ATTACHMENT A TO ORDINANCE

Real Estate Purchase and Sale Agreement

13326 -230th Avenue SE, Issaquah area

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of APRIL 18, 2012, by and between KING COUNTY, a home rule charter county and political subdivision of the State of Washington (the "Seller") and Edward T. Morgan and Roxana G. Morgan, a married couple, residing at 8718-314th Avenue SE, Issaquah, Washington 98027 (the "Buyer"). Seller and Buyer may be referred to hereinafter individually as "Party" or collectively as the "Parties."

RECITALS

- A. Seller is the owner of that certain real property located in unincorporated King County, Washington, which consists of approximately 44,431 square feet, commonly identified as Assessor's Parcel Number 509040-0020, located at 13326 230th Avenue SE, and the legal description of which is attached hereto as **EXHIBIT A** (the "Property").
- **B.** Seller is desirous of selling the Property and Buyer is desirous of purchasing the Property.

AGREEMENT

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

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

- 1.1. PROPERTY TO BE SOLD. Subject to and upon the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date (as defined in Article 10.2 below) and Buyer shall buy, assume and accept from Seller on the Closing Date the following assets and properties:
- (a) all the Seller's right, title and interest in the Property, as described in **EXHIBIT A**; subject to Seller's retention of any reservations as described in **EXHIBIT B** (the deed as to form), including but not limited to reservation of a Conservation Easement as provided for in Section 4.4.1 of this Agreement;
- (b) all of Seller's right, title and interest in improvements and structures located on the Property, if any;

- (c) all of Seller's tenements, hereditaments, easements and rights appurtenant to the Property including but not limited to, all of the Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the Property, easements for public utilities, all sewers and service drainage easements, all rights of connection to the sewers, and all rights of ingress and egress, and all leases, licenses, government approvals and permits affecting the Property; and
- (d) This sale includes all built-in appliances at the Property, including a refrigerator, if any.

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

ARTICLE 2. PURCHASE PRICE

- 2.1. PURCHASE PRICE AND PAYMENT. In consideration of the sale, transfer, conveyance, assignment and delivery of the Purchased Assets, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of Two Hundred Thirty Thousand and No/100ths Dollars (\$230,000.00) (the "Purchase Price"). This sale is not contingent upon Buyer obtaining financing, and Buyer will provide all cash at closing.
- 2.2 EARNEST MONEY. Not later than two (2) business days following the execution of this Agreement, Buyer shall deposit with Escrow Agent (defined in Section 10.1 of this Agreement) a promissory note in the form attached hereto as Exhibit C the amount of Two Thousand Two Hundred and No/100ths Dollars (\$2,200.00) as the initial earnest money deposit (the "Earnest Money Note"). Within two (2) business days after satisfaction of the Council Approval Contingency set forth in Section 5.2 of this Agreement, the Earnest Money Note shall be replaced with cash in the same amount as the Earnest Money Note and such cash shall be deposited into escrow as the earnest money (the "Earnest Money"). Upon closing of this transaction, the Earnest Money will be applied toward the Purchase Price that is due Seller. Should Buyer default on its obligations under this Agreement, the Seller shall be entitled to retain the Earnest Money as liquidated damages.
- 2.3. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to real property and that the value of the Personal Property, if any, is de minimus.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

- 3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. Seller represents and warrants as follows:
- 3.1.1. Definition of Seller. The Seller is a home rule charter county and political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.
- 3.1.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a home rule charter county and political subdivision of the State of Washington, (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party or which is presently in effect and applicable to Seller. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.
- 3.1.3 Litigation. To the best of Seller's knowledge, there is no pending or threatened lawsuit or material claim against or relating to Seller with respect to the Property, which shall impede or materially affect Seller's ability to perform the terms of this Agreement. To the best of Seller's knowledge, there is no pending or contemplated condemnation or similar proceeding with respect to the Property or any part thereof.
- 3.1.4 Assessments. To the best of Seller's knowledge, there is no contemplated local improvement district or other special assessment or charge with respect to the Property, except as may be disclosed in the Title Commitment described below.
- 3.1.5 Full Disclosure. To the best of Seller's knowledge, no representation or warranty by Seller in this Agreement or in any instrument, certificate or statement furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or fails to state a material fact which is necessary to make the statements set forth therein not false or misleading.
- 3.1.6 Broker. Seller agrees to pay a commission in accordance with any listing or commission agreement to which Seller is a party.
- 3.1.7 Contracts. There are no contracts or other obligations outstanding for the sale, exchange, transfer, lease, rental or use of the Property or any portion thereof.

