

RESOLUTION R-5509

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE A REAL ESTATE PURCHASE AND SALE AGREEMENT RELATED TO PROPERTY LOCATED AT 11825 100th AVENUE NE IN KIRKLAND AND PREVIOUSLY KNOWN AS THE VILLAGE PLAZA TO THE HOUSING AUTHORITY OF KING COUNTY FOR AFFORDABLE HOUSING PUBLIC PURPOSES AND REPAYING AN INTERFUND LOAN FROM THE WATER SEWER CAPITAL FUND IN CONNECTION THEREWITH.

1 WHEREAS, an important goal of the City Council is to increase
2 the number of affordable housing units in Kirkland; and
3

4 WHEREAS, the property located at 11825 100th Avenue NE in
5 Kirkland and previously known as The Village Plaza ("Property") was
6 acquired by the City of Kirkland ("City") in September 2021 pursuant to
7 Resolution R-5490 for public purposes including affordable housing; and
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9 WHEREAS, the Property, through a property operating
10 agreement with the Housing Authority of King County ("KCHA"), has
11 been operated on an interim basis to provide affordable housing units
12 in Kirkland while the City explored the possible sale of the property to
13 KCHA in order to provide for the ownership and management of the
14 Property as affordable housing on an ongoing basis; and
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16 WHEREAS, the City and KCHA have now agreed on the terms
17 and conditions of a Real Estate Purchase and Sale Agreement ("PSA")
18 that provides for the ownership and management of the Property by
19 KCHA on an ongoing basis in the amount of \$1,250,000; and
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21 WHEREAS, such purchase agreement reflects the agreement of
22 the parties that the fair market value of the Property is approximately
23 \$2,250,000 and the City intends to use \$1,000,000 in Real Estate Excise
24 Tax ("REET") housing fund set-aside funds to offset the difference in
25 value between the purchase price and the agreed-upon fair market
26 value of the Property, in part in exchange for the KCHA's commitment
27 to own and operate the Property as affordable housing in Kirkland on
28 an ongoing basis; and
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30 WHEREAS, completion of the PSA together with the REET
31 housing fund set-aside amount will make it possible for the City to repay
32 the three-year interfund loan from the Water Sewer Capital Fund also
33 authorized by Resolution R-5490 in support of the City's initial
34 acquisition of the Property.
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36 NOW, THEREFORE, be it resolved by the City Council of the City
37 of Kirkland as follows:

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Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland, as seller, a Real Estate Purchase and Sale Agreement with the Housing Authority of King County, as buyer, related to the property located at 11825 100th Avenue NE in Kirkland and known as The Village Plaza for permanent affordable housing purposes in Kirkland in a form substantially similar to that attached to this Resolution as Attachment "A."

Section 2. The City Manager is further hereby authorized and directed to use the proceeds from the sale of the property referenced in Section 1, together with \$1,000,000 in REET housing fund set aside funds, to repay the previously authorized three-year interfund loan from the Water Sewer Capital Fund made in support of the City's initial acquisition of the property.

Passed by majority vote of the Kirkland City Council in open meeting this 04 day of January, 2022.

Signed in authentication thereof this 04 day of January, 2022.



Penny Sweet, Mayor

Attest:



Kathi Anderson, City Clerk

ATTACHMENT A

REAL ESTATE PURCHASE AND SALE AGREEMENT

This real estate purchase and sale agreement ("Agreement") is entered into as of this day of , 2021 (the "Effective Date"), between the Housing Authority of the County of King, a public body corporate and politic organized under the laws of the State of Washington ("Buyer") and the City of Kirkland, a Washington municipal corporation ("Seller").

1. Purchase and Sale.

1.1. **Background.** Seller purchased the Property (defined below) in October 2021 from Kendall D. Rud ("Prior Owner") for \$2,250,000.00 to further its goals of creating and increasing the availability of affordable housing units within the City of Kirkland. Of such amount paid for the Property, Seller will use \$1,000,000 from the REET set-aside for housing fund, with the balance being supplied by Buyer as the Purchase Price under this Agreement. In furtherance of Buyer and Seller's mutual goals of creating affordable housing, Buyer hereby agrees to maintain permanently the six housing units as affordable housing.

