

ATTACHMENT A:

REAL ESTATE PURCHASE AND SALE AGREEMENT

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THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered into as of _____, 2014 (“Effective Date”), by and between **KING COUNTY**, a municipal corporation and political subdivision of the State of Washington (the “Seller”) and the **TAHOMA SCHOOL DISTRICT NO. 409**, a political subdivision of the State of Washington (the “Buyer”).

RECITALS

A. Seller is the owner of that certain real property located in the City of Maple Valley, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A**.

B. Seller owns the real property surrounding the real property described in **EXHIBIT A** to the south and to the west (the “Seller’s Remaining Property”).

C. Seller desires to sell the real property described in Exhibit A and Buyer desires to purchase the real property described in **EXHIBIT A**. The Parties are entering into this Agreement pursuant to the authority granted in the Intergovernmental Disposition of Property Act, RCW ch. 39.33.

D. Seller also desires to accommodate Buyer’s development of the real property described in **EXHIBIT A** by moving its current operations at the Seller’s Remaining Property to another location.

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. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

(a) all the Seller’s right, title and interest in the real property described in **EXHIBIT A**;

(b) an easement agreement for Buyer’s permanent ingress/egress and placement of utilities to the property described in **EXHIBIT A** as legally described and contained substantially in the form attached hereto as **EXHIBIT B** (the “West Access and Utility Easement”);

(c) all of Seller’s right, title and interest in improvements and structures

located on the real property described in **EXHIBIT A**, if any;

d) all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller located on the real property described in **EXHIBIT A** ("Personal Property") unless that Personal Property is required to be removed by Seller pursuant to Section 3.4 of this Agreement;

(e) all of Seller's easements, privileges, revisionary rights, and other rights that are appurtenant to the real property described in **EXHIBIT A**, including but not limited to, Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the real property described in **EXHIBIT A**, all utilities serving the real property described in **EXHIBIT A**, all sewers and service drainage easements, rights of connection to the sewers, all right, title and interest of Seller in and to all rights-of-way, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the real property described in **EXHIBIT A**. Hereinafter, the items listed in Section 1.1 are collectively referred to as the "**Property**."

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefore, pay to Seller on the Closing Date a total purchase price of Nine Million Dollars and no/100s (**\$9,000,000**) (the "Purchase Price").

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

2.3 DEPOSIT. Within two (2) business days after the execution of this Agreement, Buyer shall deliver to First American Title Insurance Company (the "**Escrow Holder**"), in its capacity as Escrow Holder, immediately available cash funds in the amount of Two Hundred Twenty-Five and 00/100s (**\$225,000**) (the "**Deposit**"). The Deposit shall be invested by the Escrow Holder in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. All interest earned on the Deposit shall be applicable to the Purchase Price and shall become and be a part of the Deposit, and shall be handled in the same manner as the Deposit as provided for herein. Upon deposit with Escrow Holder, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the closing of the Property (the "Closing") which shall occur on the Closing Date.

ARTICLE 3. AGREED OBLIGATIONS

3.1 BUYER'S EAST ACCESS EASEMENT. Buyer and Seller shall execute and deliver at Closing an easement agreement providing for Buyer's permanent ingress and egress over the King County Trail System corridor owned by Seller located to the east of the Property, in substantially the form of **EXHIBIT C** attached hereto and incorporated herein by this reference

(the "East Access Easement"). The East Access Easement, when executed, represents the approval of Seller, acting through the King County Parks Division, of Buyer's trail crossing. The King County Parks Division shall have the right to approve Buyer's final design of the corridor crossing, with such approval to be consistent with Buyer's stated planned improvements (as set forth in **EXHIBIT C**) and the King County Regional Trail Development Guidelines standards, and with the King County Parks Division's approval of such final design not to be unreasonably withheld or delayed in time. Buyer hereby agrees to pay to Seller at the Closing Date the amount of \$14,000.00 (the "East Easement Price"), which reflects the value of the easement right.