- 3.1.8 Future Agreements. From and after the date hereof unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:
- (i) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
 - (ii) sell, dispose of or encumber any portion of the Property;
- 3.1.9 Maintenance of the Property. Seller shall continue to maintain the Property in compliance with all applicable laws and pay all costs of the Property with respect to the period prior to closing.
- 3.1.10. Condition of the Property. 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 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.
- 3.1.11. Risk of Loss. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.
- 3.1.12. Foreign Person. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended and shall deliver to Purchaser prior to the Closing Date an affidavit, as set forth in Exhibit D, evidencing such fact, and such other documents as may be required under the Code.

- 3.1.13. Seller's Knowledge. Any and all representations or warranties based on Seller's knowledge are made to and limited by the present, actual knowledge of Anne Lockmiller, who is an employee of King County, and is the Real Property Surplussing Agent of the Real Estate Services Section. Anne Lockmiller has made no inquiries or investigations with respect to Seller's representations and warranties prior to the making thereof and has no duty to undertake the same.
- 3.2 Representations and Warranties of Buyer. Buyer represents and Warrants as follows:
- 3.2.1. Litigation. There is no pending or, to the best of Buyer's knowledge, threatened lawsuit or material claim against or relating to Buyer that shall impede or materially affect Buyer's ability to perform the terms of this Agreement.
- 3.2.2. Full Disclosure. No representation or warranty by Buyer in this Agreement or in any instrument, document, certificate or statement furnished to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact.
- Condition of Property. Buyer acknowledges that, within the Due Diligence Period (as defined in Article 5.1 below), it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Purchased Assets. Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1 of this Agreement, and to the extent of any fraud or deliberate misrepresentation by Seller, Seller shall have no liability for, and that Buyer shall have no recourse against the Seller for, any defect or deficiency of any kind whatsoever in the Property including without limitation those relating to Hazardous Substances, without regard to whether such defect or deficiency was discovered or discoverable by the Buyer or Seller.
- **3.2.4.** Waiver of Disclosure Statement. Buyer hereby expressly waives receipt of a Seller Disclosure Statement.
- 3.2.5 Indemnification. 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 after closing.

3.2.6. Broker. Buyer agrees to pay a commission in accordance with any listing or commission agreement to which Buyer is a party.

ARTICLE 4. TITLE MATTERS

- 4.1. TITLE. Seller shall deliver to Buyer good and marketable title, free and clear of all liens, defects and encumbrances except the Permitted Exceptions.
- 4.2 Title Commitment. Buyer shall obtain a current ALTA form of commitment for an owner's standard policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400 (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.
- 4.2.1 Survey. Buyer shall have the option, at its expense, to have prepared and furnished to the Title Company and Buyer a survey (the "Survey") of the Property prepared by a licensed public surveyor. The Survey shall be certified to Buyer and the Title Company, shall be satisfactory to the Title Company so as to permit it to issue an owner's extended coverage title policy, identify the Property by legal description and shall set forth the number of square feet contained within the Property, show all natural monuments, existing fences, drainage ditches and/or courses, flood plain limits, any building or other site improvements and/or objects, any rights-of-way for streets, existing driveways, alleys or highways, easements and other restriction lines existing and/or proposed which shall affect any portion of the Property, and such other items as required by Buyer.
- 4.2.2 Review of Title Commitment and Survey. Any exceptions or other items that are set forth in the Title Commitment or the Survey and to which Buyer does not object within the review period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the review period, Seller shall notify Buyer within ten (10) days after Seller receives Buyer's notice of objections of any exceptions to title or items on the survey which Seller is not able to remove or otherwise resolve and any endorsements that Seller is not able to provide following Buyer's request within the review period, and Buyer may, at Buyer's option, either waive the objections not cured or Buyer may terminate this Agreement by notice to Seller. Notwithstanding the foregoing, all monetary liens or encumbrances shall be paid by Seller at closing.

4.2.3. WAIVER OF OBJECTIONS TO TITLE. Buyer acknowledges that it has reviewed the Title Commitment, dated March 15, 2012, and approves the condition of title to the Property as disclosed therein. Having satisfied itself as to the condition of title, Buyer elects to exercise its option, at its sole and absolute discretion, to waive its right to object to any title exceptions or other items as provided for in Section 4.2.2 of this Agreement. By its signature set forth on the line below, Buyer hereby waives any objections to any exceptions to title.

