

**CITY OF BURIEN
AGENDA BILL**

Agenda Subject: Authorize City Manager to execute Purchase and Sale Agreement for the Maier Estate Property (860 S 146th Street).		Meeting Date: December 2, 2013
Department: City Manager	Attachments:	Fund Source: General Fund
Contact: Dan Trimble		Activity Cost: \$750,000
Telephone: 206.248.5528		Amount Budgeted: \$0 Unencumbered Budget Authority: N/A
Adopted Initiative: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Initiative Description: NERA	
<p>PURPOSE/REQUIRED ACTION: The purchase of the property directly west of the City owned former Sunny Terrace Elementary school property would have two purposes. The first purpose is to assemble and consolidate ownership of large parcels in the NERA to facilitate large scale redevelopment. The second purpose is to use a small portion of the site for a potential realignment of existing infrastructure that would serve future development in the NERA.</p> <p>BACKGROUND (Include prior Council action & discussion): The Northeast Redevelopment Area (NERA) was created in 1997 through the adoption of the City of Burien Comprehensive Plan. Community workshops, public meetings and stakeholder meetings were conducted throughout 2008 and 2009, and a Redevelopment Plan and Implementation Strategy was prepared in April 2010.</p> <p>The City Council authorized the purchase of the neighboring Sunny Terrace property for \$2,300,000 from the School District on July 15, 2013. The City Council also approved Ordinance No. 584 authorizing the issuance and sale of a Limited Tax General Obligation Bond to fund the purchase and associated costs. The City received an offer from KeyBank National Association dated July 10, 2013 to purchase the bond in the form of a non-revolving line of credit in the amount of \$3,600,000. The remaining line of credit is available for property acquisition in the NERA.</p> <p>The approximately 4 acre parcel at 860 S 146th Street is the largest non-City, non-Port owned parcel available in the center of the redevelopment area. It is directly west of the City owned former Sunny Terrace Elementary school property. It is currently listed for \$1,100,000. The owner has agreed to a contingent offer price of \$750,000. The property has not yet been appraised and the sale is contingent upon the appraised value meeting or exceeding the actual sale price.</p> <p>If the Council authorizes the City Manager to execute the Purchase and Sale Agreement, and all contingencies are satisfied, it is anticipated that closing would be on or around March 4, 2014.</p> <p>OPTIONS (Including fiscal impacts):</p> <ol style="list-style-type: none"> 1. Approve Administration recommendation for purchase authorization using the existing line of credit. 2. Do not approve the purchase authorization. 		
Administrative Recommendation: Authorize City Manager to execute Purchase and Sale Agreement with The estate of Lorraine J. Maier for the property at 860 S 146th Street, Burien, WA using the previously approved line of credit.		
Advisory Board Recommendation: N/A		
Suggested Motion: Move to authorize City Manager to execute Purchase and Sale Agreement with Lorraine J. Maier for the property at 860 S 146th Street, Burien, WA.		
Submitted by: Dan Trimble, Economic Development Manager		
Administration		Interim City Manager
Today's Date: December 2, 2013	File Code: R:/CC/Agenda Bill 2013/120213cm-5 Purchase Authorization.docx	



Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT

This has been prepared for submission to your attorney for review and approval prior to signing. No representation is made by licensee as to its sufficiency or tax consequences.
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Reference Date: November 22, 2013

City of Burien, a Washington municipal corporation ("Buyer") agrees to buy and Lorraine J. Maier ("Seller") agrees to sell, on the following terms, the commercial real estate and all improvements thereon (collectively, the "Property") commonly known as 860 S 146th Street in the City of Burien, King County, Washington, legally described on attached Exhibit A. The Reference Date above is intended to be used to reference this Agreement and is not the date of "Mutual Acceptance," which is defined in Section 23.

1. PURCHASE PRICE. The purchase price is Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) payable as follows (check only one):

- [X] All cash at closing with no financing contingency.
[] All cash at closing contingent on new financing in accordance with the Financing Addendum (attach CBA Form PS_FIN).
[] \$_____ OR _____% of the purchase price in cash at closing with the balance of the purchase price paid as follows (check one or both, as applicable): [] Buyer's assumption of the outstanding principal balance as of the Closing Date of a first lien note and deed of trust (or mortgage), or real estate contract, in accordance with the Financing Addendum (attach CBA Form PS_FIN); [] Buyer's delivery at closing of a promissory note for the balance of the purchase price, secured by a deed of trust encumbering the Property, in accordance with the Financing Addendum (attach CBA Form PS_FIN).
[] Other: _____

2. EARNEST MONEY. The earnest money in the amount of \$34,350.00 shall be in the form of [X] Cash (ELECTRONICALLY DEPOSITED TO ESCROW) [] Personal check [] Promissory note (attached CBA Form EMN) [] Other: _____

The earnest money shall be held by [] Selling Firm [] Closing Agent. Selling Broker may, however, transfer the earnest money to Closing Agent.

Buyer shall deliver the earnest money no later than:

- [] _____ days after Mutual Acceptance.
[X] On the last day of the Feasibility Period defined in Section 5 below.
[] Other: _____

If the earnest money is to be held by Selling Firm and is over \$10,000, it shall be deposited to: [] Selling Firm's pooled trust account (with interest paid to the State Treasurer) [] A separate interest bearing trust account in Selling Firm's name. The interest, if any, shall be credited at closing to Buyer. If this sale fails to close, whoever is entitled to the earnest money is entitled to interest.