3.2 BUYER'S CONTRIBUTION TOWARD RELOCATION COSTS. Buyer and Seller acknowledge that Seller is voluntarily relocating its mining extraction operations off of Seller's Remaining Property earlier than intended in order to facilitate Buyer's construction project and use of the Property. Buyer and Seller also acknowledge that Seller's operations relocation relieves Buyer from having to construct substantial on-site improvements to address access concerns related to Seller's Roads Division operation and facilities and from having to install a fence to separate the boundaries of the Property and Seller's Remaining Property. In consideration of the Seller's relocation of operations from Seller's Remaining Property and to offset Seller's accelerated moving costs, Buyer shall provide, at Closing, a payment to Seller in the amount of One Hundred Fifty Thousand and 00/100s (\$150,000) (the "Relocation Price").

3.3 SELLER'S ASSISTANCE WITH COMPREHENSIVE PLAN AND ZONING AMENDMENTS; LAND USE PERMITS. Seller shall cooperate by authorizing and supporting Buyer's efforts to obtain comprehensive plan and zoning amendments and land use permits in the City of Maple Valley to permit construction of a high school on the Property. Seller and Buyer agree that Seller's cooperation under this Section 3.3 shall not require the expenditure of any funds by Seller.

3.4 GOLF COURSE LEASE. Seller has informed Buyer of that certain lease of a portion of the Property to Covington Golf Course, Inc. by a lease dated April 14, 1993, as amended, (the "Golf Course Lease") and scheduled for termination on November 22, 2014, as authorized by King County Ordinance No. 17773. Seller shall be obligated to remove the lessee and to provide written notice to lessee to remove personal property located on the West Easement Area no later than November 23, 2014, in the event termination has not occurred by the Closing Date. In the event lessee fails to timely remove the personal property located on the West Easement Area, Seller shall immediately remove such property at its own cost and expense. In the event Seller fails to remove the property in a timely manner, Buyer may remove such property with Seller assuming all liability for such property removal and being obligated to pay Buyer's reasonable costs and expenses related to the property removal.

ARTICLE 4.
REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND
CONDITION OF PROPERTY

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

4.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington.

4.1.2. 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 political subdivision of the State of Washington, and (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

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

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

- (a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
- (b) sell, dispose of or encumber any portion of the Property.

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

4.1.6. PARTIES IN POSSESSION. To the best of Seller's knowledge, there are no parties or trespassers in possession or which have a right to possession of all or any portion of the Property, and there are no leases or licenses affecting the Property other than the Elk Run Lease. No person or entity has any right of first refusal or option to acquire any interest in the Property or any part thereof, and Seller has not sold or contracted to sell the Property or any portion thereof or interest therein other than as set forth herein.

4.1.7. COMPLIANCE WITH LAW. To the best of Seller's knowledge, and with the exception of any legal non-conforming uses, Seller has complied with all applicable zoning, use,

environmental, flood control, planning, building, fire, health, traffic, or other laws, ordinances, regulations, statutes and rules relating to the Property, and every part thereof. To the best of Seller's knowledge, with the exception of any legal non-conforming uses Seller has not received nor is aware of any notification from any governmental authority requiring any work to be done on the Property or advising of any condition (including, without limitation, hazardous substances or wastes) which would render the Property unusable or affect the usability of the Property or any part thereof for the purposes of Buyer.

4.1.8. MECHANIC'S LIENS. To the best of Seller's knowledge, no labor, material or services have been furnished in, on, or about the Property or any part thereof as a result of which any mechanics', laborers' or materialmen's liens or claims may arise.

4.1.9. ASSUMPTION OF LIABILITIES. Seller shall indemnify, defend and hold Buyer, 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 that occurred prior to the Closing Date unless such claims and agency orders or requirements arise out of Buyer's actions or activities on the Property. This Section shall not apply to environmental liabilities which are covered by Section 4.1.1 herein.

4.1.10. LITIGATION. To the best of Seller's knowledge, there is no litigation or threatened litigation which could now or in the future in any way constitute a lien, claim, or obligation of any kind on the Property, affect the use, ownership or operation of the Property or otherwise adversely affect the Property. For purposes of this clause, litigation includes lawsuits, actions, administrative proceedings, governmental investigations and all other proceedings before any tribunal having jurisdiction over the Property.

