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2007-348

ATTACHMENT B

DRAFT PURCHASE AND SALE AGREEMENT BOILERPLATE

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SOUTH 277th FARM SALE
PARCEL #000680-0004

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Agreement is made as of the date this instrument is fully executed by and between KING COUNTY, a political subdivision of the State of Washington ("Seller"), and _____ ("Buyer"), for purchase and sale of that certain real property situated in King County, Washington, legally described on Exhibit A attached hereto (the "Property"), and all rights appurtenant thereto, subject to a Reservation of Development Rights and Restrictive Covenants with respect to the Property.

1. **PURCHASE PRICE:** The total purchase price for the Property is _____ [minimum of Three HundredTwenty-Five Thousand and No/100 Dollars (US \$325,000.00)] ("Purchase Price"). The Purchase Price is payable at closing in cash.

2. **TITLE:**

2.1 **Deed:** At closing, Seller will execute and deliver to Buyer a Statutory Warranty Deed as described on Exhibit C attached hereto, conveying and warranting good and marketable title to said Property free and clear of all defects or encumbrances except for the lien of real estate taxes and drainage service charges not yet due and payable, and subject to a Reservation of Utility Easement; any Permitted Exceptions to the Title Report attached hereto as Exhibit B, and a Deed for Reservation of Development Rights and Restrictive Covenants, attached hereto as Exhibit D.

2.2 **Title Insurance:** At closing, Buyer shall receive (at Buyer's expense) an owner's Standard ALTA policy of title insurance, dated as of the closing date and insuring Buyer in the amount of the Purchase Price against loss or damage by reason of defect in Buyer's title to the Property subject only to the printed exclusions appearing in the policy form and any Permitted/Subordinated Exceptions.

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3. CONTINGENCIES:

3.1 Seller's Contingencies:

3.1.1 Council Approval: The sale of the Property is subject to approval by the King County Council of an ordinance approving sale of the Property. If such approval is not granted by Friday, September 7, 2007, Seller or Buyer may terminate this Agreement upon written notice to the other. Upon such termination, neither party shall have any further rights or obligations to the other hereunder

3.2 Buyer's Contingencies:

3.2.1 Inspections and Feasibility: The condition of the Property for Buyer's contemplated use and the feasibility of such use shall meet the approval of Buyer, in Buyer's sole discretion. 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 Buyer (subject to the limitations set forth below); (ii) obtain a Phase I or Phase II Environmental Assessment on the Property; (iii) examine all due diligence materials that Buyer may request from Seller; (iv) determine to its satisfaction whether approvals, permits and variances for the Project can be obtained under applicable land use and zoning codes for Buyer's proposed use of the Property; and (v) determine whether Buyer's proposed use of the Property is economically feasible. Such inspections and feasibility studies must be completed no later than Thursday, July 19, 2007, at which time all negotiations for this Agreement must be finalized.

3.2.2 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 the tests, investigations and studies set forth in this Section 3.2 upon one day advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval, which approval shall not be unreasonably withheld. 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.

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3.3 Removal of Buyer Contingencies: All Buyer contingencies must be removed no later than Thursday, July 19, 2007, by which time all negotiations for this Agreement must be finalized. The obligations under this Agreement are subject to the satisfaction of the Buyer contingencies set forth in this Section 3. In the event any one or more of the contingencies herein set forth is not satisfied within the period set forth herein for such contingency ("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. Buyer shall be the sole judge as to whether its respective contingencies shall have been satisfied. Buyer may remove its respective contingencies by sending written notice thereof to Seller pursuant to Paragraph 7 herein.

4. RISK OF LOSS: Seller will bear the risk of loss of or damage to the Property prior to closing. In the event of such loss or damage to the Property, Seller shall promptly notify Buyer thereof and Buyer may, in its sole discretion, terminate this Agreement by giving notice of termination to the Seller.

5. SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS: Seller represents, warrants and covenants to the Buyer at the date of execution of this Agreement and the date of closing that:

5.1 Authority: Seller, and the person(s) signing on behalf of Seller, has full power and authority to execute this Agreement and perform Seller's obligations, subject to the contingency set forth in Section 3.1.1.;

5.2 No Leases: The Property is not subject to any leases, tenancies or rights of persons in possession;

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

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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.

5.4 Fees and Commissions: No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transaction 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 Seller or any action taken by the Seller.

5.5 Indemnification: Seller agrees to indemnify, defend, and hold harmless Buyer, its employees, agents, heirs and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other fees, arising out of or in any way connected to the breach of any representation or warranty contained herein. Such duty of indemnification shall include, but not be limited to damage, liability, or loss pursuant to all federal environmental laws, Washington State environmental laws, strict liability and common law.

