER TO CLOSE ON THE CLOSING DATE ARE SUBJECT TO THE FULFILLMENT OF EACH OF THE FOLLOWING CONDITIONS AT OR PRIOR TO THE CLOSING, AND BUYER SHALL EXERT ITS BEST EFFORTS TO CAUSE EACH SUCH CONDITION TO BE SO FULFILLED:

9.1. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Buyer contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

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

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

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

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

ARTICLE 10.

CLOSING

10.1. ESCROW AGENT. Upon execution of this Agreement, the Parties agree to set up an escrow account with **First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400** (the "Escrow Agent"). The Escrow Agent shall serve as Closing agent for the transaction contemplated herein and the Closing shall occur in the offices of Escrow Agent in Seattle, Washington.

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

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

Should the Council Approval Contingency not be met by July 31, 2013, the Parties may agree in writing to extend this date, or either Party may terminate the Agreement without default.

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

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

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

Except as otherwise provided in this Section 10.3.1, and Sections 4.2 and 4.3 above (which specify that Buyer shall be responsible for paying any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company), all other expenses hereunder shall be paid by the Party incurring such expenses.

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

(a) A deed conveying the Property in substantially the form of **EXHIBIT B** attached hereto;

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

10.5. BUYER'S DELIVERY OF DOCUMENTS AND PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver Cash or immediately available funds in the amount of the Purchase

Price.

ARTICLE 11. TERMINATION

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

ARTICLE 12. MISCELLANEOUS PROVISIONS

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

12.2. DEFAULT AND ATTORNEYS' FEES. In the event of default by either Party to this Agreement, the non-defaulting Party shall have the right to bring an action for specific performance, damages and any other remedies available to such Party at law or in equity. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

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

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

If to Buyer: Shirley Ann Cunningham C/O Chris Cunningham _____
20604 NE Novelty Hill Road, Redmond WA 98053 _____
Phone: 425-633-7905 _____

With a copy to: _____

Phone: _____

If to Seller: King County Administration Building
Real Estate Services Section
500 4th Avenue, Room 830
Seattle, Washington 98104

With a copy to: King County Prosecuting Attorney
King County Courthouse
516 Third Avenue, Room W400
Seattle, Washington 98104

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

SEPTIC DISCLOSURE LANGUAGE:

12.5. Onsite Sewage (Septic) System

12.5.1. Septic System Disclosure. Seller has disclosed to Buyer, and Buyer acknowledges, that the Property is served by a private on-site sewage system (“OSS”), specifically a septic system. Buyer further acknowledges that Seller has provided Buyer with available maintenance records pertaining to the OSS.

12.5.2. Monitoring and Performance Inspection. Seller will retain a licensed on-site system maintainer (“OSM”) to prepare an OSS monitoring inspection report (“Operation and Maintenance Report”) and to complete any other applicable requirements of the King County Board of Health Code (“KCBOHC”) Section 13.60.030. Upon the OSM’s completion of the requirements of KCBOH Section 13.60.030, and no later than the Closing Date, Seller will deliver to Buyer a copy of the Operation and Maintenance Report and a copy of any additional OSS maintenance records, if available. Pursuant to Section 3.2.4 of this Agreement, Buyer has waived the receipt of a seller disclosure statement in accordance with chapter 64.06 RCW.

12.5.3. Onsite Sewage System Operation and Maintenance Requirements.

Pursuant to KCBOHC Section 13.60.005, Buyer will become responsible for the operation and maintenance of the OSS upon Closing. Seller will deliver to Buyer a Seller's Notice of On-Site Sewage System Operation and Maintenance Requirements, which will be recorded on or before the Closing Date. Buyer shall deliver to Seller on or before the Closing Date a Buyer's Declaration of Receipt of a copy of the Notice of On-Site Sewage System Operation and Maintenance Requirements. In addition, Buyer shall pay the Operation and Maintenance Program Fee, as set forth in the applicable King County Board of Health fee schedule.

12.6. MISCELLANEOUS DISCLOSURES. By its signature on the line below, Buyer acknowledges that prior to mutual execution of this Agreement, Buyer received from Seller disclosure pamphlets regarding Lead, Mold & Moisture, and the Law of Real Estate Agency. Additionally, Buyer acknowledges that because of the age of any improvements located on the Property asbestos may be present in any such improvements. Buyer further acknowledges that it has received reports from Seller of septic system and private well maintenance and repairs, along with documentation regarding mold remediation performed during Seller's ownership of the Property.

Buyer: _____ Dated: _____

Buyer: _____ Dated: _____

12.6. AGENCY DISCLOSURE. Buyer is aware that B. Douglas Williams, the listing broker, is an employee of King County and that he represents the Seller, King County. Buyer is also aware that N/A of N/A represents Buyer.

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

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

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

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

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

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

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

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

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

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

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

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

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

12.19. FACSIMILE AND E-MAIL TRANSMISSIONS. The Parties agree that facsimile and e-mail transmissions of any signed original documentation forming this Agreement shall be the same as the original, and the delivery of the original, provided that documents are emailed to

both Seller and Buyer at the email addresses provided below. At the request of either Party or of the Escrow Agent, original hard copy documents bearing the original signatures shall be substituted in place of facsimiles or email transmissions.

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

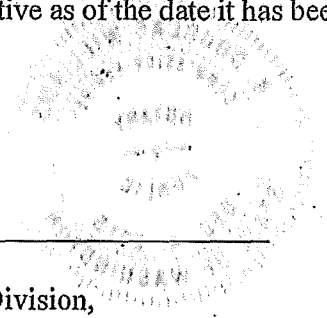
_____ as Buyer, to _____
Buyer Buyer's email
With copies to _____ for Buyer _____

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

12.21. Effective Date. This Agreement shall be effective as of the date it has been signed and notarized by both Parties (the "Effective Date").

SELLER: KING COUNTY

BY: Stephen L. Salyer
Stephen L. Salyer, Manager
Department of Executive Services, Facilities Management Division,
Real Estate Services Section



DATE: 4/11/13

APPROVED AS TO FORM:

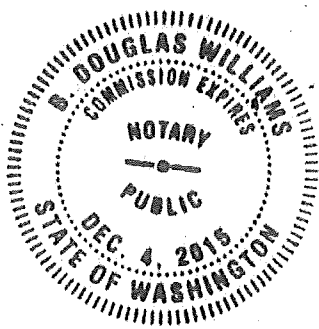
By Cheryl D. Carlson
Deputy Prosecuting Attorney

STATE OF WASHINGTON
COUNTY OF KING

}
SS.

On this day personally appeared before me Stephen L. Salyer, to me known to be the Manager of the Real Estate Services Section of KING COUNTY, the 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 home rule charter county 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 16th day of April, 2013.