4.1.11. ENVIRONMENTAL REPRESENTATIONS AND WARRANTIES. In addition to and without limiting this Section 4, Seller warrants, represents, covenants and agrees:

(a) To the best of Seller's knowledge, Seller has not used, generated, manufactured, produced, stored, released, discharged or disposed of on, under, above or about the Property (or off-site of the Property that might affect the Property) or transported (except through or over) to or from the Property, any Hazardous Substance (as defined in Subsection (e) below) or, with the exception of Elk Run Golf Course, allowed any other person or entity to do so. With the exception of Elk Run Golf Course, Seller has no knowledge of any questionable practice or conduct indicating that any Hazardous Substance has been used, generated, manufactured, produced, stored, released, discharged or disposed of on, under or above Property (or off-site of the Property that might affect the Property) or transported (except through or over) to or from the Property by any entity, firm or person, or from any source whatsoever.

(b) With the exception of activities by Elk Run Course, Seller will not use, generate, manufacture, produce, store, release, discharge or dispose of on, under, above or about the Property (or off-site of the Property that might affect the Property), or transport (except through or over) to or from the Property, any Hazardous Substance or authorize any other person or entity to do so, prior to the closing.

(c) Seller shall protect, indemnify, hold harmless and defend Buyer and its directors, officers, contractors, employees, agents, parents, subsidiaries, successors and assigns from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to a breach of any representation, warranty, covenant or agreement contained in this Section 3.1.11 including, without limitation, (a) all consequential damages, and (b) the costs of any required or necessary repairs, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans. This indemnity does not apply to actions of Buyer, its agents or independent contractors.

(d) With the exception of claims arising out of the operations or activities of the Elk Run Golf Course (lessee on the Property during a portion of Seller's ownership), Seller shall protect, indemnify, hold harmless and defend Buyer and its directors, officers, contractors, employees, agents, parents, subsidiaries, successors and assigns from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) to the extent directly or indirectly arising out of or pertaining to a Release of Hazardous Substances arising out of Seller's activities or storage of equipment and materials. Buyers, and its contractors, subcontractors, licensees, permittees, and agents shall use all environmental Best Management Practices during the indemnification period in Section 12.17 and shall, within a commercially reasonable amount of time, immediately notify the Seller in writing of the discovery of any Hazardous Substance discovered on the Property for which Buyer believes Seller is responsible.

(e) The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substances", "hazardous wastes" or "solid waste" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; and (d) chlorinated solvents. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions or hazardous substances.

(f) The term "Release" shall mean releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

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

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

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

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

4.2.4. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all claims and agency orders or requirements relating to or arising out of, directly or indirectly, the Property that occur on or after the Closing Date unless such claims and agency orders or requirements arise out of Seller's activities during ownership of the Property and pre-date Buyer's ownership of the Property.

4.3. CONDITION OF PROPERTY.

4.3.1 SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" (which is contained in Section 6 of the form) if the answer to any of the questions in that section would be "yes." To the extent Seller has any knowledge of items that would be answered "yes" in Section 6 of the Seller Disclosure Statement, Seller shall provide to Buyer such information at the commencement of the Due Diligence Period, as defined below. Nothing in the Seller Disclosure Statement creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that the Seller Disclosure Statement is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

4.3.2 SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 4.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property, including, without limitation:

- (a) The water, soil and geology;

- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (d) The compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
- (e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;
- (f) The manner or quality of the construction or materials, if any, incorporated into the Property; or
- (g) Any other matter with respect to the Property.

4.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller's disclaimer of the condition of the Property in Section 4.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 6.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 6, and subject to the Seller's representations, warranties, and indemnification obligations in Section 4.1 of this Agreement, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any Hazardous Substances, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of Hazardous Substances at, from or into the Property, and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations. Buyer

acknowledges and agrees that, except to the extent of Seller's representations, warranties, and indemnification obligations in Section 4.1. of this Agreement, Buyer shall have no recourse against the County for, and waives, releases and discharges forever the County from any and all present or future claims or demands, and any and all damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which any party might have asserted or alleged against Seller arising from or in any way related to the condition of the Property or the alleged presence, use, storage, generation, manufacture, transport, release, leak, spill, disposal or other handling of any Hazardous Substances in, on or under the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law that is required by judicial order or by order of or agreement with any governmental authority, or that is necessary or otherwise is reasonable under the circumstances, (b) losses for injury or death of any person, and (c) losses raising under any Environmental Law enacted after transfer of the Property.

