

14687

2003-281

Attachment B

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - PROPERTY DISPOSITION PROGRAM
CONTRACT OF SALE - CASH SALE

THIS CONTRACT, made this ____ day of _____, 20____, is between the SECRETARY OF HOUSING AND URBAN DEVELOPMENT, ("Grantor"), and King County, ("Grantee").

WITNESSETH THAT

1. **PURCHASE AND SALE** - In consideration of the covenants and agreements of the respective parties, as hereinafter set forth, Grantor agrees to sell and Grantee agrees to purchase all of Grantor's right, title and interest in and to the real estate; BRANCH VILLA HEALTH CARE CENTER, FHA Number: 127-22001, situated in Seattle, County of King, State of Washington, and more particularly described in the attached Exhibit A entitled "Legal Description," together with all improvements thereon and appurtenances thereto and the articles of equipment and other personal property owned by Grantor and used in connection therewith, hereinafter referred to as the "Property".
2. **PURCHASE PRICE**
 - (a) The purchase price of the Property is Two Million Five Hundred Thousand (\$2,500,000) dollars to be paid at Closing.
 - (b) Upon the execution of this contract of sale, Grantee shall be required to pay an earnest money deposit in the amount of \$ 50,000, in the form of a money order, cashier's or other bank check payable to "The Secretary of Housing and Urban Development." A financial organization submitting a bid on its own behalf must have the earnest money deposit drawn on a separate financial organization. Interest will not be paid on earnest money deposits.
 - (c) The balance of the purchase price, \$ 2,450,000, shall be paid at Closing by money order, certified, cashier's or other bank check acceptable to HUD.
3. **CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION**
 - (a) The sale shall be effective upon Closing.
 - (b) Grantee shall pay all closing costs and expenses irrespective of local custom.
 - (c) Transfer of title to, and possession of the Property, subject to the leases and tenancies herein referred, shall become effective as of the Closing.
4. **PRORATIONS AND SECURITY DEPOSITS**
 - (a) Prorations - No prorations of income or expenses.
 - (b) Security Deposits - To be provided by previous owner. Grantee agrees to assume all responsibility and liability under state and local law with respect to the collection, application and return of security deposits.
5. **FORM OF CONVEYANCE, INSPECTION, OBJECTIONS TO TITLE AND RIGHTS OF RESCISSION**
 - (a) The Property shall be conveyed to the Grantee by special warranty deed in the form customarily used by Grantor in the jurisdiction in which the Property is located. Title to the Property shall be good and marketable subject to existing tenancies, easements, zoning, covenants, restrictions and reservations of record. However, Grantor shall not warrant those items deemed acceptable to Grantee pursuant to subsection (e) below.
 - (b) Any title evidence or survey desired by Grantee shall be obtained at the sole expense of the Grantee.
 - (c) If any defect in title renders the Property unmarketable, or if litigation is pending challenging the sale and/or the sale is enjoined and Grantor does not cure the defect, settle the litigation or cause the injunction to be removed within a reasonable time, or Grantor notifies Grantee in writing that it is unable or unwilling to cure the defect, settle the litigation or remove the injunction,
 - (i) Grantee shall have the right to terminate this Contract by delivering to Grantor written notice prior to the Closing; and
 - (ii) Grantor reserves the right to rescind this Contract and Grantor shall be released from all obligations and liability to Grantee.

The return or tender of any earnest money deposit or extension fees shall release Grantor from all obligations and liability to Grantee.

- (d) The Property shall not be deemed unmarketable solely by reason of the existence of:
- (i) covenants, conditions and restrictions of record;
 - (ii) private, public and utility easements, roads and highways;
 - (iii) party wall rights and agreements;
 - (iv) pending local building code violation proceedings;
 - (v) existing leases and tenancies; and
 - (vi) special taxes or assessments.
- (e) Upon confirmation of the balance of the purchase price either by acceptance of a money order, certified cashiers, or other bank check by the Grantor, Grantor shall deliver to Grantee a duly executed deed conveying Grantor's right, title and interest in the Property which Grantee immediately will present for recordation in the appropriate recorder's office.

6. AS-IS SALE; NO REPRESENTATIONS

- (a) Grantee shall accept the Property "as is." Grantor makes no representations or warranties concerning the physical condition of the Property. In addition, Grantor does not represent or warrant the number and occupancy of revenue producing units, or any factor bearing upon the value of the Property. It is Grantee's responsibility to assess the actual condition of the Property.
- (b) Grantee acknowledges that the purchase price set forth in Section 2 of this Contract is based on Grantee's valuation of the Project and not upon any representations by Grantor. Grantee's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of Grantor under this Contract, nor be a basis for termination of this Contract.