[Handwritten Signature]

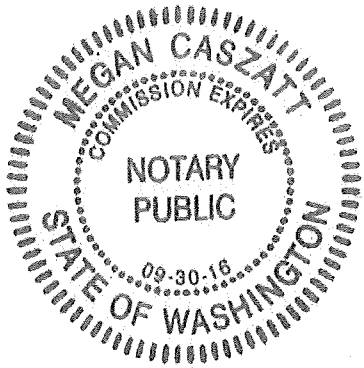
Printed Name: B. Douglas Williams
NOTARY PUBLIC in and for the State of Washington,
residing at SEATTLE, WASHINGTON
My Commission Expires December 4, 2015

BUYER: *Shirley A. Cunningham*
SHIRLEY ANN CUNNINGHAM
DATE: *April 9, 2013.*

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this day personally appeared before me **Shirley Ann Cunningham** to me known to be the person who executed the foregoing instrument, and acknowledged such instrument to be her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 9th day of April, 2013.



[Signature]
Printed Name Megan Caszatt
NOTARY PUBLIC in and for the State of Washington,
residing at 1415 140th Ave Bellevue WA 98005
My Commission Expires 9/30/16

EXHIBIT A

LEGAL DESCRIPTION

To the Real Estate Purchase and Sale Agreement

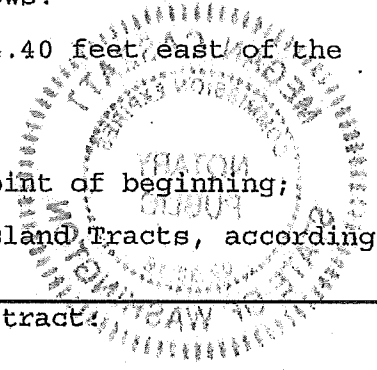
Dated ~~March~~, 2013 *April 9, 2013* *SC*

**Between Shirley Ann Cunningham ("Buyer")
and King County ("Seller")**

That portion of the southeast quarter of Section 32, Township 26 North, Range 6 East, W.M., described as follows:

Beginning at a point 70.00 feet north and 784.40 feet east of the south quarter corner of said Section 32;
thence north 02°54'00" west 200 feet;
thence south 89°43'15" east 75 feet;
thence south 02°54'00" east 200 feet;
thence north 89°50'00" west 75 feet to the point of beginning;

(BEING KNOWN AS a portion of Tract 13; Stromsland Tracts, according to the unrecorded plat thereof).



The south 115 feet of the following described tract:

Beginning north 2°38'12" west 40 feet and south 89°50' east, 659.40 feet from the south quarter corner of Section 32, Township 26 North, Range 6 East, W.M., in King County, Washington and the TRUE POINT OF BEGINNING;
thence south 89°50' east, 125 feet;
thence north 2°54' west 380 feet;
thence north 89°50' west, 125 feet;
thence south 2°54' west 380 feet to the TRUE POINT OF BEGINNING;
EXCEPT the south 30 feet for N.E. 100th Street;
AND EXCEPT the west 20 feet for 206th Avenue N.E.

RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for public right-of-way and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office, and lying west of a line parallel with and offset 30.00 feet east of the centerline of 206th Avenue Northeast per the plat of Stromsland Tracts, according to the unrecorded plat thereof, and lying westerly, southwesterly, and southerly of a tangent 25.00 foot radial curve joining said parallel offset centerlines, said curve being concave to the northeast.

Containing 3,173 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,502 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

Through the foregoing Easements reserved herein, King County reserves unto itself in perpetuity the right, but not the obligation, to enter upon at all times and use the Easement Areas for the general benefit of King County for any lawful purpose, including, but not limited to, right-of-way and all related uses.

AND ALSO RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for the general benefit of King County, including but not limited to utilities, roadway and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,313 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,127 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

RECORDING BLOCK**EXHIBIT B****STATUTORY WARRANTY DEED AS TO FORM**

**To The Real Estate Purchase and Sale Agreement,
Dated _____
Between Shirley Ann Cunningham ("Buyer") and King County ("Seller")
Parcel Numbers 805350-0264 and 805350-0266**

The Grantor herein, **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington ("Grantor") for and in consideration of TEN DOLLARS (\$10.00) and other valuable consideration, conveys and warrants to Shirley Ann Cunningham ("Grantee"), all interest in the following described parcels (Parcel Numbers 805350-0265 and 805350-0266) of property (hereinafter together referred to as the "Property"):

That portion of the southeast quarter of Section 32, Township 26 North, Range 6 East, W.M., described as follows:

Beginning at a point 70.00 feet north and 784.40 feet east of the south quarter corner of said Section 32;
thence north 02°54'00" west 200 feet;
thence south 89°43'15" east 75 feet;
thence south 02°54'00" east 200 feet;
thence north 89°50'00" west 75 feet to the point of beginning;

(BEING KNOWN AS a portion of Tract 13; Stromsland Tracts, according to the unrecorded plat thereof).

The south 115 feet of the following described tract:

Beginning north 2°38'12" west 40 feet and south 89°50' east, 659.40 feet from the south quarter corner of Section 32, Township 26 North, Range 6 East, W.M., in King County, Washington and the TRUE POINT OF BEGINNING;
thence south 89°50' east, 125 feet;
thence north 2°54' west 380 feet;
thence north 89°50' west, 125 feet;
thence south 2°54' west 380 feet to the TRUE POINT OF BEGINNING;
EXCEPT the south 30 feet for N.E. 100th Street;
AND EXCEPT the west 20 feet for 206th Avenue N.E.

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

[ANY RESERVATIONS OF RECORD]

RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for public right-of-way and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office, and lying west of a line parallel with and offset 30.00 feet east of the centerline of 206th Avenue Northeast per the plat of Stromsland Tracts, according to the unrecorded plat thereof, and lying westerly, southwesterly, and southerly of a tangent 25.00 foot radial curve joining said parallel offset centerlines, said curve being concave to the northeast.

Containing 3,173 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,502 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

Through the foregoing Easements reserved herein, King County reserves unto itself in perpetuity the right, but not the obligation, to enter upon at all times and use the Easement Areas for the general benefit of King County for any lawful purpose, including, but not limited to, right-of-way and all related uses.

AND ALSO RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for the general benefit of King County, including but not limited to utilities, roadway and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,313 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,127 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

Through the foregoing Easements reserved herein, King County reserves unto itself in perpetuity the right, but not the obligation, to enter upon at all times and use the Easement Areas for the general benefit of King County for any lawful purpose, including, but not limited to, the installation of utilities and telecommunications equipment and facilities, the right to construct, reconstruct, own, install hardscape, walls or other structures, the right to inspect, repair, replace, renovate, enhance and manage the Easement Areas, including but not limited to grading, surfacing, fencing, lighting, landscaping, posting signage, and preserving and maintaining any improvements that may be made thereon for the general benefit of King County, and also the right to plant, cut, prune, remove and dispose of any and all trees, plants, brush or vegetation in the Easement Areas, and to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, plants, brush or other vegetation in the Easement Areas.