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

ARTICLE 5. TITLE MATTERS

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

5.2 TITLE COMMITMENT. Buyer shall within fifteen (15) days after the Effective Date obtain a preliminary commitment for an owner's extended coverage policy of title insurance (the "Title Commitment") issued by First American Title Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

5.3 SURVEY. Buyer shall, at its sole expense, be responsible to obtain a survey of the Property acceptable to Buyer and to the Title Company so as to permit it to issue the Title Policy (defined below).

5.4 REVIEW OF TITLE COMMITMENT. Buyer shall have until twenty-five (25) days after receipt of the Title Commitment (the "Review Period") in which to notify Seller in writing

of any objections Buyer has to any matters shown or referred to in the Title Commitment (“Buyer’s Objections”). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions (“Permitted Exceptions”). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within ten (10) days after Seller receives Buyer’s Objections of any exceptions to title which Seller will not remove or otherwise resolve (“Seller’s Response”), and Buyer may, at Buyer’s option, either proceed to Closing and thereby waive the Buyer’s Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within ten (10) days after receipt of Seller’s Response. Notwithstanding the foregoing, all monetary liens and encumbrances shall be paid by Seller at Closing. In the event of Buyer’s termination, the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations under this Agreement. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have seven (7) days to make Buyer’s Objections to any new exception, and Seller shall have five (5) days to provide Seller’s Response, and the Closing date shall be extended for the period necessary to allow procedures set forth herein to be completed with regard to a timely decision.

5.5. OWNER’S TITLE INSURANCE POLICY. At the Closing, Buyer, at its sole cost, shall cause an owner’s extended policy of title insurance to be issued by the Title Company in the full amount of the purchase price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the district, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation of Buyer to provide the title policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this section. Seller agrees to execute such owner’s affidavits as the Title Company may require to remove the standard printed exceptions for line rights, parties in possession, and other matters typically removed by such owner’s affidavits for extended title coverage. If requested in writing by Seller, Buyer shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

ARTICLE 6. CONTINGENCIES

6.1. 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 (“Due Diligence Contingency”). As used herein, the term “Due Diligence Period” means the period ending on the date that is sixty (60) days from execution of this Agreement by both parties. If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by

delivering written notice of termination to Seller prior to the expiration of the Due Diligence Period. In such event this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency and the Deposit shall be nonrefundable to Buyer except in the event of a default hereunder by Seller or as may otherwise be required by this Agreement.

6.1.1. INSPECTIONS. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 6.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials provided by Seller pursuant to Section 6.1.3; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the property; and (e) determine whether Buyer's proposed development of the property is economically feasible.

6.1.2. RIGHT OF ENTRY. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property and conduct tests, investigations and studies set forth in this Article 6 upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property and be subject to the access conditions set forth in the Elk Run Lease Termination in King County Ordinance 17773. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. The Buyer will not be permitted to undertake activities that damage County property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer ("Claims") caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents and employees. The foregoing indemnity, as well as the indemnities contained elsewhere in this Agreement, are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

6.1.3 DUE DILIGENCE MATERIALS. Prior to the entry of Buyer or its contractors for invasive testing of Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence; and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor's Pollution insurance in the amount of \$1,000,000 per

claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

6.1.4 DUE DILIGENCE MATERIALS. Upon mutual execution of this Agreement, and upon written specific request from the Buyer, Seller shall provide or make available to Buyer for inspection and copying to the extent available or within Seller's possession or control, and that are not subject to attorney-client privilege or that Seller is otherwise protected from disclosing by law, all documents and information pertaining to the Property, including, but not limited to, all soils reports and environmental studies, any existing surveys, architectural drawings or renderings, plans and specifications with respect to the Property.

6.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL. Seller's performance under this Agreement is subject to approval by ordinance of the conveyance of the Property by the Metropolitan King County Council ("Council"). The Council provided such approval through passage of Ordinance No. _____, which was effective on _____.