Selling Firm shall deposit any check to be held by Selling Firm within 3 days after receipt or Mutual Acceptance, whichever occurs later. Buyer agrees to pay financing and purchase costs incurred by Buyer. Unless otherwise provided in this Agreement, the earnest money shall be applicable to the purchase price.

3. EXHIBITS AND ADDENDA. The following Exhibits and Addenda are made a part of this Agreement:

- [X] Exhibit A - Legal Description

INITIALS: Buyer _____ Date _____ Seller [Signature] Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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- Earnest Money Promissory Note, CBA Form EMN
- Promissory Note, LPB Form No. 28A
- Short Form Deed of Trust, LPB Form No. 20
- Deed of Trust Rider, CBA Form DTR
- Utility Charges Addendum, CBA Form UA
- FIRPTA Certification, CBA Form 22E
- Assignment and Assumption, CBA Form PS-AS
- Addendum/Amendment, CBA Form PSA
- Back-Up Addendum, CBA Form BU-A
- Vacant Land Addendum, CBA Form VLA
- Financing Addendum, CBA Form PS_FIN
- Tenant Estoppel Certificate, CBA Form PS_TEC
- Defeasance Addendum, CBA Form PS_D
- Other Form 17

4. SELLER'S UNDERLYING FINANCING. Unless Buyer is assuming Seller's underlying financing, Seller shall be responsible for confirming the existing underlying financing is not subject to any "lock out" or similar covenant which would prevent the lender's lien from being released at closing. In addition, Seller shall provide Buyer notice prior to the end of the Feasibility Period if Seller is required to substitute securities for the Property as collateral for the underlying financing (known as "defeasance"). If Seller provides this notice of defeasance to Buyer, then the parties shall close the transaction in accordance with the process described in CBA Form PS_D or any different process identified in Seller's defeasance notice to Buyer.

5. FEASIBILITY CONTINGENCY. Buyer's obligations under this Agreement are conditioned upon Buyer's satisfaction in Buyer's sole discretion, concerning all aspects of the Property, including *AN APPRAISED VALUE AT OR ABOVE THE PURCHASE PRICE*; its physical condition; the presence of or absence of any hazardous substances; the contracts and leases affecting the property; the potential financial performance of the Property; the availability of government permits and approvals; and the feasibility of the Property for Buyer's intended purpose. This Agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer gives written notice to Seller within 90 days (30 days if not filled in) (the "Feasibility Period") of Mutual Acceptance stating that this condition is satisfied. If such notice is timely given, the feasibility contingency stated in this Section 5 shall be deemed to be satisfied.

a. Books, Records, Leases, Agreements. Seller shall make available for inspection by Buyer and its agents within 5 days (2 days if not filled in) after Mutual Acceptance all documents in Seller's possession or control relating to the ownership, operation, renovation or development of the Property, excluding appraisals or other statements of value, and including: statements for real estate taxes, assessments, and utilities for the last three years and year to date; property management agreements and any other agreements with professionals or consultants; leases or other agreements relating to occupancy of all or a portion of the Property and a suite-by-suite schedule of tenants, rents, prepaid rents, deposits and fees; plans, specifications, permits, applications, drawings, surveys, and studies; maintenance records, accounting records and audit reports for the last three years and year to date; and "Vendor Contracts" which shall include maintenance or service contracts, and installments purchase contracts or leases of personal property or fixtures used in connection with the Property. Buyer shall determine within the Feasibility Period: (i) whether Seller will agree to terminate any objectionable Vendor Contracts; and (ii) whether Seller will agree to pay any damages or penalties resulting from the termination of objectionable Vendor Contracts. Buyer's waiver of the Feasibility Contingency shall be deemed Buyer's acceptance of all Vendor Contracts which Seller has not agreed in writing to terminate. Buyer shall be

INITIALS: Buyer _____ Date _____ Seller MAE Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



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solely responsible for obtaining any required consents to such assumption and the payment of any assumption fees. Seller shall cooperate with Buyer's efforts to receive any such consents but shall not be required to incur any out-of-pocket expenses or liability in doing so. Seller shall transfer the Vendor Contracts as provided in Section 17.

b. Access. Seller shall permit Buyer and its agents, at Buyer's sole expense and risk to enter the Property at reasonable times subject to the rights of and after legal notice to tenants, to conduct inspections concerning the Property and improvements, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements including those relating to security, confidentiality, and disruption of Seller's tenants. Buyer shall not perform any invasive testing including environmental inspections beyond a phase I assessment or contact the tenants or property management personnel without obtaining the Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall restore the Property and improvements to the same condition they were in prior to inspection. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for purposes of statutory liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents. This agreement to indemnify and defend Seller shall survive closing. Buyer may continue to enter the Property in accordance with the foregoing terms and conditions after removal or satisfaction of the feasibility contingency only for the purpose of leasing or to satisfy conditions of financing.

c. Buyer waives the right to receive a seller disclosure statement ("Form 17-Commercial") if required by RCW 64.06. However, if Seller would otherwise be required to provide Buyer with a Form 17-Commercial, and if the answer to any of the questions in the section of the Form 17-Commercial entitled "Environmental" would be "yes," then Buyer does not waive the receipt of the "Environmental" section of the Form 17-Commercial which shall be provided by Seller.