Roxana G. Morgan: Morgan: Morgan Dated: 4-13-12

- 4.3. Owner's Title Insurance Policy. At the closing, Buyer shall cause a standard owner's policy of title insurance to be issued by the Title Company in the full amount of the purchase price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the usual printed exceptions contained in such title insurance policy, to the matters approved by Buyer as provided herein, and to any other matters approved in writing by Buyer. The obligation of Buyer to provide the title policy called for herein shall be satisfied if, at the closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this section. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.
- 4.4. CONVEYANCE. Seller shall convey to Buyer the title to the Property by deed, in substantially the form attached hereto as EXHIBIT B, subject only to the Permitted Exceptions and reservations of Seller that may be defined in EXHIBIT B. Rights reserved in federal patents or state deeds, building or use restrictions general to the district, and building or zoning regulations or provisions shall be deemed Permitted Exceptions.
- 4.4.1 Reservation of Conservation Easement. The conveyance deed described in Section 4.4 above shall include the reservation by Seller of a permanent and exclusive conservation easement described as follows:

RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, a permanent and exclusive *Conservation Easement*, together with access to and egress from, and maintenance over, across, along, in, under, upon and through the above-described Property, for a portion of the Property hereinafter defined as the *Conservation Easement*, or *Conservation Easement Area*, legally-described as follows:

[LEGAL DESCRIPTION OF CONSERVATION EASEMENT AREA TO BE INCLUDED IN CONVEYANCE DEED]

King County reserves unto itself in perpetuity the right to enter upon and use the Conservation Easement Area at all times as a stream/wetland restoration and

buffer enhancement/mitigation site to satisfy the requirements of the United States Army Corps of Engineers, Washington State Department of Fish and Wildlife, and King County Department of Development and Environmental Services in connection with the Bandaret Bridge Project including, but not limited to, establishing, monitoring, maintaining, preserving, repairing and enhancing the stream/wetland restoration and buffer enhancement/mitigation site. King County may enter upon the Property in order to access the Conservation Easement Area at all times and for all purposes related to such use of the Conservation Easement Area. King County shall not unreasonably interfere with the ownership, possession, use, or enjoyment by the Grantee of the Property when entering the Property to perform the permitted functions on the Conservation Easement Area described herein.

The following covenants shall be placed on the Property, in perpetuity, as follows: (1) The Conservation Easement Area shall forever remain as a stream/wetland restoration and buffer enhancement/mitigation site, and no other use shall be permitted thereon; (2) The Grantee shall not in any way impair or interfere with the function and use of the Conservation Easement Area; (3) The Grantee shall not undertake, nor cause or permit to be undertaken, construction of any structures or artificial surfaces or alteration of any vegetation within the Conservation Easement Area, or any activity or use of the Conservation Easement Area as a stream/wetland restoration and buffer enhancement/mitigation site. This covenant exists for the benefit of, and may be enforced by, King County.

The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, King County and the Grantee, their respective personal representatives, heirs, successors, and assigns, shall continue as a servitude and easement running in perpetuity with the Property, and shall be included in any future deed conveying the Property.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval. If Buyer approves of the condition of the Property, Buyer agrees to notify Seller, in writing, thereby removing the contingency. Buyer shall make such determination within forty-five days following the date of mutual execution of this Agreement ("Due Diligence Period"); provided, however, that Buyer may, as provided for in Section 5.1.3 of this Agreement and at its sole and absolute discretion, waive its right to conduct further due diligence and feasibility investigation and inspection, thereby removing this contingency concurrent with the date of mutual execution of this Agreement.

In the event this contingency is not satisfied or waived within the Due Diligence Period, Buyer may terminate this Agreement upon written notice to Seller on or before the expiration of the Due Diligence Period, and neither party shall have any further rights or obligations to the other hereunder.