1.2. **Escrow; Conveyance.** The purchase and sale contemplated by this Agreement shall be closed through an escrow to be conducted by Chicago Title Insurance Company ("**Escrow Holder**"), at its offices at 701 Fifth Avenue, Suite 2700, Seattle, Washington 98104 (Attn: Shelley Anderson, escrow officer, if available). The conveyance shall be by bargain and sale deed and quitclaim deed in the forms attached hereto as **Exhibits B-1** and **B-2** respectively (collectively the "**Deed**") subject only to the Permitted Exceptions (defined below). Chicago Title Insurance Company (also the "**Title Company**") shall issue the title insurance policy provided for in this Agreement.

2. Property.

2.1. The real property ("Property") that is the subject of this Agreement is a 6-unit apartment complex commonly known as Village Plaza, located at 11825 100th Ave NE, Kirkland, WA 98034. The Property is legally described in **Exhibit A**, which is attached hereto and incorporated herein by reference.

2.2. If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid, but the parties hereby authorize the Title Company to correct or complete the legal description as needed to meet the requirements of the Title Company.

2.3. The Property includes, at no additional cost to Buyer:

2.3.1. The permanent improvements, buildings, and any other structures thereon, whether now completed or under construction at the Property (collectively the "**Improvements**");

2.3.2. All of Seller's interest in the following items presently located in or on the Property or used in connection with the Property: signs, fixtures, furniture, furnishings, equipment, machinery, appliances, phone systems, electrical distribution systems, air conditioning equipment, carpets, window coverings and wall coverings, maintenance carts (if any), chemicals, cleaning materials and supplies, printed materials and supplies, housekeeping supplies, trade names, phone numbers, tenant files, marketing materials, and all other personal property used or useful in conducting any of the business activities carried on at the Property together with any warranties covering

any of said items, to the extent the same are transferable (collectively, the "**Personal Property**");

2.3.3. All of Seller's right, title and interest in and under any covenants, easements, access agreements, rights-of-way and appurtenances pertaining to the use and enjoyment of the Property;

2.3.4. All architectural and engineering studies, reports, designs, surveys, and plats or plat applications in Seller's possession or under Seller's control related to the Property;

2.3.5. All permits, certificates, warranties, approvals, and licenses in Seller's possession or under Seller's control pertaining to the construction, use and occupancy of the Property, to the extent they may be transferred under applicable law; and

2.3.6. All of Seller's interest as lessor, sublessor or landlord in tenant leases, rental agreements or occupancy agreements covering all or any portion of the Property (collectively, the "**Rental Agreements**").

3. Purchase Price.

3.1. Amount. The purchase price which Buyer shall pay Seller for the Property ("**Purchase Price**") is the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00).

3.2. Manner of Payment. The Purchase Price, plus or minus applicable prorations and other payments provided for in this Agreement shall be delivered to Escrow Holder at Closing by electronic transfer of immediately available funds.

4. Intentionally omitted.

5. Title Matters.

5.1. It shall be a condition of Closing that Seller deliver Buyer title to the Property free and clear of all liens and encumbrances other than the "**Permitted Exceptions**," which are defined as: (a) matters affecting title to the Property created by, through or with the written consent of Buyer; and (b) Special Exceptions 1-3 and 5 described in the Update Second Commitment dated November 10, 2021 under Order No. 21449-SC (the "**Commitment**") issued by the Title Company.

5.2. If a new survey of the Property is required by the Title Company as a condition to issuance of extended coverage title insurance, Buyer shall either procure such survey at its sole expense or waive the extended coverage portion of Buyer's title insurance. Seller shall provide an owner's affidavit containing the customary information and covenants required by Title Company as a condition of issuance of an extended coverage title policy.

5.3. Seller shall not grant any easements across the Property, bind the Property to any agreement which cannot be terminated on thirty (30) days' notice, or otherwise voluntarily create new title exceptions after the Effective Date without the prior written consent of Buyer.

6. Escrow and Closing.

6.1. When executed by both parties, this Agreement shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through escrow. The Closing shall also be subject to such additional escrow instructions either party, acting in its discretion, may give Escrow Holder, provided that such instructions may not be inconsistent with the terms of this Agreement.

6.2. Escrow Holder shall close the escrow on or, by mutual agreement of the parties before, January 31, 2021 (as may be extended as provided herein, the "**Closing Date**") in the offices of Escrow Holder.