6. TITLE INSURANCE.

a. Title Report. Seller authorizes Buyer, its Lender, Listing Broker, Selling Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a [] standard [X] extended (standard, if not completed) coverage owner's policy of title insurance. If an extended coverage owner's policy is specified, Buyer shall pay the increased costs associated with that policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by First American Title (a title company of Seller's choice, if not completed). If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.

b. Permitted Exceptions. Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: (1) twenty (20) days after Mutual Acceptance of this Agreement; or (2) the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless within five (5) days of Buyer's notice of such objections (1) Seller agrees, in writing, to remove all objectionable provisions or (2) Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within five (5) days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's

INITIALS: Buyer _____ Date _____ Seller [Signature] Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



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12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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notice of objections. The closing date shall be extended to the extent necessary to permit time for these notices. Buyer shall not be required to object to any mortgage or deed of trust liens, or the statutory lien for real property taxes, and the same shall not be deemed to be Permitted Exceptions; provided, however, that the lien securing any financing which Buyer has agreed to assume shall be a Permitted Exception. Except for the foregoing, those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." Seller shall cooperate with Buyer and the title company to clear objectionable title matters but shall not be required to incur any out-of-pocket expenses or liability other than payment of monetary encumbrances not assumed by Buyer and proration of real property taxes, and Seller shall provide an owner's affidavit containing the information and reasonable covenants requested by the title company. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

- 7. **CLOSING OF SALE.** The sale shall be closed on or before February 28, 2014, ("Closing") by First American Title ("Closing Agent") (Seller shall select the Closing Agent, if not completed). Buyer and Seller shall deposit with Closing Agent by 12:00 p.m. on the scheduled Closing date all instruments and monies required to complete the purchase in accordance with this Agreement. "Closing" shall be deemed to have occurred when the deed is recorded and the sale proceeds are available to Seller. Time is of the essence in the performance of this Agreement. Sale proceeds shall be considered available to Seller, even though they cannot be disbursed to Seller until the next business day after Closing. Notwithstanding the foregoing, if Seller informed Buyer during the Feasibility Period that Seller's underlying financing requires that it be defeased and may not be paid off, then Closing shall be conducted in accordance with the three-day closing process described in CBA Form PS_D. This Agreement is intended to constitute escrow instructions to Closing Agent. Buyer and Seller will provide any supplemental instructions requested by Closing Agent provided the same are consistent with this Agreement.
- 8. **CLOSING COSTS AND PRORATIONS.** Seller shall deliver an updated rent roll to Closing Agent not later than two (2) days before the scheduled Closing date in the form required by Section 5(a) and any other information reasonably requested by Closing Agent to allow Closing Agent to prepare a settlement statement for Closing. Seller certifies that the information contained in the rent roll is correct as of the date submitted. Seller shall pay the premium for the owner's standard coverage title policy. Buyer shall pay the excess premium attributable to any extended coverage or endorsements requested by Buyer, and the cost of any survey required in connection with the same. Seller and Buyer shall each pay one-half of the escrow fees. Any real estate excise taxes shall be paid by the party who bears primary responsibility for payment under the applicable statute or code. Real and personal property taxes and assessments payable in the year of closing; collected rents on any existing tenancies; interest; utilities; and other operating expenses shall be pro-rated as of Closing. If tenants pay any of the foregoing expenses directly, then Closing Agent shall only pro rate those expenses paid by Seller. Buyer shall pay to Seller at Closing an additional sum equal to any utility deposits or mortgage reserves for assumed financing for which Buyer receives the benefit after Closing. Buyer shall pay all costs of financing including the premium for the lender's title policy. If the Property was taxed under a deferred classification prior to Closing, then Seller shall pay all taxes, interest, penalties, deferred taxes or similar items which result from removal of the Property from the deferred classification. At Closing, all refundable deposits on tenancies shall be credited to Buyer or delivered to Buyer for deposit in a trust account if required by state or local law. Buyer shall pay any sales or use tax applicable to the transfer of personal property included in the sale.
 - a. **Unpaid Utility Charges.** Buyer and Seller WAIVE DO NOT WAIVE (do not waive if neither box checked) the right to have the Closing Agent disburse closing funds necessary to satisfy unpaid utility charges affecting the Property pursuant to RCW 60.80. If "do not waive" is checked, then attach CBA Form UA ("Utility Charges" Addendum) to this Agreement.

INITIALS: Buyer _____ Date _____ Seller PK Date 12/2/13
 Buyer _____ Date _____ Seller _____ Date _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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- 9. **POST-CLOSING ADJUSTMENTS, COLLECTIONS, AND PAYMENTS.** After Closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof to the extent those items were prorated or credited at Closing based upon estimates. Any bills or invoices received by Buyer after Closing which relate to services rendered or goods delivered to the Seller or the Property prior to Closing shall be paid by Seller upon presentation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursement is made. Notwithstanding the foregoing, if tenants pay certain expenses based on estimates subject to a post-closing reconciliation to the actual amount of those expenses, then Buyer shall be entitled to any surplus and shall be liable for any credit resulting from the reconciliation. Rents collected from each tenant after Closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by Buyer to Seller promptly after receipt. Seller shall be entitled to pursue any lawful methods of collection of delinquent rents but shall have no right to evict tenants after Closing.
- 10. **OPERATIONS PRIOR TO CLOSING.** Prior to Closing, Seller shall continue to operate the Property in the ordinary course of its business and maintain the Property in the same or better condition than as existing on the date of Mutual Acceptance but shall not be required to repair material damage from casualty except as otherwise provided in this Agreement. After the Feasibility Period, Seller shall not enter into or modify existing rental agreements or leases (except that Seller may enter into, modify, extend, renew or terminate residential rental agreements or residential leases in the ordinary course of its business), service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld.
- 11. **POSSESSION.** Buyer shall be entitled to possession on closing _____ (on closing, if not completed). Buyer shall accept possession subject to all tenancies disclosed to Buyer during the Feasibility Period.
- 12. **SELLER'S REPRESENTATIONS.** Except as disclosed to or known by Buyer prior to the satisfaction or waiver of the feasibility contingency stated in Section 5 above, including in the books, records and documents made available to Buyer, or in the title report or any supplemental report or documents referenced therein, Seller represents to Buyer that, to the best of Seller's actual knowledge, each of the following is true as of the date hereof: (a) Seller is authorized to enter into the Agreement, to sell the Property, and to perform its obligations under the Agreement; (b) The books, records, leases, agreements and other items delivered to Buyer pursuant to this Agreement comprise all material documents in Seller's possession or control regarding the operation and condition of the Property; (c) Seller has not received any written notices that the Property or the business conducted thereon violate any applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after Closing; (f) There is no pending or threatened condemnation or similar proceedings affecting the Property, and the Property is not within the boundaries of any planned or authorized local improvement district; (g) Seller has paid (except to the extent prorated at Closing) all local, state and federal taxes (other than real and personal property taxes and assessments described in Section 8 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after Closing; (h) Seller is not aware of any concealed material defects in the Property except as disclosed to Buyer in writing during the Feasibility Period; (i) There are no Hazardous Substances (as defined below) currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental Law (as defined below); there are no underground storage tanks located on the Property; and there is no pending or threatened investigation or remedial action by any governmental agency