ARTICLE 7. COVENANTS OF SELLER PENDING CLOSING

7.1 CONDUCT, NOTICE OF CHANGE. Seller covenants that between the date hereof and the Closing, Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 4 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 4 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 8. COVENANTS OF BUYER PENDING CLOSING

8.1 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 4 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 4 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 9. 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:

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

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

9.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 5.4 and to which Seller agreed to remove or resolve under Section 5.4 unless waived by Buyer.

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

ARTICLE 10. 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:

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

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

10.3. TITLE. Buyer shall have used its best efforts to cause the Title Company to be irrevocably committed to issue an owner's extended coverage policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Sections 5.1, 5.4 and 5.5 of this Agreement.

ARTICLE 11. CLOSING

11.1. CLOSING/CLOSING DATE. The Closing shall take place within Fifteen (15) days following the removal of all the contingencies in Article 6 of this Agreement or such other date as may be mutually agreed upon by the Parties (“Closing Date”) but no later than November 20, 2014. Upon execution of this Agreement, the Parties shall set up an escrow account with First American Title Insurance (the “Escrow Agent”). The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of Escrow Agent in Seattle, Washington.

11.2. PRORATIONS. All prorations shall be made as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys’ fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for the deed, the recording fees for the West Access and Utility Easement, the recording fees for the East Access Easement Agreement, and its own attorneys’ fees. Except as otherwise provided in this Section 11.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

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

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

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

(c) An excise tax affidavit for filing with the King County Recorder’s Office at the time of recording of the Deed, the West Access and Utility Easement; and the East Access Easement; and

(d) The executed West Access and Utility Easement and the executed East Access Easement.

11.4. BUYER’S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller Cash or immediately available funds in the amount of the Purchase Price, the Relocation Price, and the East Access Easement Price. Buyer shall also deliver executed counterparts of the West Access and Utility Easement, the East Access Easement, and the tax affidavit referred to in Section 11.3(c) above.

11.5. MONETARY LIENS. Seller shall pay or cause to be satisfied at or prior to Closing all monetary liens created by or arising through Seller on or with respect to all or any portion of the Property, including but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for

taxes not yet due and payable) and financing statements.

ARTICLE 12. MISCELLANEOUS PROVISIONS

12.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

12.2. DEFAULT AND ATTORNEYS' FEES.

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

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

12.2.3. ATTORNEY'S FEES, JURISDICTION AND VENUE. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

12.3. TIME.

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

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

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 (a) upon receipt when personally delivered, (b) 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; or (c) by electronic mail transmission on or before 5:00 p.m. on a business day, provided that notice sent by one of the above methods is also given that same day. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer: Superintendent
Tahoma School District
2570 Maple Valley-Black Diamond Road SE
Maple Valley, WA 98038

With a copy to:

Denise L. Stiffarm
K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, WA 98104

If to Seller: King County
Real Estate Services
ADM-ES-0830
500 Fourth Avenue, Room 830
Seattle, WA 98104-2337

With a copy to:

King County Prosecutor's Office
Civil Division—Real Property Section
516 3rd Avenue, W400
Seattle, WA 98104

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

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

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

12.8 BINDING EFFECT. Subject to Section 12.14 below, this Agreement shall be binding upon and inure to the benefit of each Party hereto, its successors and assigns.

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

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

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

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

12.13 NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties hereto, and shall not create any rights in any other person or entity.

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

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

12.16. SELLER'S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Gail Houser, who is an employee of King County, and is Manager of the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Gail Houser has made no inquiries or investigations with respect to Seller's representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

12.17 SURVIVAL OF REPRESENTATION AND WARRANTIES. All representations, warranties, covenant and agreements of the Seller contained in Section 4.1.11 herein shall survive the Closing until issuance of a temporary or permanent occupancy permit by the City of Maple Valley to the Tahoma School District, and all other representations, warranties, covenants

and agreements of the Parties contained in this Agreement shall survive the Closing by one (1) year.

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

EXHIBIT A	Legal Description of School Site
EXHIBIT B	West Access and Utility Easement
EXHIBIT C	East Access Easement
EXHIBIT D	Deed
EXHIBIT E	Certificate of Non-Foreign Status

EXECUTED as of the date and year first above written:

SELLER: KING COUNTY

**BUYER: TAHOMA SCHOOL
DISTRICT NO. 409**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPROVED AS TO FORM:

By: _____

Senior Deputy Prosecuting Attorney

EXHIBIT A.