6.3. Escrow Holder is hereby authorized and instructed to conduct the escrow in accordance with this Agreement, applicable law, and, in the absence of an applicable term of this Agreement, in accordance with custom and practice of the King County, Washington, real estate community.

6.4. Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "**Closing**") by recording the deed and other documents required and by disbursing the funds and documents in accordance with this Agreement.

6.5. If this transaction fails to Close due to the failure of a contingency to Closing, and not due to any default of Seller or Buyer, then neither party shall thereafter have any liability to the other under this Agreement, except for any obligations that expressly survive termination of this Agreement.

7. Contingencies to Closing. All of the contingencies to Closing set forth below in this Section 7 are for the benefit of the Buyer and may be waived in writing by the Buyer.

7.1. **Survey.** Buyer's review and approval of its pending survey. Buyer will notify Seller of any objections regarding such survey no later than December 20, 2021.

7.2. **Conditions to be Satisfied by Closing.** The Closing of this transaction is contingent upon the satisfaction or waiver of each and every one of the following contingencies at or prior to Closing:

7.2.1. **Destruction, Damage or Loss.** If there shall have occurred prior to the Closing a destruction of, or damage or loss to the Property, then Seller shall give Buyer prompt notice thereof and shall either (a) repair or replace any damage or destruction (b) reduce the Purchase Price to reflect the estimated cost to Buyer (as a public housing authority) to repair or replace any damage or destruction and the anticipated uninsured rent loss.

7.2.2. **Performance.** Seller shall have delivered all documents and performed every material covenant, undertaking and agreement to be performed by Seller under this Agreement.

7.2.3. **Breach of Warranty.** Each representation and warranty of Seller herein shall be true and correct in all material respects as of the Closing. Escrow Holder shall assume that this condition has been satisfied unless notified to the contrary in writing by Buyer prior to the Closing.

8. Documents Required at Closing.

8.1. Title Company shall be prepared to issue to Buyer an ALTA extended coverage owner's form policy of title insurance effective as of the Closing, in the full amount of the Purchase Price, insuring fee simple absolute title to the Property vested in Buyer, subject only to the Permitted Exceptions and any other exceptions approved in writing by Buyer, and containing such endorsements as Buyer may reasonably request.

8.2. Seller shall deliver or cause to be delivered to Escrow Holder, in time for delivery to Buyer at Closing, executed originals of the following documents:

8.2.1. The Deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

8.2.2. Two real estate excise tax affidavits signed by or on behalf of Seller.

8.2.3. An Assignment and Assumption of the Rental Agreements in the form attached hereto as **Exhibit C**, assigning to Buyer Seller's interest under the Rental Agreements, together with the Rental Agreements themselves.

8.2.4. A Bill of Sale, in the form attached hereto as **Exhibit D**, conveying the Personal Property from Seller to Buyer.

8.2.5. A certification by the Seller that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable federal law with respect to purchases from foreign sellers.

8.3. Buyer shall deliver or cause to be delivered to Escrow Holder, in time for delivery at Closing, the following:

8.3.1. Two real estate excise tax affidavits signed by or on behalf of Buyer.

8.3.2. A counterpart of the Assignment and Assumption of Rental Agreements and Contracts.

8.3.3. The Purchase Price and such additional sums as are required of Buyer under this Agreement for prorations, expenses and adjustments.

9. Prorations, Expenses and Adjustments.

9.1. Seller shall pay the premium for the title insurance policy (other than the premium and other charges attributable to obtaining extended coverage rather than standard coverage or charges for endorsements desired by Buyer), the cost, if any, of making title insurable as required hereby, and one-half of the fees of the Escrow Holder.

9.2. Buyer shall pay the title insurance premium and other charges attributable to obtaining extended coverage instead of standard coverage and for endorsements desired by Buyer, the recording fees for the Deed and for any other documents which Buyer may choose to record, and one-half of the fees of the Escrow Holder.

9.3. Prior to Closing, income and expenses of the Property will be allocated as provided in the Property Operating Agreement dated October 11, 2021, between Buyer and Seller. From and after the Closing Date, all income and expenses of the Property will belong to Buyer. Any reconciliation of income and expenses will be handled by Buyer and Seller outside of escrow.

9.4. Any other closing costs not specifically allocated herein shall be apportioned between the parties by the Escrow Holder in accordance with local custom in the county where the Property is located.