INITIALS: Buyer _____ Date _____ Seller MLG Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



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Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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regarding the release of Hazardous Substances or the violation of Environmental Law at the Property. As used herein, the term "Hazardous Substances" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment ("Environmental Law").

If prior to Closing Seller or Buyer discovers any information which would cause any of the representations above to be false if the same were deemed made as of the date of such discovery, then the party discovering the same shall promptly notify the other party in writing. If the newly-discovered information will result in costs or liability to Buyer in excess of the lesser of \$100,000 or five percent (5%) of the purchase price stated in this Agreement, or will materially adversely affect Buyer's intended use of the Property, then Buyer shall have the right to terminate the Agreement and receive a refund of its earnest money.

13. AS-IS. Except for those representations and warranties specifically included in this Agreement: (i) Seller makes no representations or warranties regarding the Property; (ii) Seller hereby disclaims, and Buyer hereby waives, any and all representations or warranties of any kind, express or implied, concerning the Property or any portion thereof, as to its condition, value, compliance with laws, status of permits or approvals, existence or absence of hazardous material on site, occupancy rate or any other matter of similar or dissimilar nature relating in any way to the Property, including the warranties of fitness for a particular purpose, tenantability, habitability and use; (iii) Buyer otherwise takes the Property "AS IS;" and (iv) Buyer represents and warrants to Seller that Buyer has sufficient experience and expertise such that it is reasonable for Buyer to rely on its own pre-closing inspections and investigations.

14. PERSONAL PROPERTY.

a. This sale includes all right, title and interest of Seller to the following tangible personal property: [X] None [] That portion of the personal property located on and used in connection with the Property, which Seller will itemize in an Exhibit to be attached to this Agreement within ten (10) days of Mutual Acceptance (None, if not completed). The value assigned to the personal property shall be \$ _____ (if not completed, the County-assessed value if available, and if not available, the fair market value determined by an appraiser selected by the Listing Broker and Selling Broker). Seller warrants title to, but not the condition of, the personal property and shall convey it by bill of sale.

b. In addition to the leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) above, this sale includes all right, title and interest of Seller to the following intangible property now or hereafter existing with respect to the Property including without limitation: all rights-of-way, rights of ingress or egress or other interests in, on, or to, any land, highway, street, road, or avenue, open or proposed, in, on, or across, in front of, abutting or adjoining the Property; all rights to utilities serving the Property; all drawings, plans, specifications and other architectural or engineering work product; all governmental permits, certificates, licenses, authorizations and approvals; all rights, claims, causes of action, and warranties under contracts with contractors, engineers, architects, consultants or other parties associated with the Property; all utility, security and other deposits and reserve accounts made as security for the fulfillment of any of Seller's obligations; any name of or telephone numbers for the Property and related trademarks, service marks or trade dress; and guaranties, warranties or other assurances of performance received.

INITIALS: Buyer _____ Date _____ Seller [Signature] Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



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Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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- 15. **CONDEMNATION AND CASUALTY.** Seller bears all risk of loss until Closing, and thereafter Buyer shall bear the risk of loss. Buyer may terminate this Agreement and obtain a refund of the earnest money if improvements on the Property are destroyed or materially damaged by casualty before Closing, or if condemnation proceedings are commenced against all or a portion of the Property before Closing. Damage will be considered material if the cost of repair exceeds the lesser of \$100,000 or five percent (5%) of the purchase price stated in this Agreement. Alternatively, Buyer may elect to proceed with closing, in which case, at Closing, Seller shall assign to Buyer all claims and right to proceeds under any property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the policy.
- 16. **FIRPTA - TAX WITHHOLDING AT CLOSING.** Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act, and Seller shall sign it on or before Closing. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.
- 17. **CONVEYANCE.** Title shall be conveyed by a Statutory Warranty Deed subject only to the Permitted Exceptions. If this Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a contract vendee's assignment sufficient to convey after acquired title. At Closing, Seller and Buyer shall execute and deliver to Closing Agent CBA Form No. PS-AS Assignment and Assumption Agreement transferring all leases and Vendor Contracts assumed by Buyer pursuant to Section 5(a) and all intangible property transferred pursuant to Section 14(b).
- 18. **NOTICES AND COMPUTATION OF TIME.** Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and must be delivered to Seller and Listing Broker with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Seller shall be deemed delivered only when received by Seller, Listing Broker, or the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and must be delivered to Buyer, with a copy to Selling Broker and with a courtesy copy to any other party identified as a recipient of notices in Section 28. A notice to Buyer shall be deemed delivered only when received by Buyer, Selling Broker, or the licensed office of Selling Broker. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the represented party or causing a copy of the notice to be delivered to the party's address provided in this Agreement. Buyer and Seller shall keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice. If any party is not represented by a licensee, then notices must be delivered to and shall be effective when received by that party at the address, fax number, or email indicated in Section 28.