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

The reservation of each of the foregoing Easements includes the right to use whatever vehicles and equipment may be deemed necessary and appropriate by the Grantor in connection with any of the foregoing activities.

Each of the Easements reserved herein include the right, but not the obligation, to keep the Easement Areas free of obstructions, encroachments and any interference with Grantor's use.

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

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

Nothing in any of the Easements reserved herein will be considered to diminish King County's governmental or police powers.

The benefits, burdens, covenants, terms, conditions, and restrictions of each of the Easements reserved herein shall be binding upon, and inure to the benefit of, Grantor King County and its heirs, successors, and assigns, shall continue as servitudes and easements running in perpetuity with the Property or any parts thereof, and shall be included in any future deed conveying the Property or any parts thereof.

EXHIBIT C

PROMISSORY NOTE

To the Real Estate Purchase and Sale Agreement,
Dated ~~March~~ April 9, 2013 ^{XC} 2013
Between Shirley Ann Cunningham ("Buyer")
and King County ("Seller")

\$ 9,750.00

Dated: April 9, 2013

Seattle, Washington

FOR VALUE RECEIVED, the undersigned, Shirley Ann Cunningham ("Maker"), hereby promise to pay to the order of FIRST AMERICAN TITLE INSURANCE COMPANY ("Holder"), 818 Stewart Street, Suite 800, Seattle, Washington 98101, the principal sum of NINE THOUSAND SEVEN HUNDRED FIFTY AND NO/100THS DOLLARS (\$9,750.00), payable in accordance with that certain Real Estate Purchase and Sale Agreement dated ~~February~~ April 9, 2013 ^{XC} 2013, with King County as Seller (the "Agreement").

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

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

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

MAKER: Shirley Ann Cunningham

By: N/A

Its: N/A

EXHIBIT D**Certificate of Non-Foreign Status.**

Assessor's Parcel Number _____
To the Real Estate Purchase and Sale Agreement,
Dated _____
Between _____ ("Buyer")
and King County ("Seller")

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

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Transferor's United States employer identification number is 91-6001327; and
3. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 830 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104
4. Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

DATED this _____ day of _____, 2013.

TRANSFEROR: KING COUNTY

By: _____
STEPHEN L. SALYER

Title: MANAGER REAL ESTATE SERVICES SECTION

EXHIBIT E

KING COUNTY ON-SITE SEWAGE SYSTEM DISCLOSURE FORM

**To the Real Estate Purchase and Sale Agreement,
Dated _____**

**Between _____ (“Buyer”)
3and King County (“Seller”)**

***SEE FOLLOWING PAGE* _____**

KING COUNTY ON-SITE SEWAGE SYSTEM DISCLOSURE FORM

King County Code 8.60.020 requires the following disclosure or alternative waiver form to be completed prior to entry into a binding agreement to purchase. Three copies of each disclosure or alternative waiver must be prepared. One copy shall be retained by the prospective Seller; one copy shall be retained by the prospective Buyer. If the prospective Buyer enters into a binding agreement to purchase, the Seller shall file the third copy with the King County Department of Records and Elections when other documents are recorded. A violation by any Seller or Seller's agent of any provision of Ordinance No. 1490 may result in assessment of a civil penalty.

NOTICE TO BUYER

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

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

SELLER'S REPRESENTATIONS

ON-SITE SEWAGE SYSTEM EVALUATION. Seller must complete either Statement A or Statement B as appropriate.

A. My agent _____ (Name of Agent), a registered civil or sanitary engineer or certificated sewage disposal system designer, has conducted an evaluation on this parcel: (Legal Description)

The evaluation was conducted on _____ (Date). From the evaluation, my agent concluded that an on-site system could could not be installed on this parcel in conformance with standards set by King County and in effect at the date of the evaluation.

I represent that the statements above are true.

Seller's Signature Date

B. No on-site sewage system evaluations have been conducted on this parcel: (Legal Description)

I have no knowledge material to a determination whether an on-site sewage system may be installed on this parcel, except as follows: (To be completed by seller).

I represent that the statements above are true.

Seller's Signature Date

BUYER'S SIGNATURE

I have read this statement and understand its contents.

Prospective Buyer's Signature Date

WAIVER (IN THE ALTERNATIVE)

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

Unconditionally

OR

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

Prospective Buyer's Signature Date

July 31, 2013

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

Dear Councilmember Gossett:

This letter transmits an ordinance authorizing the sale of a surplus 13,500 square foot lot improved with a 1,280 square foot home, plus an adjacent vacant 8,919 square foot lot owned by Road Services Division (Roads). The house is located at 20604 NE Novelty Hill Road, and the adjacent vacant lot is located at 10004 - 206th Avenue NE, in the Redmond area, in Council District 3. The properties were purchased for the widening of Novelty Hill Road. Now that the project is complete, the remaining portions are no longer needed for Roads use.

The purchase price for the proposed sale is \$195,000 based on appraised fair market value. The purchase and sale agreement was approved by the Prosecuting Attorney's Office and reserves a right-of-way easement along the westerly and south property lines for any future road widening.

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

The proposed buyer is the existing tenant for the last 12 years, Shirley Ann Cunningham. FMD recommends this direct negotiated sale due to unique circumstances which make the sale in the best interests of the public in conformance with KCC 4.56.100 (A2). Sale to the tenant will result in significant cost savings compared to the cost of an open-market transaction. The County will not incur the standard 3% commission (\$5,850) payable to an outside broker or other marketing expense. Clean-up costs and supervision of tenant move-out will be avoided, which would otherwise be significant due to the interior condition and storage at the site. In addition, a direct negotiated sale assures receipt of the County's full appraised value without further price negotiations.

The Honorable Larry Gossett
July 31, 2013
Page 2

The buyer plans to utilize conventional financing and has been pre-qualified by her lender for the County's full appraised value of \$195,000. The buyer intends to continue to reside in the house as a single family residence.

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

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

Sincerely,

Dow Constantine
King County Executive

Enclosures

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

ATTACHMENT A TO NOVELTY HILL TRANSMITTAL LETTER

PROPERTY SUMMARY

Address: 20604 NE Novelty Hill Road, Redmond area

Sale Price: \$195,000

Size: .51 acres (13,500 & 8,919 sf.)

Assessor's Parcel: 805350-0264 & 805350-0266

Zoning: RA-5-P

Council District: Three (Councilmember Kathy Lambert)

Funding Source: Roads Operating Fund 1030

Declared Surplus: October 8th, 2012

Property Synopsis: This property sale contains two adjacent lots, the primary lot is improved with a 1,280 square foot house. The second lot is encumbered with access rights. The entire property is level. The property was originally two improved lots with houses prior to acquisition for road widening needs. Due to those needs one house had to be demolished and access for the remaining house was relocated from Novelty Hill Road to 206th.

Surplus Process: FMD circulated surplus property notices to King County agencies. None expressed interest and the property was determined to be not suitable for affordable housing.