10. Covenants, Representations and Warranties.

10.1. **Of Seller.** Seller hereby makes the following covenants, warranties, and representations to Buyer:

10.1.1. Seller has provided to Buyer all documents and other information concerning the Property which were provided to Seller by or on behalf of Prior Owner.

10.1.2. To the best of Seller's knowledge, Seller possesses all certificates of occupancy and other material licenses and permits necessary or appropriate to own and operate the Property consistent with its current use.

10.1.3. Seller has received no written notice that any aspect or condition of the Property or the current use of the Property violates applicable laws, rules, regulations, codes, or covenants, conditions, or restrictions (including without limitation any written notices of actual or suspected environmental contamination on the Property), or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property.

10.1.4. Seller has no knowledge of any actions, suits, proceedings, changes in zoning, or condemnation actions currently pending or threatened before any commission, board, bureau, agency, instrumentality, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize the Property.

10.2. **Of Buyer.** Buyer has the full right, power, and authority to execute and deliver this Agreement to Seller, to purchase the Property from Seller as provided herein, and to perform Buyer's obligations hereunder.

11. As-Is Purchase. BUYER IS PURCHASING THE PROPERTY "AS IS WHERE IS" IN ITS PRESENT CONDITION. BUYER HAS THE OPPORTUNITY TO INSPECT THE PROPERTY AND DOCUMENTATION IN SELLER'S POSSESSION AS PROVIDED HEREIN. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO, HEREBY DISCLAIMS AND SHALL HAVE NO LIABILITY FOR: (A) THE CONDITION OF THE PROPERTY OR ANY BUILDINGS, STRUCTURE OR IMPROVEMENTS THEREON OR THE ROOFS, STRUCTURAL COMPONENTS, OR HEATING, VENTILATING, AIR CONDITIONING, MECHANICAL, PLUMBING, ELECTRICAL, OR FIRE AND LIFE SAFETY SYSTEMS THEREON OR THEREIN OR THE SUITABILITY OF THE PROPERTY FOR HABITATION OR FOR BUYER'S INTENDED USE; (B) ANY APPLICABLE BUILDING, ZONING OR FIRE LAWS OR REGULATIONS OR WITH RESPECT TO COMPLIANCE THEREWITH OR WITH RESPECT TO THE EXISTENCE OF OR COMPLIANCE WITH ANY REQUIRED PERMITS, IF ANY, OF ANY GOVERNMENTAL AGENCY; (C) THE AVAILABILITY OR EXISTENCE OF ANY WATER, SEWER OR UTILITIES, ANY RIGHTS THERETO, OR ANY WATER, SEWER OR UTILITY

DISTRICTS; (D) ACCESS TO ANY PUBLIC OR PRIVATE SANITARY SEWER OR DRAINAGE SYSTEM; OR (E) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES AT THE PROPERTY OR IN ANY IMPROVEMENTS ON THE PROPERTY, INCLUDING WITHOUT LIMITATION ASBESTOS OR UREA-FORMALDEHYDE, OR THE PRESENCE OF ANY ENVIRONMENTALLY HAZARDOUS WASTES OR MATERIALS ON OR UNDER THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL HAVE NO LIABILITY WITH RESPECT TO THE CONDITION OF THE PROPERTY UNDER COMMON LAW, OR ANY FEDERAL, STATE, OR LOCAL LAW OR REGULATION, INCLUDING BUT NOT LIMITED TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 AS AMENDED, 42 U.S.C. SECTIONS 9601 ET SEQ., OR APPLICABLE WASHINGTON LAW, AND BUYER HEREBY RELEASES AND WAIVES ANY AND ALL CLAIMS WHICH THE BUYER HAS OR MAY HAVE AGAINST SELLER WITH RESPECT TO THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PROPERTY AND BUYER ASSUMES THE RESPONSIBILITY AND RISKS OF ALL DEFECTS AND CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUCH DEFECTS AND CONDITIONS, IF ANY, THAT CANNOT BE OBSERVED BY CASUAL INSPECTION.