Unless otherwise specified in this Agreement, 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. Any specified period of five (5) days or less shall not include Saturdays, Sundays or legal holidays. Notwithstanding the foregoing, references to specific dates or times or number of hours shall mean those dates, times or number of hours; provided, however, that if the Closing Date falls on a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050, or a date when the county recording office is closed, then the Closing Date shall be the next regular business day.

19. AGENCY DISCLOSURE. At the signing of this Agreement,

Selling Broker Dan Mathews of Kidder Mathews

INITIALS: Buyer _____ Date _____ Seller DAE Date 12/2/13
 Buyer _____ Date _____ Seller _____ Date _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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CBA Form PS-1A
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**COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
(CONTINUED)**

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represented Buyer

and the Listing Broker Marty Rood of Mr. 99 & Associates

represented Seller.

Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to the Brokers' Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as a dual agent. If Selling Broker and Listing Broker are the same person representing both parties, then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency."

20. ASSIGNMENT. Buyer may may not (may not, if not completed) assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless provided otherwise herein. If the "may not" option is selected and the words "and/or assigns" or similar words are used to identify the Buyer, then this Agreement may be assigned with notice to Seller but without Seller's consent only to an entity which is controlled by or under common control with the Buyer identified in this Agreement. Any other assignment requires Seller's consent. The party identified as the initial Buyer shall remain responsible for those obligations of Buyer stated in this Agreement notwithstanding any assignment and, if this Agreement provides for Seller to finance a portion of the purchase price, then the party identified as the initial Buyer shall guarantee payment of the Seller financing.

21. DEFAULT AND ATTORNEY'S FEE.

a. Buyer's default. In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then (**check one**):

Seller may terminate this Agreement and keep the earnest money as liquidated damages as the sole and exclusive remedy available to Seller for such failure; or

Seller may, at its option, (a) terminate this Agreement and keep as liquidated damages the earnest money as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

b. Seller's default. In the event Seller fails, without legal excuse, to complete the sale of the Property, then (**check one**):

As Buyer's sole remedy, Buyer may either (a) terminate this Agreement and recover all earnest money or fees paid by Buyer whether or not the same are identified as refundable or applicable to the purchase price; or (b) bring suit to specifically enforce this Agreement and recover incidental damages, provided, however, Buyer must file suit within sixty (60) days from the scheduled date of closing or from the date Seller has informed Buyer in writing that Seller will not proceed with closing, whichever is earlier; or

Buyer may, at its option, (a) bring suit against Seller for Buyer's actual damages, (b) bring suit to specifically enforce this Agreement and recover any incidental damages, or (c) pursue any other rights or remedies available at law or equity.

INITIALS: Buyer _____ Date _____ Seller P&E Date 12/13/13
Buyer _____ Date _____ Seller _____ Date _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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**COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
(CONTINUED)**

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Neither Buyer nor Seller may recover consequential damages such as lost profits. If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and expenses. In the event of trial, the amount of the attorney's fee shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the state where the Property is located.

22. MISCELLANEOUS PROVISIONS.

- a. **Complete Agreement.** This Agreement and any addenda and exhibits thereto state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect the Agreement.
- b. **Counterpart Signatures.** This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.
- c. **Electronic Delivery.** Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the party the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will replace electronically delivered offers or counteroffers with original documents.
- d. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding Section 20 above, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

23. ACCEPTANCE; COUNTEROFFERS. Seller has until midnight of November 22, 2013 (if not filled in, the third business day) following the day Buyer delivers the offer to accept this offer, unless sooner withdrawn. If this offer is not timely accepted, it shall lapse and the earnest money shall be refunded to Buyer. If either party makes a future counteroffer, the other party shall have until 5:00 p.m. on the _____ business day (if not filled in, the second business day) following receipt to accept the counteroffer, unless sooner withdrawn. If the counteroffer is not timely accepted or countered, this Agreement shall lapse and the earnest money shall be refunded to the Buyer. No acceptance, offer or counteroffer from the Buyer is effective until a signed copy is received by the Seller, the Listing Broker or the licensed office of the Listing Broker. No acceptance, offer or counteroffer from the Seller is effective until a signed copy is received by the Buyer, the Selling Broker or the licensed office of the Selling Broker. "Mutual Acceptance" shall occur when the last counteroffer is signed by the offeree, and the fully-signed counteroffer has been received by the offeror, his or her broker, or the licensed office of the broker. If any party is not represented by a broker, then notices must be delivered to and shall be effective when received by that party.

24. INFORMATION TRANSFER. In the event this Agreement is terminated, Buyer agrees to deliver to Seller within ten (10) days of Seller's written request copies of all materials received from Seller and any non-privileged plans, studies, reports, inspections, appraisals, surveys, drawings, permits, applications or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.