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

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

5.1.3. WAIVER OF DUE DILIGENCE INSPECTION AND FEASIBILITY CONTINGENCY.

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

Edward T. Morgan: Elm Ja Morgan	٠	Dated:	4-13-12
Roxana G. Morgan: Horanofellorgan		_ Dated:	4-13-12

5.2. COUNCIL APPROVAL CONTINGENCY. This sale is expressly contingent upon the King County Council's adoption of an ordinance approving of this conveyance ("the Council Approval Contingency"). Seller will not transmit the proposed ordinance to Council until Buyer has either waived or satisfied all Buyer's contingencies in this Agreement.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

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

ARTICLE 7. COVENANTS OF BUYER PENDING CLOSING

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

ARTICLE 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

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

- **8.1. DELIVERY OF DOCUMENTS.** Seller shall have delivered to Buyer at or prior to closing all documents required by the terms of this Agreement to be delivered to Buyer.
- 8.2. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Seller contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

- **8.3.** OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the closing shall have been properly performed in all material respects.
- 8.4. TITLE. Any and all matters shown or referred to in the Title Commitment to which Buyer has objected within the time specified in Section 4.1, shall have been cured by Seller, unless such objections have been waived by Buyer. The Title Company is irrevocably committed to issue an owner's extended coverage policy of title insurance containing no exceptions other than the Permitted Exceptions.
- 8.5 CONDEMNATION. No portion of the Purchased Assets shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Purchased Assets to any such body in lieu of condemnation.

ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

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

- 9.1. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Buyer contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.
- 9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing Date shall have been properly performed in all material respects.
- 9.3. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.
- 9.4. TITLE. Buyer shall have caused the Title Company to be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions.
- 9.5. WAIVER OF CONTINGENCIES. Buyer shall have submitted waivers of, or confirmation of the satisfaction of, all contingencies stated in this Agreement, in writing to Seller, prior to close of escrow as defined in Article 10, below.

ARTICLE 10. CLOSING

- 10.1. ESCROW AGENT. Upon execution of this Agreement, the Parties agree to set up an escrow account with First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, (206) 728-0400 (the "Escrow Agent"). The Escrow Agent shall serve as closing agent for the transaction contemplated herein and the Closing shall occur in the offices of Escrow Agent in Seattle, Washington.
- 10.2. CLOSING DATE. This sale may close escrow no earlier than approximately twenty-five days (25) days, and no later than thirty-five (35) days, after satisfaction of the Council Approval Contingency.

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

Should the Council Approval Contingency not be met by December 19, 2012, the Parties may agree in writing to extend this date, or either Party may terminate without default.

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

- 10.3. PRORATIONS. All prorations, unless otherwise specifically provided for herein, shall be made as of the Closing Date.
- 10.3.1. CLOSING COSTS. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the cost of the preliminary and binding title commitments from the Title Company, the recording fees for the deed and its own attorneys' fees. Except as otherwise provided in this Section 10.3.1, and Sections 4.2 and 4.3 above, all other expenses hereunder shall be paid by the Party incurring such expenses.
- 10.4. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the closing, Seller will deliver to Buyer the following properly executed documents:
- (a) A deed conveying the Property in substantially the form of EXHIBIT B attached hereto;
- (b) Seller's Certificate of Non-Foreign status substantially in the form of **EXHIBIT D**, attached hereto;

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

ARTICLE 11. TERMINATION

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

ARTICLE 12. MISCELLANEOUS PROVISIONS

- 12.1. NATURE AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Each statement, representation, warranty, indemnity, covenant, and agreement made by Seller and Buyer in this Agreement or in any document, certificate or other instrument delivered by or on behalf of Seller or Buyer pursuant to this Agreement or in connection herewith shall be deemed the representation, warranty, indemnity, covenant and agreement of Seller and Buyer and shall survive the Closing Date unless a different time period is expressly provided for in this Agreement and all such statements are made only to and for the benefit of the Parties hereto, and shall not create any rights in other persons or entities.
- 12.2. DEFAULT AND ATTORNEYS' FEES. In the event of default by either Party to this Agreement, the non-defaulting Party shall have the right to bring an action for specific performance, damages and any other remedies available to such Party at law or in equity. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.
- 12.3. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.
- 12.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as either Party may specify for itself by providing written notice of the address change to the other Party and given as provided herein:

If to Buyer:

Edward T. Morgan and Roxana G. Morgan

8718 -314th Avenue SE Issaquah, Washington 98027

Phone: 425-222-3527

With a copy to:

Susan Gardner, Keller Williams Realty 505-106th Avenue NE, Suite 210

Bellevue, Washington 98004

Phone: 425-635-8088

If to Seller:

King County Administration Building

Real Estate Services Section 500 4th Avenue, Room 830 Seattle, Washington 98104

With a copy to:

King County Prosecuting Attorney

King County Courthouse

516 Third Avenue, Room W400 Seattle, Washington 98104

12.5. Onsite Sewage (Septic) System

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

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

12.5.3. Onsite Sewage System Operation and Maintenance Requirements.

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

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

Edward T. Morgan: Limb Tologo Dated: 4-13-12

Roxana G. Morgan: Assuma Rollogran Dated: 4-13-12

- 12.7. AGENCY DISCLOSURE. Buyer is aware that Anne Lockmiller, the listing agent, is an employee of King County and that she represents the Seller, King County.
- 12.8. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties hereto.
- 12.9. 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.
- 12.10. 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.
- 12.11. Binding Effect. Subject to Section 12.12 below, this Agreement shall be binding upon and inure to the benefit of each Party hereto, its successors and assigns.
- 12.12. 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.
- 12.13. 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.

- 12.14. 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.
- 12.15. GOVERNING LAW. This Agreement and all amendments thereof shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law provisions.
- 12.16. NON-MERGER. The terms and provisions of this Agreement will not merge in, but will survive, the closing of the transaction contemplated under this Agreement.
- 12.17. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent, which shall not be unreasonably withheld.
- 12.18. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. All Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement, although each Party must determine if they wish to obtain and pay for such legal review.

Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of the terms found in this Agreement.

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

EXHIBIT A	Legal Description
EXHIBIT B	Deed as to form
EXHIBIT C	Promissory Note as to form
EXHIBIT D	Certificate of Non-Foreign Status

12.20. FACSIMILE AND E-MAIL TRANSMISSIONS. The Parties agree that facsimile and e-mail transmissions of any signed original documentation forming this Agreement shall be the same as the original, and the delivery of the original, provided that documents are emailed to both Seller and Buyer at the email addresses provided below. At the request of either Party or of the Escrow Agent, original hard copy documents bearing the original signatures shall be substituted in place of facsimiles or email transmissions.

King County as Seller, to Anne Lockmiller – anne.lockmiller@kingcounty.gov Edward and Roxana Morgan as Buyers – morganuci@gmail.com With copies to Selling Broker: susan.gardner@comcast.net 12.21 Survival. Unless specified otherwise in this Agreement, all warranties, representations, and indemnity obligations and restrictions made, undertaken, and agreed to by the Parties under this Agreement shall survive the closing and/or expiration of this Agreement.

EXECUTED as of the date and year first above written:

SELLER: KING COUNTY

Name: DAMU ASSIDI

Stephen L. Salyer, Manager Real Estate Services Section

APPROVED AS TO FORM:

Deputy Prosecuting Attorney

STATE OF WASHINGTON

COUNTY OF KING

S\$.

On this day personally appeared before me Stephen L. Salyer, to me known to be the Manager of the Real Estate Services Section of KING COUNTY, the municipal corporation and political subdivision of the State of Washington that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such municipal corporation and political subdivision, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this / 8th day of APRIC , 2012.



Printed Name: ANNE E. LOCKMILLER .

NOTARY PUBLIC in and for the State of Washington,

residing at SEATTLE, WASHINGTON

My Commission Expires NOVEMBER 9, 2012

BUYER'S SIGNATURE AND NOTARY BLOCKS ON PAGE 18

EXECUTED as of the date and year first above written:

EXHIBIT A

LEGAL DESCRIPTION

ASSESSOR'S PARCEL NUMBER 509040-0020

Lot 2, Assessor's Plat of Maple Glen Estates Division No. 2, according to plat thereof, recorded in Volume 74 of Plats, Page 78, in King County, Washington.

EXHIBIT B

The Grantor herein, KING COUNTY, a political subdivision of the State of Washington ("Grantor") for the consideration of TEN DOLLARS (\$10.00) and other valuable consideration, conveys and warrants to FOWATO 1. 3 ROYALA G. HOUSE Grantee"), all interest in the following described Property (the "Property"):

Lot 2, Assessor's Plat of Maple Glen Estates Division No. 2, according to plat thereof, recorded in Volume 74 of Plats, Page 78, in King County, Washington.