Marketing and Sale: FMD determined it was more economical and timely to use a direct negotiated sale with the long term tenant, saving a 3% commission, needed maintenance and clean-up costs, etc.

Appraisal Summary: The two parcels of the property were appraised for \$195,000 effective June 27, 2012. The subject property consists of an average quality 1960's rambler with limited updating over the past 20 years (except some newer windows), that needs a variety of repairs. The house is located close to a busy road, and the former front entry is rendered nearly obsolete with planned roadway improvements. The neighborhood is about 85% developed to single family homes that vary widely in age, quality and condition.

Sale Comparables For: 20604 NE Novelty Hill Road (house on lot), Redmond area

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
	20604 NE Novelty Hill Road	10009 206 th Ave NE	9203 210 th Ave NE	7203 234 th Ave NE	20645 NE 76 th Place
Sale Price		\$153,000	\$198,000	\$199,000	\$215,000
Sale Date		1/26/2012	11/8/2011	7/20/2011	6/23/2011
Size Above Grade	13,500 sf 1,280 sf	39,702 sf 1,440 sf	10,170 sf 1,360 sf	9,686 sf 910 sf	10,115 sf 910 sf
Location	Novelty traffic	Novelty traffic	Quiet neighborhood	Private cul-de-sac	Moderate traffic
Utilities	Septic	Septic	Septic	Septic	Septic
Net Adjustment		-\$31,100	-\$23,300	-\$22,550	-\$23,300
Adjusted Price	\$165,000	\$121,900	\$174,700	\$176,450	\$189,950

Sale Comparables For: 10004 206th Ave. NE (adjacent lot), Redmond area

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
	10004 206 th Ave. NE	45xx Ames Lk Carnation Rd	12407 184 th Ave NE	2115 NE 78 th St Redmond	20236 Novelty Hill Road
Sale Price		\$15,000	\$20,000	\$50,000	\$180,000
Sale Date		6/6/2012	2/1/2012	3/19/2012	6/15/2011
Size	8,919 sf (0.20 ac)	38,768 sf (0.89 ac)	34,960 sf (0.80 ac)	62,726 sf (1.44 ac)	135,471 sf (3.11 ac)
Zoning	RA-5P Rural Residential	RA-5 Residential Redmond	R1 Residential City of Redmond	RA-5 Residential Redmond	RA-5 Residential Redmond
Utilities	Septic maybe possible	Septic maybe possible	Does not perc	Septic	Need Septic approval
Price	\$30,000	\$15,000	\$20,000	\$50,000	\$180,000

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FISCAL NOTE

Ordinance/Motion No. 00-	
Title:	Sale of Surplus Property - 20604 NE Novelty Hill Road / 10004 206th Avenue NE, Redmond area
Affected Agency and/or Agencies:	DOT/RSD, DES/FMD
Note Prepared By:	Doug Williams
Note Reviewed By:	Shelley De Wys

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue to:

Fund/Agency	Fund	Revenue	Current Year	1st Year	2nd Year	3rd Year
Real Estate Services	0010	39512	16,078	0	0	0
Roads Division	1030		178,922			
TOTAL			195,000	0	0	0

Expenditures from:

Fund/Agency	Fund	Revenue	Current Year	1st Year	2nd Year	3rd Year
				0	0	0
TOTAL				0	0	0

Expenditure by Categories:

	Current Year	1st Year	2nd Year	3rd Year
		0	0	0
TOTAL		0	0	0

NOTES:

CURRENT YEAR TOTALS

Gross Sale Price:		\$195,000
Less: Costs of Sale		
<u>Sale Negotiations, Purchase and Sale Agreement, Legislation:</u>		
Doug Williams, RES	\$195000 x 3% =	\$ 5,850
<u>Appraisal:</u>		
2012 - Two Summary Appraisals (house/lot and vacant lot) ¹		
Internal Report: John Ely - 77 hours @ \$120.12/hour =		9,242
<u>Preliminary Title Commitment: First American Title²</u>		N/A
Title Report - House		493
Title Report - Lot		493
		<u>\$ 16,078</u>
Total Costs of Sale		<u>(\$16,078)</u>
NET PAYMENT TO ROADS (less closing costs)		<u>\$178,922</u>

¹ Significant appraisal work was required to determine the potential developability and consequent value of the subject properties

² Title Report payable by Buyer at closing

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1

August 30, 2013

wsh

Sponsor: McDermott

Proposed No.: 2013-0363

1 **AMENDMENT TO PROPOSED ORDINANCE 2013-0363, VERSION 1**

2 Delete Attachment A, Real Estate Purchase and Sale Agreement, and insert Attachment
3 A, Real Estate Purchase and Sale Agreement, dated August 30, 2013

4 **EFFECT:**

5 **Inserts corrected Purchase and Sale Agreement with signed miscellaneous**
6 **disclosures and on-site sewage system disclosure forms.**

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ATTACHMENT A:

REAL ESTATE PURCHASE AND SALE AGREEMENT

August 30, 2013

Effective Date:

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 home rule charter county and political subdivision of the State of Washington (the "Seller") and Shirley Ann Cunningham, an unmarried person, residing at 20604 NE Novelty Hill Road, Redmond, WA 98053, (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 12.21 of this Agreement.

RECITALS

A. Seller is the owner of those certain contiguous real properties located in unincorporated King County, Washington, which consist of a total approximate 27,075 (15,000 and 12,075) square feet, and which are identified as Assessor's Parcel Numbers 805350-0264 and 805350-0266. These parcels are located at 20604 NE Novelty Hill Road in the Redmond area of unincorporated King County, the legal descriptions for which are attached hereto and incorporated herein by this reference as **EXHIBIT A** (both parcels will hereinafter be referred to together as the "Property").

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

AGREEMENT

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

ARTICLE 1.

PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Subject to and upon the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date (as defined in Article 10.2 below) and Buyer shall buy, assume and accept from Seller on the Closing Date the following assets and properties:

(a) all the Seller's right, title and interest in the Property, as described in **EXHIBIT A**; subject to Seller's retention of reservations as described in **EXHIBIT B** (the form of deed), which is attached hereto and incorporated herein by this reference, including but not

limited to the reservation of easements for right-of-way and all related purposes, including future road widening, and the reservation of easements for the general benefit of King County as provided for in Exhibit B and in Section 4.4.1 of this Agreement;

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

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

(d) all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller and attached or appurtenant to the Property ("Personal Property").

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

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the sale, transfer, conveyance, assignment and delivery of the Purchased Assets, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of One Hundred Ninety Five Thousand AND NO/100ths DOLLARS (\$195,000.00) (the "Purchase Price").

2.2 BUYER'S FINANCING CONTINGENCY. This Agreement is contingent on Buyer obtaining a residential real estate loan for purchase of the Property (the "Financing Contingency.")