25. CONFIDENTIALITY. Until and unless closing has been consummated, Buyer and Seller shall follow reasonable measures to prevent unnecessary disclosure of information obtained in connection with the negotiation and performance of this Agreement. Neither party shall use or knowingly permit the use of any such information in any manner detrimental to the other party.

INITIALS: Buyer _____ Date _____ Seller PdE Date 12/2/13

Buyer _____ Date _____ Seller _____ Date _____



**Kidder
Mathews**

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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**COMMERCIAL & INVESTMENT REAL ESTATE
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26. SELLER'S ACCEPTANCE AND BROKERAGE AGREEMENT. Seller agrees to sell the Property on the terms and conditions herein, and further agrees to pay a commission in a total amount computed in accordance with the listing or commission agreement. If there is no written listing or commission agreement, Seller agrees to pay a commission of 5% of the sales price or \$_____. The commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing or any co-brokerage agreement. If there is no listing or written co-brokerage agreement, then Listing Firm shall pay to Selling Firm a commission of 2.5% of the sales price or \$_____. Seller assigns to Listing Firm and Selling Firm a portion of the sales proceeds equal to the commission. If the earnest money is retained as liquidated damages, any costs advanced or committed by Listing Firm or Selling Firm for Buyer or Seller shall be reimbursed or paid therefrom, and the balance shall be paid one-half to Seller and one-half to Listing Firm and Selling Firm according to the listing agreement and any co-brokerage agreement. In any action by Listing Firm or Selling Firm to enforce this Section, the prevailing party is entitled to reasonable attorneys' fees and expenses. Neither Listing Firm nor Selling Firm are receiving compensation from more than one party to this transaction unless disclosed on an attached addendum, in which case Buyer and Seller consent to such compensation. The Property described in attached Exhibit A is commercial real estate. Notwithstanding Section 25 above, the pages containing this Section, the parties' signatures and an attachment describing the Property may be recorded.

27. LISTING BROKER AND SELLING BROKER DISCLOSURE. EXCEPT AS OTHERWISE DISCLOSED IN WRITING TO BUYER OR SELLER, THE SELLING BROKER, LISTING BROKER, AND FIRMS HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OR CONDUCTED ANY INDEPENDENT INVESTIGATION CONCERNING THE LEGAL EFFECT OF THIS AGREEMENT, BUYER'S OR SELLER'S FINANCIAL STRENGTH, BOOKS, RECORDS, REPORTS, STUDIES, OR OPERATING STATEMENTS; THE CONDITION OF THE PROPERTY OR ITS IMPROVEMENTS; THE FITNESS OF THE PROPERTY FOR BUYER'S INTENDED USE; OR OTHER MATTERS RELATING TO THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE PROPERTY'S ZONING, BOUNDARIES, AREA, COMPLIANCE WITH APPLICABLE LAWS (INCLUDING LAWS REGARDING ACCESSIBILITY FOR DISABLED PERSONS), OR HAZARDOUS OR TOXIC MATERIALS INCLUDING MOLD OR OTHER ALLERGENS. SELLER AND BUYER ARE EACH ADVISED TO ENGAGE QUALIFIED EXPERTS TO ASSIST WITH THESE DUE DILIGENCE AND FEASIBILITY MATTERS, AND ARE FURTHER ADVISED TO SEEK INDEPENDENT LEGAL AND TAX ADVICE RELATED TO THIS AGREEMENT.

INITIALS: Buyer _____ Date _____ Seller RSE Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
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28. IDENTIFICATION OF THE PARTIES. The following is the contact information for the parties involved in this Agreement:

Buyer

Contact: City of Burien, a Washington municipal corporation
Dan Trimble
Address: 400 SW 152nd St, Burien
Business Phone: 206.248.5528
Mobile Phone:
Fax: 206.248.5539
Email: dant@burienwa.gov

Seller

Contact:
Address:
Business Phone:
Mobile Phone:
Fax:
Email:

Selling Firm

Name: Kidder Mathews
Assumed Name (if applicable):
Selling Broker: Dan Mathews
Address: 12886 Interurban Ave S, Seattle, WA 98168
Business Phone: 206.248.7308
Mobile Phone:
Email: dmathews@kiddermathews.com
Fax: 206.248.7342
MLS Office No.:

Listing Firm

Name: Mr. 99 & Associates
Assumed Name (if applicable):
Listing Broker: Marty Rood
Address: 15582 Lakeshore Blvd NE, Lake Forest Park, WA 98155
Business Phone: 425.670.6799
Mobile Phone:
Email: mrood@mr99.com
Fax: 425.954.4092
MLS Office No.:

Licensed Office of the Selling Broker

Address:
Business Phone:
Email:
Fax:
CBA Office No.:

Licensed Office of the Listing Broker

Address:
Business Phone:
Email:
Fax:
CBA Office No.:

INITIALS: Buyer Date Seller PDE Date 12/2/13
Buyer Date Seller Date



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12886 Interurban Avenue South
Seattle, WA 98168
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Courtesy Copy of Notices to Buyer to:

Courtesy Copy of Notices to Seller to:

Name:
Address:
Business Phone:
Fax:
Mobile Phone:
Email:

Name:
Address:
Business Phone:
Fax:
Mobile Phone:
Email:

IN WITNESS WHEREOF, the parties have signed this Agreement intending to be bound.