7. RISK OF LOSS AND RIGHTS OF RESCISSION - Until the Closing, Grantor assumes the risk of loss from damage to the Property by any cause including, but not limited to fire, flood, earthquake, tornado and vandalism other than willful acts of Grantee. In the event of such damage, Grantor will provide for the restoration of the Property to its condition immediately prior thereto, except that, if Grantor determines that such damage is so extensive that Grantor is unwilling to restore the Property, Grantor may rescind this Contract. If offered by Grantor and agreed to by Grantee, the cash due at Closing may be reduced by the estimated cost of restoration of the Property because of such damage, and such damage shall be added to the rehabilitation requirements provided for in the Rider entitled "Rehabilitation and Relocation."

8. TIME IS OF THE ESSENCE - LIQUIDATED DAMAGES - Time is of the essence in the performance of this Contract. The sale shall be closed on the day HUD acquires title, at Grantor's offices, or at such other place as may be agreed on by the parties in writing.

9. EXTENSIONS - No extensions will be granted. This is a negotiated sale with agreements in place prior to execution of contract.

10. GRANTEE RESTRICTIONS

- (a) No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be admitted to any share or part of this Contract, or to any benefit arising from it. However, this provision does not apply to this Contract to the extent that this Contract is made with a corporation for the corporation's general benefit.
- (b) If Grantee is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to closing, this Contract shall be terminated.
- (c) Pursuant to 24 CFR Part 27 Section 20(f), the defaulting mortgagor, or any principal, successor, affiliate, or assignee thereof, on the mortgage on the property at the time of default resulting in acquisition of the property by HUD shall not be eligible to purchase the property. A "principal" and an "affiliate" are defined as provided at 24 CFR 24.105.

11. **CONTRACT BINDING - RESTRICTIONS ON ASSIGNMENT OF CONTRACT**
 - (a) This Contract shall be binding upon Grantee, its respective heirs, Executors, administrators, successors and assigns.
 - (b) This contract cannot be assigned to another entity.
12. **LIMITATION OF LIABILITY** - Notwithstanding any other provisions of this Contract, Grantor's liability for damage to the Property or for any breach of this Contract shall not exceed the amount of funds paid by Grantee to Grantor hereunder.
13. **CONTRACT EXECUTED ON BEHALF OF BIDDER** - If this Contract is executed on behalf of a corporation, partnership or other entity not as yet legally formed, such corporation, partnership or entity must be validly organized and legally capable of performing its obligations under this Contract prior to the Closing. If the entity is unable to become legally formed and, therefore, cannot accomplish the Closing, the earnest money deposit and all extension fees will be retained by Grantor.
14. **FORMS** - All forms and instruments referred to in this Contract shall be the standard HUD forms and instruments prepared by Grantor and used by Grantor in the jurisdiction in which the Property is located and shall contain such additional covenants and conditions required by this Contract.
15. **ACKNOWLEDGMENT OF TERMS AND CONDITIONS OF SALE** - Grantee affirms that it has full knowledge of the terms, conditions, and requirements contained in this Contract.
16. **COMPLETE AGREEMENT** - This Contract supersedes all prior agreements and understandings related to the subject matter hereof, and may be changed, waived, discharged, or terminated only by a written document signed by the party against whom such change, waiver, discharge or termination is sought, except as otherwise provided herein.
17. **GENDER AND NUMBER** - Whenever the sense of this Contract so requires, the use of (1) the singular shall be deemed to include the plural, (2) the masculine gender shall be deemed to include the feminine or neuter gender, and (3) the neuter gender shall be deemed to include the masculine or feminine gender.
18. **SEVERABILITY** - If for any reason one or more of the provisions contained in this Contract shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Contract, but this Contract shall be construed as if such invalid, illegal or unenforceable provision never had been included in this Contract.
19. **NOTICE** - Any notice, request, information or other document to be given hereunder to any of the parties by any other party, shall be in writing and delivered personally or sent by an overnight or express mail service, with a return receipt, postage prepaid to the person and address set forth below. Any party may change the person or address to which notices are to be sent by giving written notice of such change to the other party in the manner herein provided for giving notice. The person, address and telephone number for the Department of Housing and Urban Development is Alvin E. Braggs, PO Box 2905, Fort Worth, Texas 76113-2905, mailing address, or 801 Cherry Street, Fort Worth, Texas 76102, for physical delivery, Phone: 817 978-5802. The person, address and telephone number for the Grantee is as provided below Grantee's signature on this Contract.
20. **EXHIBITS** - All exhibits described herein and attached hereto are fully incorporated into this Contract by this reference.
21. **PARAGRAPH HEADINGS** - The paragraph headings contained in this Contract are for convenience only and shall in no way enlarge or limit the scope of the paragraphs hereof.