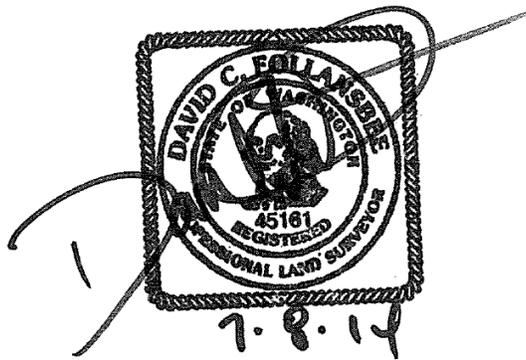
LEGAL DESCRIPTION

A PORTION OF PARCEL No. 342206-9006-03

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 22 NORTH, RANGE 6 EAST OF THE WILLAMETTE MERIDIAN IN KING COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 34; THENCE SOUTH 01°09'16" WEST ALONG THE EAST LINE THEREOF A DISTANCE OF 500.82 FEET; THENCE LEAVING SAID EAST LINE SOUTH 75°00'00" WEST A DISTANCE OF 41.44 FEET; THENCE SOUTH 85°52'47" WEST A DISTANCE OF 395.25 FEET; THENCE SOUTH 54°56'19" WEST A DISTANCE OF 243.39 FEET; THENCE SOUTH 06°31'30" EAST A DISTANCE OF 48.56 FEET; THENCE SOUTH 55°00'00" WEST A DISTANCE OF 16.07 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 764.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 26°19'35" A DISTANCE OF 351.04 FEET; THENCE SOUTH 81°19'35" WEST A DISTANCE OF 755.31 FEET; THENCE NORTH 88°50'44" WEST A DISTANCE OF 285.12 FEET; THENCE NORTH 01°35'36" EAST A DISTANCE OF 914.07 FEET TO THE SOUTH LINE OF THE NORTH 30 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34, SAID LINE ALSO BEING THE SOUTHERLY MARGIN OF SE 272ND STREET; THENCE NORTH 89°06'12" EAST ALONG SAID LINE A DISTANCE OF 675.11 FEET TO THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE NORTH 01°21'43" EAST ALONG SAID LINE A DISTANCE OF 15.08 FEET TO THE SOUTHERLY MARGIN OF SE 272ND STREET AND THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST FROM WHICH THE RADIUS POINT BEARS NORTH 13°44'02" WEST A DISTANCE OF 603.14 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 5°18'42" A DISTANCE OF 55.92 FEET TO THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE NORTH 89°06'12" EAST ALONG SAID LINE A DISTANCE OF 1251.68 FEET TO THE POINT OF BEGINNING.

CONTAINING 1,524,598 SQUARE FEET, MORE OR LESS.



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EXHIBIT B.

WEST ACCESS AND UTILITY EASEMENT

EXHIBIT C.

EAST ACCESS EASEMENT

EXHIBIT D.

BARGAIN AND SALE DEED

After Recording Return To:
Tahoma School District No. 409
25720 Maple Valley-Black Diamond Rd. SE
Maple Valley, Washington 98038
Attn: Superintendent

BARGAIN AND SALE DEED

Grantor - - King County, Washington
Grantee - - Tahoma School District No. 409
Legal - - - - A Portion of Parcel No. 3422069006 (“abbreviated”)
Tax Acct. - 3422069006

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of mutual benefits, pursuant to King County Ordinance No. _____, does hereby bargain, sell and convey unto the Grantee, TAHOMA SCHOOL DISTRICT NO. 409, a political subdivision of the State of Washington, the following the real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

GRANTOR
KING COUNTY

GRANTEE
TAHOMA SCHOOL DISTRICT NO. 409

BY _____

BY _____

TITLE _____

TITLE _____

DATE _____

DATE _____

Approved as to Form:

By _____

NOTARY BLOCKS APPEAR ON NEXT PAGE

EXHIBIT E.

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

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 800 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Dated this ___ day of _____, 20__.

King County, Transferor:

By: _____

Print Name: _____

Title: _____