Buyer
Printed name and type of entity

Buyer
Printed name and type of entity

Buyer
Signature and title

Buyer
Signature and title

Date signed

Date signed

Seller Penny L. ELLEFSON
Printed name and type of entity

Seller
Printed name and type of entity

Seller
Signature and title

Seller
Signature and title

Date signed 12/2/13

Date signed

INITIALS: Buyer Date Seller PLE Date 12/2/13
Buyer Date Seller Date



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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(CONTINUED)**

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EXHIBIT A *

[Legal Description]



20081230000632

12/26/2008 11:33
KING COUNTY, WA

WHEN RECORDED RETURN TO:

Lorraine J. Maier
860 South 146th St
Burien, WA 98168

E2375485

12/26/2008 11:33
KING COUNTY, WA
\$19.00
\$8.00 PACE#01 OF 001

Reference No., if applicable:

Grantor / Borrower:

- 1. GEORGE F. MAIER, JR
- 2.

Additional on page _____

Additional on page _____

Grantor / Assignee / Beneficiary:

- 1. LORRAINE J. MAIER, a married person as her separate estate.
- 2.

Additional on page _____

Legal Description:

POR OF E 1/2 OF NW 1/4 OF NW 1/4 OF NE 1/4 OF SEC 20-24-04 DAF - BEG AT NXN OF N LN OF S 15 FT SD SUBD WITH E LN THOF TH N 89-44-05 W PLW S LN SD SUBD 30 FT TH N 0-17-10 W PLW E LN SD SUBD 120 FT TH N 89-44-05 W 119.86 FT TH N 0-17-10 W 178.83 FT TH N 89-44-05 W 143.92 FT TO W LN SD SUBD TH N 0-20-40 W ALG SD W LN 33.30 FT TO NW COR THOF TH S 89-28-5 E ALG N LN SD SUBD 326.20 FT TO NE COR THOF TH S 0-17-10 E ALG E LN SD SUBD 650.71 FT TO POB LESS S 10 FT OF POR THOF ADJ TO S 146TH ST TGVN 114.73 FT OF POR SD SUBD DAF - BAAP 15 FT N OF SW COR SD SUBD TH NLY ALG W LN SD SUBD TAP 353.30 FT S OF N LN SD SUBD TH ELY & PLT 5 LN SD SUBD 145.92 FT TH S 0-17-10 E 288.83 FT NLY TH NELY ALG CRV TO LFT WITH RAD OF 10 FT TO N LN OF S 15 FT SD SUBD TH WLY TO POR LESS SLY 10 FT THOF FOR RD - AKA LOT B KC ILLA #89040189 APPRD 7-5-90 TAXABLE PORTION PARTIALLY EXEMPT UNDER RCW 84.36.381 THRU 389.

SITUATE IN THE CITY OF BURIEN, COUNTY OF KING, STATE OF WASHINGTON.

Otherwise more commonly known as 860 South 146th St., Burien, WA 98168.

Assessor's Tax Parcel ID #: 2023049413

* To ensure accuracy in the legal description, consider substituting the legal description contained in the preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error in transcription may render the legal description inaccurate and this Agreement unenforceable.

INITIALS: Buyer _____ Date _____ Seller PAE Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
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Fax: (206) 248-7342

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UTILITY CHARGES ADDENDUM

CBA Text Disclaimer: Text deleted by licensee indicated by strike.
New text inserted by licensee indicated by small capital letters.
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The following is part of the Purchase and Sale Agreement dated November 22, 2013 between City of Burien, a Washington municipal corporation ("Buyer") and Lorraine J. Maier ("Seller") concerning 860 S 148th Street, Burien, WA (the "Property").

Pursuant to RCW 60.80, Buyer and Seller request the Closing Agent to administer the disbursement of closing funds necessary to satisfy unpaid utility charges affecting the Property. The names and addresses of all utilities providing service to the Property and having lien rights are as follows:

Water District:

Water Dist # 20 acc# 34400
Name
12606 Lane SW
Address
BURIEN WASH 98168
City, State, Zip

Sewer District:

Southwest Suburban Sewer Dist acc# 11708
Name
431 SW Ambaum
Address
BURIEN WASH 98166-2462
City, State, Zip

Irrigation District:

Name
Address
City, State, Zip

Garbage:

Name
Address
City, State, Zip

Electricity:

City of Seattle acc# 1252112273687
Name
P.O. Box 34017
Address
Seattle 98124-1017
City, State, Zip

Gas:

Puget Sound Energy acc# 200001361324
Name
PO BOX 91269
Address
Bellevue 98009 WASH
City, State, Zip

INITIALS: Buyer _____ Date _____ Seller plg Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



**Kidder
Mathews**

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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**UTILITY CHARGES ADDENDUM
(CONTINUED)**

Special District(s):
(local improvement districts
or utility local improvement)

Name

Address

City, State, Zip

IF THE ABOVE INFORMATION HAS NOT BEEN FILLED IN AT THE TIME OF MUTUAL ACCEPTANCE OF THIS AGREEMENT, THEN (1) WITHIN ____ DAYS (5 DAYS IF NOT FILLED IN) OF MUTUAL ACCEPTANCE OF THIS AGREEMENT, SELLER SHALL PROVIDE THE LISTING BROKER, SELLING BROKER, OR CLOSING AGENT WITH THE NAMES AND ADDRESSES OF ALL UTILITY PROVIDERS HAVING LIEN RIGHTS AFFECTING THE PROPERTY AND (2) BUYER AND SELLER AUTHORIZE LISTING BROKER, SELLING BROKER OR CLOSING AGENT TO INSERT INTO THIS ADDENDUM THE NAMES AND ADDRESSES OF THE UTILITY PROVIDERS IDENTIFIED BY SELLER. SELLER ACKNOWLEDGES THAT THIS ADDENDUM DOES NOT RELIEVE SELLER OF ITS OBLIGATION TO PAY UTILITY CHARGES, BILLED OR UNBILLED OR EVIDENCED BY A RECORDED LIEN OR NOT. THE PARTIES UNDERSTAND THAT NEITHER LISTING BROKER NOR SELLING BROKER IS RESPONSIBLE FOR PAYING UTILITY CHARGES OR FOR INSURING THAT THEY ARE PAID BY ANY OTHER PERSON.