RESERVING UNTO GRANTOR KING COUNTY, its heirs, successors and assigns, a permanent and exclusive *Conservation Easement*, together with access to and egress from, and maintenance over, across, along, in, under, upon and through the above-described Property, for a portion of the Property hereinafter defined as the *Conservation Easement*, or *Conservation Easement Area*, legally-described as follows:

That portion of Lot 2, Assessor's Plat of Maple Glen Estates Division No. 2, as recorded in Volume 74, Page 78, Records of King County, Washington, lying southerly and easterly of the following described lines:

Commencing at the intersection of May Valley Road and 230th Ave SE (A Private Road) per said plat;

Thence N 35°29'43" W along the centerline of 230th Ave SE, a distance of 48.55 feet to the point of curvature of a curve to the right, the radial center of which bears N 54°30'17" E, a distance of 75.07 feet;

Thence along said curve to the right through a central angle of 14°43'21", an arc distance of 19.29 feet:

Thence N 69°13'37" E, on a radial bearing, a distance of 30.00 feet to a point on the west line of said lot 2, said point being the true point of beginning of the herein described line;

Thence N 50°19'54" E, a distance of 146.09 feet;

Thence N 54°44'26" E, a distance of 39.92 feet;

Thence N 16°39'28" E, a distance of 138.04 feet to a point on the north line of said lot 2, said point being the terminus of the herein described lines.

Containing Approximately 19,315 square feet (0.44 acres).

King County reserves unto itself in perpetuity the right to enter upon and use the Conservation Easement Area at all times as a stream/wetland restoration and buffer enhancement/ mitigation site to satisfy the requirements of the United States Army Corps of Engineers, Washington State Department of Fish and Wildlife, and King County Department of Development and Environmental Services in connection with the Bandaret Bridge Project including, but not limited to, establishing, monitoring, maintaining, preserving, repairing and enhancing the stream/wetland restoration and buffer enhancement/ mitigation site. King County may enter upon the Property in order to access the Conservation Easement Area at all times and for all purposes related to such use of the Conservation Easement Area. King County shall not unreasonably interfere with the ownership, possession, use, or enjoyment by the Grantee of the Property when entering the Property to perform the permitted functions on the Conservation Easement Area described herein.

The following covenants shall be placed on the Property, in perpetuity, as follows:

(1) The Conservation Easement Area shall forever remain as a stream/wetland restoration and buffer enhancement/mitigation site, and no other use shall be permitted thereon; (2) The Grantee shall not in any way impair or interfere with the function and use of the Conservation Easement Area; (3) The Grantee shall not undertake, nor cause or permit to be undertaken, construction of any structures or artificial surfaces or alteration of any vegetation within the Conservation Easement Area, or any activity or use of the Conservation Easement Area which is inconsistent with the use of the Conservation Easement Area as a stream/wetland restoration and buffer enhancement/mitigation site. This covenant exists for the benefit of, and may be enforced by, King County.

The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, King County and the Grantee, their respective personal representatives, heirs, successors, and assigns, shall continue as a servitude and easement running in perpetuity with the Property, and shall be included in any future deed conveying the Property.

(DEED CONTINUED PAGE 22...)

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

- Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for unincorporated King County is at 1.78%.
 Levy/Area Code: 6981
- General Taxes for the year 2012. The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.

Tax Account No.:	509040-0020-08		
	1st Half		
Amount Billed:	\$	72.62	
Amount Paid:	Š.	0.00	
Amount Due:		72.62	
Assessed Land Value:	\$	0.00	
Assessed Improvement Value:	\$	0.00	
	Znd Half		
Amount Biffed:	\$	72.62	
Amount Paid:	\$	0.00	
Amount Due:	\$	72.62	
Assessed Land Value:	\$	0.00	
Assessed Improvement Value:	\$	0.00	

- The taxes for the current year reflect an exemption. Any curtailment of the exemption may result in an additional amount being due for the current year and for any re-assessment of land and improvement values.
- Any question that may arise due to the shifting and/or changing in the course of issaquah Creek.
- 5. Rights of the general public to the unrestricted use of all the waters of a navigable body of water not only for the primary purpose of navigation, but also for corollary purposes; including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands or adjoining uplands and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence)
- 6. The terms and provisions contained in the document entitled "Notice of on Site Sewage System" Recorded: July 13, 2066 Recording No.: 20050713061616