THE DISCLAIMERS, RELEASES AND LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 11 AND ELSEWHERE IN THIS AGREEMENT FOR THE BENEFIT OF SELLER ARE INTENDED TO APPLY TO AND BE BINDING ON BUYER AND ALL PARTIES CLAIMING BY OR THROUGH BUYER, DIRECTLY OR INDIRECTLY, AND INCLUDING ANY ASSIGNEE OR SUCCESSOR OF BUYER'S RIGHTS, CLAIMS OR CAUSES OF ACTION UNDER THIS AGREEMENT. FOR PURPOSES OF CLARITY, IN THE EVENT BUYER OR ANY SUCCESSOR OF BUYER ELECTS TO CONVERT THE PROPERTY INTO A CONDOMINIUM, ANY CLAIMS BY A CONDOMINIUM UNIT OWNER OR HOMEOWNERS ASSOCIATION BY OR THROUGH BUYER OR AS AN ASSIGNEE OF BUYER AGAINST SELLER SHALL BE SUBJECT TO SUCH DISCLAIMERS, RELEASES AND LIMITATIONS.

THE PROVISIONS OF THIS SECTION 11 SHALL SURVIVE THE CLOSING.

Notwithstanding the preceding provisions of this Section 11, Buyer reserves any claims that it may have under this Agreement with respect to a breach by Seller of any of its express representations, warranties or covenants under this Agreement and in any agreement or instrument executed by Seller and delivered to Buyer at Closing pursuant to this Agreement.

12. Waiver of Right to Receive Seller Disclosure Statement. Pursuant to Chapter 64.06 RCW, Buyer hereby waives its right to receive the seller disclosure statement referred to therein with respect to the Property. This waiver does not extend to the section of the disclosure statement entitled "Environmental" if any of Seller's answers within such section would be "yes."

13. General and Miscellaneous Provisions.

13.1. Further Assurances. Buyer and Seller shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the escrow in condition for Closing as and when required by this Agreement, and to sign and deliver all documents and things reasonably necessary or convenient to that end.

13.2. Notices. Any notices required or permitted to be given pursuant to the terms hereof shall be in writing and shall be personally delivered or sent either (a) by certified or registered mail, postage prepaid, return receipt requested ("Mail"), (b) by

telephonic facsimile transmission ("Fax") or (c) by internet electronic mail transmission ("Email") provided that the Email contains the following in the subject line in all caps: "OFFICIAL NOTICE VILLAGE PLAZA APARTMENTS". Notices sent by Mail shall be effective upon the earlier to occur of acknowledged actual receipt or two Business Days after being properly sent. Notices sent by Fax or Email shall be effective when received, if received between the hours of 9:00 a.m. and 4:30 p.m. on a Business Day at the location of the addressee, and if not received during such hours on a Business Day, then such notice shall be deemed effective at 9:00 a.m. on the next day that is a Business Day at the location of the addressee.

Notices shall, until further notice from a party to the contrary, be addressed as follows:

If to Seller:

City Manager
City of Kirkland
123 5th Avenue
Kirkland, Washington 98033-6189
Phone (425) 587-3020
Email ktriplett@kirklandwa.gov

With a required copy to:

City Attorney
City of Kirkland
123 5th Avenue
Kirkland, Washington 98033-6189
Phone (425) 587-3030
Email kraymond@kirklandwa.gov

If to Buyer:

Stephen J. Norman, Executive Director
King County Housing Authority
600 Andover Park West
Seattle, Washington 98188-3326
Phone (206) 574-1100
Fax (206) 574-1189
Email stephenn@kcha.org

With required copies to:

Tim Walter
King County Housing Authority
600 Andover Park West
Seattle, Washington 98188-3326
Phone (206) 574-1231
Fax (206) 574-1104
Email timw@kcha.org

And to:

Jonathan R. Moore
Montgomery Purdue PLLC
701 Fifth Avenue #5500
Seattle, Washington 98104-7096
Phone (206) 695-1185

Fax (206) 625-9534
Email jmoore@montgomerypurdue.com

The address or addressee of either party may be changed by a notice given in the manner herein provided.

13.3. Time and Days. Any reference in this Agreement to a "day" shall be taken to mean a calendar day unless specifically described as a "Business Day." A "Business Day" means any day that is not a Saturday, Sunday or legal holiday in Seattle, Washington. If any time period specified in this Agreement ends on a day that is not a Business Day, the applicable time period shall automatically be extended to the next day which is a Business Day. References to time of day shall be to the time of day in Seattle, Washington.