2.2.1. Within two (2) business days of Seller's written notification to Buyer that an ordinance authorizing this transaction has been transmitted to the King County Council for consideration and approval. Buyer shall submit to its lender a completed loan application and submit to Seller proof thereof. Buyer shall have thirty (30) calendar days thereafter to secure a written loan commitment from Buyer's lender (the "Financing Contingency Expiration Date"), by which date Buyer shall, by written notice to Seller, either (a) waive the Financing Contingency or (b) terminate this Agreement. If Buyer fails to notify Seller by the Financing Contingency Expiration Date that the Financing Contingency is waived or the Agreement terminated, the Financing Contingency shall be deemed waived.

2.2.2. Should the Council Approval Contingency provided for at Section 5.2 of this Agreement not be satisfied by the date the loan commitment from Buyer's lender expires,

either Party to this Agreement may, by written notice to the other Party, terminate this Agreement.

2.3. EARNEST MONEY. Not later than two (2) business days following the mutual execution of this Agreement, Buyer shall deposit with Escrow Agent (defined in Section 10.1 of this Agreement) a promissory note in the form attached hereto as **EXHIBIT C** the amount of Nine Thousand Seven Hundred Fifty AND NO/100 DOLLARS (\$ 9,750.00), or five percent (5%) of the Purchase Price, as the initial earnest money deposit (the "Earnest Money Note"). Within two (2) business days after satisfaction of the Due Diligence Inspection, Feasibility Contingency removal, including securing financing, set forth in Section 5.1 of this Agreement, the Earnest Money Note shall be replaced with cash in the same amount as the Earnest Money Note and such cash shall be deposited into escrow as the earnest money (the "Earnest Money"). Upon closing of this transaction, the Earnest Money will be applied toward the Purchase Price that is due Seller. Should Buyer default on its obligations under this Agreement, the Seller shall be entitled to retain the Earnest Money as liquidated damages.

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

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

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

3.1.1. Definition of Seller. The Seller is a home rule charter county and political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.1.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a home rule charter county and political subdivision of the State of Washington, (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party or which is presently in effect and applicable to Seller. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.

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

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

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

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

3.1.6. 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.

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

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

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

(ii) sell, dispose of or encumber any portion of the Property;

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

3.1.10 Condition of the Property.

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

(i) The water, soil and geology;

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

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

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

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

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

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

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

(c) Without limitation, Seller does not make and specifically disclaims any warranties, express or implied, any warranties or representations with respect to the structural condition of the Purchased Assets, the area of land being purchased, the existence or non-existence of any Hazardous Substances or underground storage tanks, or the actual or threatened release, deposit, seepage, migration or escape of Hazardous Substances, from or into the Purchased Assets, and the compliance or noncompliance of the Purchased Assets with applicable federal, state, county and local laws and regulations, including, without limitation, environmental laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term "Hazardous Substances" shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials, chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

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

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

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

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

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

3.2.1. Buyer's Legal Status. Buyer is an unmarried person.

3.2.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Buyer is within the power and authority of Buyer as an unmarried person. 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.

(a) Buyer acknowledges and accepts Seller's disclaimer of the Property condition in Section 3.1.9 of this Agreement.

(b) Buyer acknowledges that, within the Due Diligence Period (as defined in Article 5.1 below), it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Purchased Assets. Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations.

(c) Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1 of this Agreement, and to the extent of any fraud or deliberate misrepresentation by Seller, Seller shall have no liability for, and that Buyer shall have no recourse against the Seller for, any defect or deficiency of any kind whatsoever in the Property including without limitation those relating to Hazardous Substances, without regard to whether such defect or deficiency was discovered or discoverable by the Buyer or Seller.

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

3.2.7. Indemnification. From and after Closing, 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. This Section 3.2.7 shall survive Closing and the expiration or earlier termination of this Agreement.

3.2.8. Broker. Buyer is solely responsible for and agrees to pay a commission in accordance with any listing or commission agreement to which Buyer is a party, if applicable.

ARTICLE 4. TITLE MATTERS

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

4.2. Title Commitment. Buyer shall, at its expense, obtain a current owner's standard policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400 (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

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

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

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

4.4. CONVEYANCE. Seller shall convey to Buyer the title to the Property by deed, in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions and reservations of Seller that may be defined in **EXHIBIT B**. Rights reserved in federal patents or state deeds, building or use restrictions general to the district, and building or zoning regulations or provisions shall be deemed Permitted Exceptions.

4.4.1. Reservation of Easements. The conveyance deed described in Section 4.4 above shall include the reservation by Seller of permanent easements for right-of-way and related uses as well as easements for the general benefit of King County as provided for with specificity in Exhibit B.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense and in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval. If Buyer approves of the condition of the Property, Buyer agrees to notify Seller, in writing, thereby removing the contingency. Buyer shall make such determination within ninety calendar (90) days following the date of mutual execution of this Agreement ("Due Diligence Period");

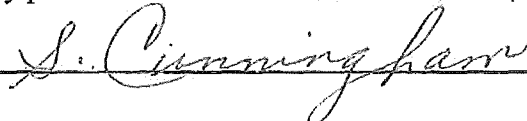
provided, however, that Buyer may, as provided for in Section 5.1.3 of this Agreement and at its sole and absolute discretion, waive its right to conduct further due diligence and feasibility investigation and inspection, thereby removing this contingency concurrent with the date of mutual execution of this Agreement. In the event this contingency is not satisfied or waived within the Due Diligence Period, Buyer may terminate this Agreement upon written notice to Seller on or before the expiration of the Due Diligence Period, and neither Party shall have any further rights or obligations to the other hereunder and the Earnest Money Note shall be returned.

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

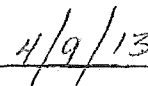
5.1.2. Right of Entry. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property pursuant to a County permit and conduct the tests, investigations and studies set forth in this Article 5 upon three (3) business days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. The Buyer will not be permitted to undertake activities that damage County property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. If Buyer undertakes any invasive tests or activities disruptive to the Property, Buyer shall restore the Property to its original condition or better. In connection with such inspections, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Buyer caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering Seller's property for the above purposes, to the extent not caused by or arising out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3. WAIVER OF DUE DILIGENCE INSPECTION AND FEASIBILITY CONTINGENCY. By its signature set forth on the line below, Buyer acknowledges that it is satisfied that the condition of the Property for Buyer's contemplated use meets with its approval and that Buyer has, at its sole and absolute discretion, elected to waive its right to conduct further due diligence investigation and inspection as provided for in Section 5.1 of this Agreement and the contingency provided therein is therefore satisfied.

BUYER:



Dated:



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

**ARTICLE 6.
COVENANTS OF SELLER PENDING CLOSING**

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

**ARTICLE 7.
COVENANTS OF BUYER PENDING CLOSING**

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

**ARTICLE 8.
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

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

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

8.2. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Seller contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

8.3. OBLIGATIONS. All obligations required by the terms of this Agreement to be

performed by Seller at or before Closing shall have been properly performed in all material respects.