EXHIBIT C

PROMISSORY NOTE

	· ·			
	\$ <u>2,200.00</u>	Dated: ATRIL	. 18th	, 2012
		Seattle, Washington		
		,	•	
	FOR VALUE RECEIVED, the under ("Maker"), hereby promise to pay to the or COMPANY ("Holder"), 818 Stewart Strees sum of TWO THOUSAND TWO HUNDRI accordance with that certain Real Estate Purp., 2012 with King County as Seller (file	tder of FIRST AMER of, Suite 800, Seattle V ED AND NO/100 DO Thase and Sale Agree	ICAN TITLE INSURA Vashington 98101, the LLARS (\$2,200,00)	ANCE principal
•	Maker promises to pay all costs, exp exercise of any remedy (with or without litig collection of the debt evidenced by this Note connected with this Note.	gation) under this Note	e in any proceeding fo	r the
	This Note shall be construed according pursuant to the terms and conditions of this	ng to the laws of the S Agreement.	State of Washington ar	nd
	Time is of the essence of this Note as	nd each an every term	and provision hereof.	٠
	MAKER:		·	
	Edward T. Morgan and Roxana G. Morgan	•	·	•
	By: Edun 7 Morga	:		
	By: Agrang Gloran			-

EXHIBIT D

Certificate of Non-Foreign Status. Assessor's Parcel Number 162206-9142

to the Real Estate Purchase and Sale Agreement

Dated APRIL 18, 2012, (the Agreement), between King County as Seller and Edward T. Morgan and Roxana G. Morgan as Buyer

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

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

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

DATED this	day of	, 2012
TRANSFEROR:	KING COUNTY	
By: STEPHEN L	CAI VER	
S I LA MENT E	·	

Title: MANAGER REAL ESTATE SERVICES SECTION

FIRST AMENDMENT TO THE REAL ESTATE PURCHASE AND SALE AGREEMENT DATED APRIL 18, 2012 BETWEEN KING COUNTY AS SELLER AND EDWART T. MORGAN AND ROXANA G. MORGAN AS BUYER

RECITALS

- A. The Agreement sets forth the terms and conditions for the purchase and sale of certain real property located at 13326 230th Avenue SE in the Issaquah area of King County, Washington, also identified as Assessor's Parcel No. 509040-0020, the legal description for which is attached to the Agreement as Exhibit A (the "Property").
- B. The Parties desire to amend the legal description set forth in Exhibit A to reflect an updated legal description for the Property as provided in the *Commitment for Title Insurance, Second Report*, issued April 17, 2012 by First American Title Company.
- C. The Parties also desire to amend Exhibit B, the deed form, to reflect the amended legal description as provided for herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein and in the Agreement, the Buyer and Seller agree to amend the Agreement as follows:

AGREEMENT

1. The legal description for the Property as set forth in Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the following legal description:

Parcel A:

Lot 2, Assessor's Plat of Maple Glen Estates Division No. 2, according to the plat thereof, recorded in Volume 74 of Plats, page 78, in King County Washington.

Parcel B:

A non-exclusive easement for Private Road known as 230th Avenue Southeast and delineated on said Plat, granted by easement recorded September 30. 1958, under King County Recording No. 4948871.

- 2. Exhibit B of the Agreement, the form of deed, is hereby amended by deleting the legal description set forth therein and replacing it with the amended legal description set forth at Section I of this Amendment. Other than as specifically provided for herein, Exhibit B remains unmodified and all other provisions included therein shall continue in full force and effect, including but not limited to the reservation of a permanent and exclusive conservation easement as provided for with specificity therein.
- 3. Unless otherwise provided herein, defined terms, words and phrases shall have the same meaning as provided for in the Agreement.
- 4. All other terms and conditions of the Agreement not specifically amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this FIRST AMENDMENT as of the latest date written below.

BUYER: EDWARD T. MORGAN and ROXANA G. MORGAN

By: Chean I Morgan Date: 5/15/12

Edward T. Morgan Date: 5-15-12

Roxana G. Morgan

SELLER: KING COUNTY

Manager, Real Estate Services Section

FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT BETWEEN KING COUNTY (SELLER) AND EDWARD T. MORGAN AND ROXANA G. MORGAN (BUYER) FOR PARCEL NO. 509040-0020

Page 2 of 3

Approved as to Form:

全年,多月上旬,1971年,1982年,198

FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT BETWEEN KING COUNTY (SELLER) AND EDWARD T. MORGAN AND ROXANA G. MORGAN (BUYER) FOR PARCEL NO. 509040-0020 Page 3 of 3