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22. MISCELLANEOUS PROVISIONS

- (a) When the consent or approval of either party is required under the terms of this Contract, such consent or approval must be in writing.
- (b) Grantee agrees that any restrictions to be placed in the Deed referred to in this Contract will run with the land.
- (c) Whenever a number of days is referred to in this Contract, days shall mean calendar days. If any period of time expires on a non-Federal business day, Grantee or Grantor shall have until the close of business of the next Federal business day to take whatever action is to be taken within the time period.
- (d) The Contract of Sale is subject to Grantor obtaining title to the property described in Exhibit A.
- (e) The Contract of Sale is contingent upon approval by the Metropolitan King County Council by June 30, 2003.

23. RIDERS TO THIS CONTRACT - The Riders checked and initialed by the parties are attached to and incorporated into this Contract and will be placed in the Deed to run with the land.

- | | | |
|--|--|--|
| <input type="checkbox"/> Enforcement | <input type="checkbox"/> Equity Participation | <input type="checkbox"/> Retirement Service Center |
| <input type="checkbox"/> Affordability of Units | <input type="checkbox"/> Residual Receipts | <input type="checkbox"/> Upfront Grant Agreement |
| <input type="checkbox"/> Rehabilitation and Relocation | <input type="checkbox"/> Reserve Account | <input type="checkbox"/> Other: Nursing Home |
| <input type="checkbox"/> Lead-Based Paint Hazards | <input type="checkbox"/> Historic Preservation | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Asbestos Hazards | <input type="checkbox"/> Mobile Home Park | |
| <input type="checkbox"/> Nondiscrimination Against Multifamily Section 8 Certificate & Voucher Holders | <input type="checkbox"/> Two Year Rent Protection for Pre-Existing Very-Low Income Tenants | |

IN WITNESS WHEREOF:

The Grantee has executed this Contract in triplicate the _____ day of _____, 20____.

WITNESS: _____ By _____
 _____ By: Grantee _____ Typed Name of Signatory

 _____ Address _____ Title of Signatory

 _____ Telephone Number

Grantor has executed this Contract in triplicate this _____ day of _____.

(This line to be executed by Grantor)

WITNESS:
DEVELOPMENT

SECRETARY OF HOUSING AND URBAN

By _____

EXHIBIT A
LEGAL DESCRIPTIONPARCEL A:

That portion of the northwest quarter of the southeast quarter of Section 4, Township 24 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the northeast corner of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;
thence east along the south margin of Dearborn Street, 120 feet;
thence south parallel with the east boundary of said Block 1, to the north line of the plat of Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;
thence west along said north line, and its westerly production to an intersection with the southerly production of the east line of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;
thence north along the east line of Block 1 of said plat, and its southerly production, to the point of beginning;
EXCEPT any portion thereof presently paved and in use, and/or dedicated, for the public right-of-way known as South Charles Street;
AND EXCEPT that portion conveyed to the City of Seattle for street purposes by instrument recorded under King County Recording Number 8910030346;

PARCEL B:

That portion of the northwest quarter of the southeast quarter of Section 4, Township 24 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the northeast corner of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;
thence east along the south margin of South Dearborn Street to the west margin of Martin Luther King Jr. Way, as presently established;
thence southerly along said west margin to the easterly production of the north line of the plat of Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;
thence west, along the said easterly production, and continuing along the north line, and its westerly production, of said plat to an intersection with the southerly production of the east line of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;
thence north, along the east line of Block 1 of said plat and its southerly production to the point of beginning;
EXCEPT the west 120 feet thereof;
AND EXCEPT any portion thereof presently paved and in use, and/or dedicated, for the public right-of-way known as South Charles Street.

PARCEL C:

Lots 1, 2, 3 and 4, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;

EXCEPT portion of said Lots 3 and 4 described as follows:

Beginning at the southeast corner of said Lot 4;
thence north along east line of said Lots 4 and 3 a distance of 44.20 feet to the north line of a concrete bulkhead;
thence west along said north line and said north line extended, 5 feet;
thence south 6.20 feet;
thence west, parallel to the south line of said Lot 3 a distance of 110.40 feet, to a fence;
thence south along said fence, 32 feet to the south line of said Lot 4;
thence east, along south line of said Lot 4, a distance of 111.7 feet to the point of beginning;

EXCEPT those portions conveyed to the City of Seattle for street purposes by instrument recorded under King County Recording Number 8910030346;

PARCEL D:

That portion of Lots 3 and 4, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington, described as follows:

Beginning at the southeast corner of said Lot 4;
thence north along the east line thereof 44.20 feet to the north side of a concrete bulkhead;
thence west along the north line of said bulkhead and said line extended, a distance of 5 feet;
thence south 6.20 feet;
thence west parallel with the south line of said Lot 3, a distance of 110.40 feet to a fence;
thence south along said fence 38 feet to the south line of said Lot 4;
thence east along same 111.7 feet to the point of beginning.

PARCEL E:

The north 24 feet of Lot 5, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, Page 69, in King County, Washington.