8.4. TITLE. Any and all matters shown or referred to in the Title Commitment to which Buyer has objected within the time specified in Section 4.1 shall have been cured by Seller, unless such objections have been waived by Buyer. The Title Company is irrevocably committed to issue an owner's extended coverage policy of title insurance containing no exceptions other than the Permitted Exceptions.

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

ARTICLE 9.

CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

ALL OBLIGATIONS OF SELLER TO CLOSE ON THE CLOSING DATE ARE SUBJECT TO THE FULFILLMENT OF EACH OF THE FOLLOWING CONDITIONS AT OR PRIOR TO THE CLOSING, AND BUYER SHALL EXERT ITS BEST EFFORTS TO CAUSE EACH SUCH CONDITION TO BE SO FULFILLED:

9.1. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Buyer contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

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

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

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

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

ARTICLE 10.

CLOSING

10.1. ESCROW AGENT. Upon execution of this Agreement, the Parties agree to set up an escrow account with **First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400** (the "Escrow Agent"). The Escrow Agent shall serve as Closing agent for the transaction contemplated herein and the Closing shall occur in the offices of Escrow Agent in Seattle, Washington.

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

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

Should the Council Approval Contingency not be met by July 31, 2013, the Parties may agree in writing to extend this date, or either Party may terminate the Agreement without default.

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

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

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

Except as otherwise provided in this Section 10.3.1, and Sections 4.2 and 4.3 above (which specify that Buyer shall be responsible for paying any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company), all other expenses hereunder shall be paid by the Party incurring such expenses.

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

(a) A deed conveying the Property in substantially the form of **EXHIBIT B** attached hereto;

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

10.5. BUYER'S DELIVERY OF DOCUMENTS AND PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver Cash or immediately available funds in the amount of the Purchase

Price.

ARTICLE 11. TERMINATION

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

ARTICLE 12. MISCELLANEOUS PROVISIONS

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

12.2. DEFAULT AND ATTORNEYS' FEES. In the event of default by either Party to this Agreement, the non-defaulting Party shall have the right to bring an action for specific performance, damages and any other remedies available to such Party at law or in equity. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

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

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

If to Buyer: Shirley Ann Cunningham C/O Chris Cunningham _____
20604 NE Novelty Hill Road, Redmond WA 98053 _____
Phone: 425-633-7905 _____

With a copy to: _____

Phone: _____

If to Seller: King County Administration Building
Real Estate Services Section
500 4th Avenue, Room 830
Seattle, Washington 98104

With a copy to: King County Prosecuting Attorney
King County Courthouse
516 Third Avenue, Room W400
Seattle, Washington 98104

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

SEPTIC DISCLOSURE LANGUAGE:

12.5. Onsite Sewage (Septic) System

12.5.1. Septic System Disclosure. Seller has disclosed to Buyer, and Buyer acknowledges, that the Property is served by a private on-site sewage system ("OSS"), specifically a septic system. Buyer further acknowledges that Seller has provided Buyer with available maintenance records pertaining to the OSS.

12.5.2. Monitoring and Performance Inspection. Seller will retain a licensed on-site system maintainer ("OSM") to prepare an OSS monitoring inspection report ("Operation and Maintenance Report") and to complete any other applicable requirements of the King County Board of Health Code ("KCBOHC") Section 13.60.030. Upon the OSM's completion of the requirements of KCBOH Section 13.60.030, and no later than the Closing Date, Seller will deliver to Buyer a copy of the Operation and Maintenance Report and a copy of any additional OSS maintenance records, if available. Pursuant to Section 3.2.4 of this Agreement, Buyer has waived the receipt of a seller disclosure statement in accordance with chapter 64.06 RCW.

12.5.3. Onsite Sewage System Operation and Maintenance Requirements.

Pursuant to KCBOHC Section 13.60.005, Buyer will become responsible for the operation and maintenance of the OSS upon Closing. Seller will deliver to Buyer a Seller's Notice of On-Site Sewage System Operation and Maintenance Requirements, which will be recorded on or before the Closing Date. Buyer shall deliver to Seller on or before the Closing Date a Buyer's Declaration of Receipt of a copy of the Notice of On-Site Sewage System Operation and Maintenance Requirements. In addition, Buyer shall pay the Operation and Maintenance Program Fee, as set forth in the applicable King County Board of Health fee schedule.

12.6. MISCELLANEOUS DISCLOSURES. By its signature on the line below, Buyer acknowledges that prior to mutual execution of this Agreement, Buyer received from Seller disclosure pamphlets regarding Lead, Mold & Moisture, and the Law of Real Estate Agency. Additionally, Buyer acknowledges that because of the age of any improvements located on the Property asbestos may be present in any such improvements. Buyer further acknowledges that it has received reports from Seller of septic system and private well maintenance and repairs, along with documentation regarding mold remediation performed during Seller's ownership of the Property.

Buyer: Shirley A. Cunningham Dated: 8/16/13
Buyer: _____ Dated: _____

12.6. AGENCY DISCLOSURE. Buyer is aware that B. Douglas Williams, the listing broker, is an employee of King County and that he represents the Seller, King County. Buyer is also aware that N/A of N/A represents Buyer.

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

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

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

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

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

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

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

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

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

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

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

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

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

12.19. FACSIMILE AND E-MAIL TRANSMISSIONS. The Parties agree that facsimile and e-mail transmissions of any signed original documentation forming this Agreement shall be the same as the original, and the delivery of the original, provided that documents are emailed to

both Seller and Buyer at the email addresses provided below. At the request of either Party or of the Escrow Agent, original hard copy documents bearing the original signatures shall be substituted in place of facsimiles or email transmissions.

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

_____ as Buyer, to _____

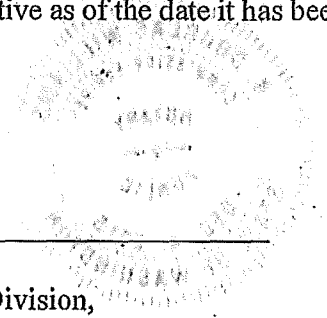
Buyer _____ Buyer's email _____
With copies to _____ for Buyer _____

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

12.21. Effective Date. This Agreement shall be effective as of the date it has been signed and notarized by both Parties (the "Effective Date").

SELLER: KING COUNTY

BY: Stephen L. Salyer
Stephen L. Salyer, Manager
Department of Executive Services, Facilities Management Division,
Real Estate Services Section



DATE: 4/11/13

APPROVED AS TO FORM:

By Cheryl D. Carlson
Deputy Prosecuting Attorney

STATE OF WASHINGTON

COUNTY OF KING

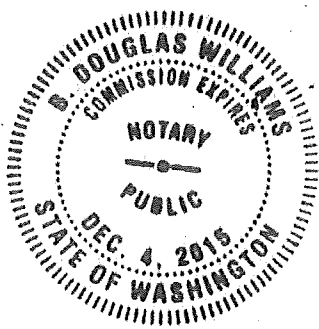


ss.