13.4. Applicable Law. This Agreement shall be governed by the laws of the State of Washington.

13.5. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one in the same instrument. In order to facilitate the transaction contemplated herein, telecopied signatures or signatures transmitted via e-mail in a pdf file or other similar format (each an "Electronic Format") may be used in place of original signatures on this Agreement. Each party intends to be bound by such party's Electronic Format signature on the document, is aware that the other party is relying on such party's Electronic Format signature, and hereby waives any defenses to the enforcement of this Agreement based on the form of signature. Seller and Buyer agree to deliver an original execution copy of this Agreement to the other within five (5) Business Days after request made at any time before Closing or other termination of this Agreement.

13.6. Time of the Essence. Time is of the essence of every provision of this Agreement.

13.7. Brokers. Seller and Buyer warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to purchase and sale of the Property. Buyer and Seller agree to indemnify each other against claims for fees or commissions related to the transactions contemplated by this Agreement which claims or fees arise through the acts or omissions of the indemnifying party. The obligations of this paragraph shall survive closing or termination of this Agreement.

13.8. Binding Effect. This Agreement embodies the entire understanding of the parties regarding the subject matter hereof and supersedes all prior agreements and understandings between the parties, whether written or oral, relating to the subject matter hereof. No amendment or modification hereof shall be binding unless in writing and signed by the party to be bound thereby. This Agreement shall bind the parties hereto and their respective successors, legal representatives, and assigns.

[Signatures on following page]

SELLER:
City of Kirkland,
a Washington municipal corporation

By: _____
Name: _____
Title: _____
Date _____

BUYER:
Housing Authority of the County of
King

By: _____
Stephen Norman, Exec. Director
Date _____

Exhibit A

Legal Description of Property

The following described real estate, situated in the County of King, State of Washington:

Parcel A:

The Easterly 120 feet of the following described property:

That portion of the East half of the Southeast quarter of Section 30, Township 26 North, Range 5 East, W.M., in King County, Washington, lying between lines parallel with and distant respectively 1702.86 feet and 1792.86 feet measured along the East line of said subdivision South of the North line of said subdivision;

Except the Easterly 30 feet thereof for road.

Parcel B:

A non-exclusive easement for ingress, egress, utilities and construction and maintenance of septic tank disposal as granted in instrument recorded April 3, 1975, under Recording No. 7504030026, records of King County, Washington.

Exhibit B-1

Bargain and Sale Deed

Return Address:

Jonathan R. Moore
Montgomery Purdue PLLC
5500 Columbia Center
701 Fifth Avenue
Seattle, WA 98104-7096

BARGAIN AND SALE DEED

Reference Number(s) of related document(s): n/a

Grantor: CITY OF KIRKLAND, a Washington municipal corporation

Grantee: HOUSING AUTHORITY OF THE COUNTY OF KING, a public body corporate and politic organized under the laws of the State of Washington

Legal Description (abbreviated): PTN SE1/4 SEC 30, T26N, R5E
Full legal on **Exhibit A** of this document.

Assessor's Tax Parcel ID Numbers: 302605-9232

The City of Kirkland, a Washington municipal corporation ("Grantor") for and in consideration of Ten Dollars and no/100 (\$10.00) and other valuable consideration, in hand paid, bargains, sells, and conveys to Housing Authority of the County of King, a public body corporate and politic organized under the laws of the State of Washington ("Grantee") the following described real estate, situated in King County, Washington:

See attached Exhibit A incorporated herein by this reference.

Subject to the matters set forth in the attached Exhibit B incorporated herein by this reference.

[Insert Exhibits A(legal description of Parcel A of the Property) and B (Permitted Exceptions as defined in Section 5.1); insert Seller signature and acknowledgement blocks.]

Exhibit B-2

Quitclaim Deed

Return Address:

Jonathan R. Moore
Montgomery Purdue PLLC
5500 Columbia Center
701 Fifth Avenue
Seattle, WA 98104-7096

QUITCLAIM DEED

Reference Number(s) of related document(s): n/a

Grantor: CITY OF KIRKLAND, a Washington municipal corporation

Grantee: HOUSING AUTHORITY OF THE COUNTY OF KING, a public body corporate and politic organized under the laws of the State of Washington

Legal Description (abbreviated): PTN SE1/4 SEC 30, T26N, R5E
Full legal on **Exhibit A** of this document.