6. BUYER'S REPRESENTATIONS: Buyer represents to the Seller at the date of execution of this Agreement and the date of closing that:

6.1 Authority: Buyer, and the person(s) signing on behalf of Buyer, has full power and authority to execute this Agreement and perform Buyer's obligations, and if Buyer is a corporation, all necessary corporate action to authorize this transaction has been taken;

6.2 Condition of Property: Buyer acknowledges that, within the Due Diligence Period, it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Purchased Assets, and that, as of the date hereof, Seller has provided Buyer with copies of all reports in Seller's possession that have been requested by Buyer. Upon waiver or satisfaction by Buyer of its contingencies pursuant to Section 3, 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

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including, without limitation, environmental laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 5 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.

6.3 Fees and Commissions: Buyer shall pay for any broker's or other commissions or fees incurred by the Buyer in connection with the sale of the Property and Buyer shall indemnify and hold Seller harmless from all such claims for commission and/or fees.

6.4 Indemnification: Buyer agrees to indemnify, defend, and hold harmless Seller, its employees, agents, heirs and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other fees, arising out of or in any way connected to the breach of any representation or warranty contained herein. Such duty of indemnification shall include, but not be limited to damage, liability, or loss pursuant to all federal environmental laws, Washington State environmental laws, strict liability and common law.

7. CLOSING:

7.1 Time for Closing: The sale will be closed in the office of the Closing Agent not later than Friday, September 14, 2007.

Buyer and Seller shall deposit in escrow with the Closing Agent all instruments, documents and moneys necessary to complete the sale in accordance with this Agreement. As used in this Agreement, "closing" and "date of closing" means the date on which all appropriate documents are recorded and proceeds of the sale are available for disbursement to Seller. The Closing Agent shall be:

Pacific Northwest Escrow Company
215 Columbia Street
Seattle, Washington 98104

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7.2 Prorations; Closing Costs: Seller will pay real estate excise taxes (if any are due) and real property taxes (if any are due) prorated through the date of closing. Buyer will pay the premium for its owner's title insurance policy. Seller and Buyer shall split equally the Closing Agent's escrow fees.

8. NOTICES: Any notices required herein shall be given to the parties at the addresses listed below:

TO SELLER:

King County
500 Fourth Avenue, Suite 500
Seattle, Washington 98104
Attn: Bob Thompson

TO BUYER:

[Insert Buyer's Address]

9. GENERAL: This is the entire agreement of the Buyer and Seller with respect to the Property and supersedes all prior or contemporaneous agreements between them, written or oral. This Agreement may be modified only in writing, signed by Buyer and Seller. Any waivers under this Agreement must be in writing. A waiver of any right or remedy in the event of a default will not constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement is for the benefit of, and binding upon, Buyer and Seller and their heirs, personal representatives, successors and assigns. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision. Time is of the essence in this agreement.

10. WASTE; ALTERATION OF PROPERTY: Prior to closing Seller shall not commit waste on the Property, nor shall Seller remove trees or other vegetation, coal, minerals or other valuable materials nor shall Seller substantially alter the surface or subsurface of the Property without the express written consent of Buyer.

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11. SURVIVAL OF WARRANTIES: The terms, covenants, representations and warranties shall not merge in the deed of conveyance, but shall survive closing.

Signed in duplicate original.

BUYER:

[Insert Buyer's Name Here],

By: _____

Title: _____

Date: _____

SELLER:

KING COUNTY,
a political subdivision of the State of Washington

By: _____

Date: _____

- EXHIBITS:**
- Exhibit A – Legal Description**
 - Exhibit B – Permitted Exceptions in Title Report**
 - Exhibit C – Form of Deed for Property and Reservation of Utility Easement**
 - Exhibit D – Form of Deed for Reservation of Development Rights and Restrictive Covenants**

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**EXHIBIT A
TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

LEGAL DESCRIPTION

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**EXHIBIT B
TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

PERMITTED EXCEPTIONS

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**EXHIBIT B
TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

PERMITTED EXCEPTIONS

PERMITTED EXCEPTIONS TO TITLE REPORT

1. EASEMENT AND THE TERMS AND CONDITIONS REFERENCED THEREIN, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

GRANTEE: King County
PURPOSE: Installing, constructing, re-constructing, operating, maintaining, removing, repairing, replacing and using sewer interceptor
AREA AFFECTED: Southerly portion of said premises
RECORDED: December 6, 1999
RECORDING NUMBER: 19992106000998

2. EASEMENT AND THE TERMS AND CONDITIONS REFERENCED THEREIN, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

GRANTEE: King County
PURPOSE: Sanitary sewer pipeline
AREA AFFECTED: Portion of said premises
RECORDED: November 8, 2002
RECORDING NUMBER: 20021108000199