INITIALS: Buyer _____ Date _____ Seller PRZ Date 12/2/13
Buyer _____ Date _____ Seller _____ Date _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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Seller Disclosure Statement -
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**SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY**

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SELLER: Lorraine J. Maier

† To be used in transfers of commercial real estate as defined in RCW 60.42.005. See RCW Chapter 64.06 for further explanations.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT 860 S 146th Street CITY Burien, COUNTY King ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller is/ is not occupying the property.

I. SELLER'S DISCLOSURES:

* If you answer "Yes" to a question with an asterisk (*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

1. TITLE

A. Do you have legal authority to sell the property? If no, please explain.

YES NO DON'T KNOW

*B. Is title to the property subject to any of the following?

(1) First right of refusal

(2) Option

(3) Lease or rental agreement

(4) Life estate?

*C. Are there any encroachments, boundary agreements, or boundary disputes?

*D. Is there any leased parking?

SELLER'S INITIALS: PLG DATE: 12/2/13 SELLER'S INITIALS: _____ DATE: _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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**SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY**

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- *E. Is there a private road or easement agreement for access to the property? YES NO DON'T KNOW
- *F. Are there any rights-of-way, easements, shared use agreements or access limitations? YES NO DON'T KNOW
- *G. Are there any written agreements for joint maintenance of an easement or right-of-way? YES NO DON'T KNOW
- *H. Are there any zoning violations or nonconforming uses? YES NO DON'T KNOW
- *I. Is there a survey for the property? YES NO DON'T KNOW
- *J. Are there any legal actions pending or threatened that affect the property? YES NO DON'T KNOW
- *K. Is the property in compliance with the Americans with Disabilities Act? YES NO DON'T KNOW

2. WATER

- *Are there any water rights for the property, such as a water right permit, certificate, or claim? YES NO DON'T KNOW

3. SEWER/ON-SITE SEWAGE SYSTEM

- *Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service? YES NO DON'T KNOW

4. STRUCTURAL

- *A. Has the roof leaked within the last 5 years? YES NO DON'T KNOW
- *B. Has any occupied subsurface flooded or leaked within the last five years? YES NO DON'T KNOW
- *C. Have there been any conversions, additions or remodeling? YES NO DON'T KNOW
 - * (1) If yes, were all building permits obtained? YES NO DON'T KNOW
 - * (2) If yes, were all final inspections obtained? YES NO DON'T KNOW
- *D. Has there been any settling, slippage, or sliding of the property or its improvements? YES NO DON'T KNOW
- *E. Are there any defects with the following: (If yes, please check applicable items and explain.) YES NO DON'T KNOW
 - Foundations Slab Floors
 - Doors Outbuildings
 - Ceilings Exterior Walls
 - Sidewalks Siding
 - Interior Walls Other _____
 - Windows

5. SYSTEMS AND FIXTURES

- *A. Are there any defects in the following systems? If yes, please explain.
 - (1) Electrical system YES NO DON'T KNOW
 - (2) Plumbing system YES NO DON'T KNOW
 - (3) Heating and cooling systems YES NO DON'T KNOW
 - (4) Fire and security system YES NO DON'T KNOW
 - (5) Carbon monoxide alarms YES NO DON'T KNOW

6. ENVIRONMENTAL

- *A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property? YES NO DON'T KNOW
- *B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides? YES NO DON'T KNOW
- *C. Are there any shorelines, wetlands, floodplains, or critical areas on the property? YES NO DON'T KNOW

SELLER'S INITIALS: PLS DATE: 12/2/13 SELLER'S INITIALS: _____ DATE: _____



Kidder Mathews

Kidder Mathews
12886 Interurban Avenue South
Seattle, WA 98168
Phone: (206) 248-7300
Fax: (206) 248-7342

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**SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY**

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*D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?

YES NO DON'T KNOW

*E. Is there any soil or groundwater contamination?

YES NO DON'T KNOW

*F. Has the property been used as a legal or illegal dumping site?

YES NO DON'T KNOW

*G. Has the property been used as an illegal drug manufacturing site?

YES NO DON'T KNOW

7. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

*Are there any other existing material defects affecting the property that a prospective buyer should know about?

YES NO DON'T KNOW

B. Verification

The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

Date: 12/2/13

Date: _____

Seller: PdC

Seller: _____

NOTICES TO THE BUYER

SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

PROXIMITY TO FARMING

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

II. BUYER'S ACKNOWLEDGEMENT

Buyer hereby acknowledges that:

- A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
- B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
- C. Buyer acknowledges that, pursuant to RCW 64.06.050 (2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
- D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.
- E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL

SELLER'S INITIALS: PdC DATE: 12/2/13 SELLER'S INITIALS: _____ DATE: _____



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**SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY**

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KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE: _____

DATE: _____

BUYER: _____

BUYER: _____

BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

DATE: _____

DATE: _____

BUYER: _____

BUYER: _____

BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

DATE: _____

DATE: _____

BUYER: _____

BUYER: _____

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

SELLER'S INITIALS: PLC DATE: 12/2/13 SELLER'S INITIALS: _____ DATE: _____