On this day personally appeared before me Stephen L. Salyer, to me known to be the Manager of the Real Estate Services Section of KING COUNTY, the 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 home rule charter county 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 16th day of April, 2013.

[Handwritten signature of B. Douglas Williams]



Printed Name: B. Douglas Williams
NOTARY PUBLIC in and for the State of Washington,
residing at SEATTLE, WASHINGTON
My Commission Expires December 4, 2015

BUYER:

[Handwritten signature of Shirley Ann Cunningham]

SHIRLEY ANN CUNNINGHAM

DATE:

April 9, 2013.

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this day personally appeared before me **Shirley Ann Cunningham** to me known to be the person who executed the foregoing instrument, and acknowledged such instrument to be her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 9th day of April, 2013.



[Signature]
Printed Name Megan Caszatt
NOTARY PUBLIC in and for the State of Washington,
residing at 1415 140th Ave Bellevue WA 98005
My Commission Expires 9/30/16

EXHIBIT A

LEGAL DESCRIPTION

To the Real Estate Purchase and Sale Agreement

Dated ~~March~~, 2013 *April 9, 2013* *SC*Between Shirley Ann Cunningham ("Buyer")
and King County ("Seller")

That portion of the southeast quarter of Section 32, Township 26 North, Range 6 East, W.M., described as follows:

Beginning at a point 70.00 feet north and 784.40 feet east of the south quarter corner of said Section 32;
thence north 02°54'00" west 200 feet;
thence south 89°43'15" east 75 feet;
thence south 02°54'00" east 200 feet;
thence north 89°50'00" west 75 feet to the point of beginning;

(BEING KNOWN AS a portion of Tract 13; Stromsland Tracts, according to the unrecorded plat thereof).

The south 115 feet of the following described tract:

Beginning north 2°38'12" west 40 feet and south 89°50' east, 659.40 feet from the south quarter corner of Section 32, Township 26 North, Range 6 East, W.M., in King County, Washington and the TRUE POINT OF BEGINNING;

thence south 89°50' east, 125 feet;
thence north 2°54' west 380 feet;
thence north 89°50' west, 125 feet;
thence south 2°54' west 380 feet to the TRUE POINT OF BEGINNING;
EXCEPT the south 30 feet for N.E. 100th Street;
AND EXCEPT the west 20 feet for 206th Avenue N.E.

RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for public right-of-way and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office, and lying west of a line parallel with and offset 30.00 feet east of the centerline of 206th Avenue Northeast per the plat of Stromsland Tracts, according to the unrecorded plat thereof, and lying westerly, southwesterly, and southerly of a tangent 25.00 foot radial curve joining said parallel offset centerlines, said curve being concave to the northeast.

Containing 3,173 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,502 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

Through the foregoing Easements reserved herein, King County reserves unto itself in perpetuity the right, but not the obligation, to enter upon at all times and use the Easement Areas for the general benefit of King County for any lawful purpose, including, but not limited to, right-of-way and all related uses.

AND ALSO RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for the general benefit of King County, including but not limited to utilities, roadway and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,313 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,127 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

RECORDING BLOCK**EXHIBIT B****STATUTORY WARRANTY DEED AS TO FORM**

**To The Real Estate Purchase and Sale Agreement,
Dated _____
Between Shirley Ann Cunningham ("Buyer") and King County ("Seller")
Parcel Numbers 805350-0264 and 805350-0266**

The Grantor herein, **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington ("Grantor") for and in consideration of TEN DOLLARS (\$10.00) and other valuable consideration, conveys and warrants to Shirley Ann Cunningham ("Grantee"), all interest in the following described parcels (Parcel Numbers 805350-0265 and 805350-0266) of property (hereinafter together referred to as the "Property"):

That portion of the southeast quarter of Section 32, Township 26 North, Range 6 East, W.M., described as follows:

Beginning at a point 70.00 feet north and 784.40 feet east of the south quarter corner of said Section 32;
thence north 02°54'00" west 200 feet;
thence south 89°43'15" east 75 feet;
thence south 02°54'00" east 200 feet;
thence north 89°50'00" west 75 feet to the point of beginning;

(BEING KNOWN AS a portion of Tract 13; Stromsland Tracts, according to the unrecorded plat thereof).

The south 115 feet of the following described tract:

Beginning north 2°38'12" west 40 feet and south 89°50' east, 659.40 feet from the south quarter corner of Section 32, Township 26 North, Range 6 East, W.M., in King County, Washington and the TRUE POINT OF BEGINNING;
thence south 89°50' east, 125 feet;
thence north 2°54' west 380 feet;
thence north 89°50' west, 125 feet;
thence south 2°54' west 380 feet to the TRUE POINT OF BEGINNING;
EXCEPT the south 30 feet for N.E. 100th Street;
AND EXCEPT the west 20 feet for 206th Avenue N.E.

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

[ANY RESERVATIONS OF RECORD]

RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for public right-of-way and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office, and lying west of a line parallel with and offset 30.00 feet east of the centerline of 206th Avenue Northeast per the plat of Stromsland Tracts, according to the unrecorded plat thereof, and lying westerly, southwesterly, and southerly of a tangent 25.00 foot radial curve joining said parallel offset centerlines, said curve being concave to the northeast.

Containing 3,173 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 50.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,502 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

Through the foregoing Easements reserved herein, King County reserves unto itself in perpetuity the right, but not the obligation, to enter upon at all times and use the Easement Areas for the general benefit of King County for any lawful purpose, including, but not limited to, right-of-way and all related uses.

AND ALSO RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, permanent easements for the general benefit of King County, including but not limited to utilities, roadway and all related public purposes, together with unobstructed access to and egress from, over, across, along, in under, upon and through the above-described Property, for those portions of the Property hereinafter referred to as the *Easements*, or *Easement Areas*, legally-described as follows:

That portion of King County parcel number 8053500266 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,313 square feet more or less.

King County parcel number 8053500266 description (per King County Assessor Office):

The south 115 feet of the west 105 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

AND

That portion of King County parcel number 8053500264 (described hereinafter) lying southerly of a line parallel with and offset 65.00 feet northerly of the centerline of NE Novelty Hill Road right-of-way centerline per Map Number 301-93M, records of the King County Engineer's Office.

Containing 1,127 square feet more or less.

King County parcel number 8053500264 description (per King County Assessor Office):

The east 75 feet of the west 180 feet of the south 200 feet of Tract 13 of Stromsland Tracts, according to the unrecorded plat thereof.

Less county road.

Situate in the County of King, State of Washington.