Assessor's Tax Parcel ID Numbers: 302605-9232

The City of Kirkland, a Washington municipal corporation ("Grantor") for and in consideration of Ten Dollars and no/100 (\$10.00) and other valuable consideration, in hand paid, conveys and quitclaims to Housing Authority of the County of King, a public body corporate and politic organized under the laws of the State of Washington ("Grantee") the following described real estate, situated in King County, Washington:

See attached Exhibit A incorporated herein by this reference.

[Insert Exhibits A (legal description of Parcel B of the Property); insert Seller signature and acknowledgement blocks.]

Exhibit C

Assignment of Rental Agreements

This Assignment and Assumption of Contracts is made this ____ day of _____, 20____, by and between the City of Kirkland, a Washington municipal corporation ("Assignor"), and the Housing Authority of the County of King, a public body corporate and politic organized under the laws of the State of Washington ("Assignee").

WHEREAS, in connection with Assignee's acquisition of the improved real estate consisting of a 6-unit apartment complex commonly known as Village Plaza, 11825 100th Ave NE, Kirkland, WA 98034 (the "**Property**"), as more particularly described in Exhibit A, attached hereto and incorporated herein by reference, Assignor desires to transfer to Assignee all of Assignor's right, title and interest in and to all of the rental agreements (collectively "**Rental Agreements**");

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment and Assumption.

a. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, and interest in and to the Rental Agreements, and Assignee hereby accepts the assignment and transfer, upon the terms and conditions set forth herein.

b. Assumption. Assignee hereby assumes and agrees to keep, perform, and fulfill all of the terms, covenants, conditions, obligations, duties, responsibilities, and liabilities of Assignor accruing or arising under the Rental Agreements from and after the date hereof.

d. Rent Roll and List of Contracts. A list of the Rental Agreements is set forth on the Rent Roll attached as Exhibit B.

2. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors and assigns of both parties hereto.

3. Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one in the same document.

IN WITNESS WHEREOF, the parties have executed this instrument on the day and date first above written.

[Insert Assignor and Assignee signature and acknowledgement blocks; insert Exhibits A-C]

Exhibit D

Bill of Sale

The City of Kirkland, a Washington municipal corporation ("**Seller**"), for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby sell, assign, transfer, and set over unto Housing Authority of the County of King, a public body corporate and politic organized under the laws of the State of Washington ("**Buyer**"), all furniture, furnishings, appliances, fixtures, equipment and other personal property set forth on Exhibit A attached hereto and made a part hereof (the "**Personal Property**") located at, on and about the real estate commonly known as Village Plaza, 11825 100th Ave NE, Kirkland, WA 98034 and legally described on Exhibit B attached hereto and made a part hereof (the "**Real Property**").

TO HAVE AND TO HOLD the Personal Property unto Buyer and Buyer's heirs, legal representatives, successors and assigns forever.

Seller hereby represents, covenants and warrants to Buyer that the Personal Property is free from all encumbrances; that Seller has the right to sell the Personal Property as aforesaid; and that Seller, for itself, its successors and assigns, will warrant and forever defend the right and title to the above-described Personal Property unto the said Buyer, its successors and assigns, against the lawful claims of all persons claiming by, through or under the Seller.

IN WITNESS WHEREOF, Seller has signed this Bill of Sale this ____ day of _____, 20____.

[Insert seller signature block]

Exhibit A to Bill of Sale

All of Seller's interest in the following items presently located in or on the Property or used in connection with the Property: signs, fixtures, furniture, furnishings, equipment, machinery, appliances, phone systems, electrical distribution systems, air conditioning equipment, carpets, window coverings and wall coverings, maintenance carts (if any), chemicals, cleaning materials and supplies, printed materials and supplies, housekeeping supplies, marketing materials, and all other personal property used or useful in conducting any of the business activities carried on at the Property together with any warranties covering any of said items, to the extent the same are transferable;

All architectural and engineering studies, reports, designs, surveys, and plats or plat applications related to the Real Property in Seller's possession or under Seller's control; and

All permits, certificates, warranties, approvals, and licenses in Seller's possession or under Seller's control pertaining to the construction, use and occupancy of the Real Property, to the extent they may be transferred under applicable law.

[Insert Exhibit B]