3. RIGHT TO MAKE NECESSARY SLOPES FOR CUTS OR FILLS UPON PROPERTY HEREIN DESCRIBED AS GRANTED IN DEED:

RECORDED: July 25, 1956
RECORDING NUMBER: 4714891
GRANTEE: County of King, State of Washington

4. EASEMENT AND THE TERMS AND CONDITIONS THEREOF, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

IN FAVOR OF: City of Auburn
CONDEMNED IN KING COUNTY
SUPERIOR COURT CAUSE NUMBER: 00-2-28555-8
PURPOSE: Ingress and egress, installing a gravel road and for maintenance and constructions
AREA AFFECTED: Boarding the acquisition portion of the condemnation

(continued)

5. The property herein described is carried on the tax rolls as exempt; however, it will become taxable from the date of transfer to a taxable entity.

TAX ACCOUNT NUMBER: 000680-0004-03

NOTE: PLEASE CONTACT THE KING COUNTY ASSESSOR'S OFFICE AT 206-296-5151 OR ONLINE AT "WWW.METROKC.GOV/ASSESSOR" TO VERIFY THE TAX AMOUNT DUE, AS EXEMPT TAXES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

6. NOTICE OF HOUSING CODE VIOLATION:

RECORDED: March 12, 2004
RECORDING NUMBER: 20040312000343
CITY'S FILE NUMBER: CO0023699

7. Payment of Real Estate Excise Tax, if required.

The property described herein is situated within the boundaries of local taxing authority of City of Kent.

Present Rate of Real Estate Excise Tax as of the date herein is 1.78%.

NOTE 1: SPECIAL TAXES AND CHARGES, PAID IN FULL:

YEAR: 2007
TAX ACCOUNT NUMBER: 000680-0004-03

	AMOUNT BILLED	
SPECIAL DISTRICT:	\$10.97	
	\$10.00	
TOTAL BILLED:	\$20.97	PAID: \$20.97

NOTE 2: Our examination discloses that the vestee herein does not own any contiguous property.

NOTE 3: The name and address of the current taxpayer according to the King County Assessors record is:

King County
201 South Jackson Street, #600
Seattle, WA 98104

NOTE 4: The vestee herein acquired title by instrument recorded under Recording Number 20021120002828.

(continued)

NOTE 5: FIVE YEAR DELINEATION OF TITLE:

INSTRUMENT: Statutory Warranty Deed
GRANTOR: Fred F. Nelson, John E. Nelson and Nancy E. Bauer, as their respective estates
GRANTEE: King County, a political subdivision of the State of Washington
RECORDING NUMBER: November 20, 2002
EXCISE RECEIPT NUMBER: 20021120002828

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**EXHIBIT C
TO
REAL ESTATE PURCHASE AND SALE AGREEMENT
FORM OF DEED AND RESERVATION OF UTILITY EASEMENT**

FILED FOR RECORD AT REQUEST OF:

AFTER RECORDING RETURN TO:

STATUTORY WARRANTY DEED

Grantor: King County, Washington
Grantee: [Insert Buyer]
Legal Description: [Insert Legal Description]
Abbreviated: [Insert Legal Description]
Tax Parcel No.: [Insert Tax No]

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of _____ and other good and valuable consideration, the receipt of which is hereby acknowledged, pursuant to King County Ordinance No. _____, does hereby convey and warrant unto Grantee, _____, the real property situated in King County, Washington, and legally described on Exhibit A attached hereto (the "Property").

Subject only to the permitted exceptions shown on Exhibit A.

Dated this _____ day of _____, 20_____.

GRANTOR:

KING COUNTY, WASHINGTON,
a political subdivision of the State of Washington

By: _____
Title: _____

GRANTEE:

By: _____
Title: _____

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EXHIBIT A TO STATUTORY WARRANTY DEED

LEGAL DESCRIPTION OF PROPERTY:

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**EXHIBIT D
TO
REAL ESTATE PURCHASE AND SALE AGREEMENT
FORM OF DEED FOR RESERVATION OF DEVELOPMENT RIGHTS**

FILED FOR RECORD AT REQUEST OF:

AFTER RECORDING RETURN TO:

**STATUTORY WARRANTY DEED
AND
RESERVATION OF AND AGREEMENT RELATING TO DEVELOPMENT RIGHTS**

Grantor:	King County, Washington
Grantee:	[INSERT BUYER]
Legal Description:	
Abbreviated:	[INSERT ABBREVIATED LEGAL]
Full:	See Exhibit A
Tax Parcel No.:	