Through the foregoing Easements reserved herein, King County reserves unto itself in perpetuity the right, but not the obligation, to enter upon at all times and use the Easement Areas for the general benefit of King County for any lawful purpose, including, but not limited to, the installation of utilities and telecommunications equipment and facilities, the right to construct, reconstruct, own, install hardscape, walls or other structures, the right to inspect, repair, replace, renovate, enhance and manage the Easement Areas, including but not limited to grading, surfacing, fencing, lighting, landscaping, posting signage, and preserving and maintaining any improvements that may be made thereon for the general benefit of King County, and also the right to plant, cut, prune, remove and dispose of any and all trees, plants, brush or vegetation in the Easement Areas, and to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, plants, brush or other vegetation in the Easement Areas.

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

The reservation of each of the foregoing Easements includes the right to use whatever vehicles and equipment may be deemed necessary and appropriate by the Grantor in connection with any of the foregoing activities.

Each of the Easements reserved herein include the right, but not the obligation, to keep the Easement Areas free of obstructions, encroachments and any interference with Grantor's use.

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

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

Nothing in any of the Easements reserved herein will be considered to diminish King County's governmental or police powers.

The benefits, burdens, covenants, terms, conditions, and restrictions of each of the Easements reserved herein shall be binding upon, and inure to the benefit of, Grantor King County and its heirs, successors, and assigns, shall continue as servitudes and easements running in perpetuity with the Property or any parts thereof, and shall be included in any future deed conveying the Property or any parts thereof.

EXHIBIT C

PROMISSORY NOTE

To the Real Estate Purchase and Sale Agreement,
Dated ~~March~~ April 9, 2013 ^{XC}
Between Shirley Ann Cunningham ("Buyer")
and King County ("Seller")

\$ 9,750.00

Dated: April 9, 2013

Seattle, Washington

FOR VALUE RECEIVED, the undersigned, Shirley Ann Cunningham ("Maker"), hereby promise to pay to the order of FIRST AMERICAN TITLE INSURANCE COMPANY ("Holder"), 818 Stewart Street, Suite 800, Seattle, Washington 98101, the principal sum of NINE THOUSAND SEVEN HUNDRED FIFTY AND NO/100THS DOLLARS (\$9,750.00), payable in accordance with that certain Real Estate Purchase and Sale Agreement dated ~~February~~ April 9, 2013, with King County as Seller (the "Agreement").

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

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

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

MAKER: Shirley Ann Cunningham

By: N/A

Its: N/A

EXHIBIT D

Certificate of Non-Foreign Status.

Assessor's Parcel Number _____
To the Real Estate Purchase and Sale Agreement,
Dated _____
Between _____ ("Buyer")
and King County ("Seller")

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

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Transferor's United States employer identification number is 91-6001327; and
3. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 830 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104
4. Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

DATED this _____ day of _____, 2013.

TRANSFEROR: KING COUNTY

By: _____
STEPHEN L. SALYER

Title: **MANAGER REAL ESTATE SERVICES SECTION**

EXHIBIT E

KING COUNTY ON-SITE SEWAGE SYSTEM DISCLOSURE FORM

To the Real Estate Purchase and Sale Agreement,

Dated 8/16/13

Between Shirley Ann Cunningham ("Buyer")
and King County ("Seller")

SEE FOLLOWING PAGE 31

THIS ADDENDUM SUPERCEDES ANY OTHER PROVISIONS OF THIS AGREEMENT RELATING TO THE ON-SITE SEWAGE SYSTEM ("OSS") SERVING THE PROPERTY.

1. **Type of OSS.** The Property is:
 - Served by a private septic system
 - Served by a shared septic system
 - Not served by an approved public or private sewer system (if checked, only Paragraph 5 applies)
2. **Seller's Representations.** Seller represents that, to the best of Seller's knowledge, the OSS serving the Property (a) does not require repair other than pumping and normal maintenance; (b) does not currently violate any applicable local, state, and federal laws, standards, and regulations; and (c) has no material defects.
3. **King County Board of Health Code ("Health Code").**
 - a. **Health Code.** Seller will retain a licensed on-site system maintainer ("OSM") to prepare a monitoring and performance inspection report of the OSS ("Operation and Maintenance Report") and to complete the other requirements of Health Code § 13.60.030. As soon as the OSM completes the requirements of Health Code § 13.60.030, Seller shall deliver to Buyer a copy of the Operation and Maintenance Report and a copy of the maintenance records for the OSS, if available.
 - b. **Operation and Maintenance Report Contingency.** Buyer's obligations under this Agreement are contingent on Buyer's approval of the Operation and Maintenance Report. This contingency shall be deemed waived unless Buyer gives notice of disapproval of the Operation and Maintenance Report within 5 days (5 days if not filled in) after receipt of the Operation and Maintenance Report. If Buyer gives timely notice of disapproval, the Agreement shall terminate and the Earnest Money shall be refunded to Buyer.
 - c. **On-Site Sewage System Operation and Maintenance Requirements.** Seller shall deliver to Buyer a Seller's Notice of On-Site Sewage System Operation and Maintenance Requirements, which shall be recorded before Closing. Buyer shall deliver to Seller on or before Closing a Buyer's Declaration of Receipt of Copy of Notice of On-Site Sewage System Operation and Maintenance Requirements. In addition, Buyer shall pay the Operation and Maintenance Program Fee, as set forth in the applicable fee schedule.
4. **Inspection and Pumping Contingency.** If checked, Seller shall have the OSS inspected and, if necessary, pumped by an OSS service company at Seller's expense. Seller shall provide Buyer with a copy of the inspection report within 15 days (15 days if not filled in) of mutual acceptance. If Seller had the OSS inspected and, if necessary, pumped within 12 months (12 months if not filled in) of mutual acceptance by an OSS service company and Seller provides Buyer with written evidence thereof, including an inspection report, Seller shall have no obligation to inspect and pump the system unless otherwise required by Buyer's lender.
 This Agreement is conditioned on Buyer's approval of the inspection report from the OSS service company. This contingency shall be deemed waived unless Buyer gives notice of disapproval of the inspection report within 5 days (5 days if not filled in) after receipt of the inspection report. If Buyer gives timely notice of disapproval, the Agreement shall terminate and the Earnest Money shall be refunded to Buyer.
 - Buyer's Right to Attend Inspection.** If checked and if Seller has not already conducted an inspection, Buyer shall have the right to observe the inspection. Seller shall provide Buyer with 3 days notice of the date and time of the inspection.

Advisory Notice Regarding Pumping. The OSS should not be pumped before the Operation and Maintenance Report is performed by the OSM as required by Health Code § 13.60.030. The Operation and Maintenance Report requires that the system be observed before it is pumped.
5. **On-Site Sewage System Disclosure Form.** If the Property (a) is not served by an approved public or private sewer system and (b) is to be improved for residential or business purposes, Seller agrees to deliver to Buyer a King County On-Site Sewage System Disclosure Form.
6. **Other.**

Initials: BUYER: SC Date: 8/14/13 SELLER: [Signature] Date: 16 Aug 2013
 BUYER: _____ Date: _____ SELLER: [Signature] Date: _____

