September 10, 1996

Introduced By:

LARRY PHILLIPS **BRIAN DERDOWSKI**

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Proposed No.:

96-741

9964MOTION NO.

A MOTION authorizing the Executive to enter into an Interlocal Agreement between King County and the city of Duvall for preservation of historic Dougherty Farmstead.

WHEREAS, King County has appropriated \$90,000 to preserve the

historic Dougherty Farmstead structure near Duvall; and

WHEREAS, upon the recommendation of the Open Space Citizens Oversight Committee, the council has appropriated funds from the 1989 Open Space Bond and the 1993 Regional Conservations Futures Acquisitions Program for the acquisition and preservation of the 20-acre property upon which the historic Dougherty farmhouse is located; and

WHEREAS, the city of Duvall has negotiated an agreement for the purchase of the 20-acre Dougherty Farmstead property including the historic 14 structure; and

WHEREAS, it is in the best interest of the citizens of King County to 15 16 provide for the protection of the historic Dougherty Farm structure by the city 17 of Duvall.

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9964NOW, THEREFORE, BE IT MOVED by the Council of King County: A. The executive is authorized to enter into and execute an interlocal agreement with the city of Duvall to provide for the conveyance of an historic preservation easement for the Dougherty Farmstead in substantially the same form as shown in Attachment A. PASSED by a vote of 11 to 0 this 30^{+h} day of September, 1996 KING COUNTY COUNCIL

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ATTEST:

Clerk of the Council

Attachment: A - Interlocal Agreement

INTERLOCAL COOPERATION AGREEMENT BETWEEN KING COUNTY AND THE CITY OF DUVALL DOUGHERTY FARM ACQUISITION PROJECT

This Interlocal Cooperation Agreement is entered into between the City of Duvall, a municipal corporation ("City") and King County, a political subdivision of the State of Washington ("County").

Article I. RECITALS

1.1 Local government authority and jurisdiction with respect to the designation and protection of landmarks within the city resides with the City.

1.2 The City desires to protect and preserve the historic buildings, structures, districts, sites, objects and archaeological sites within the City for the benefit of present and future generations.

1.3 The City desires to provide a means for protection of the Dougherty Farm site ("Farmstead"), and, in order to accomplish such ends, is willing to execute an easement for historic preservation purposes in favor of the County.

1.4 The County is willing to accept an easement for historic preservation on the Farmstead and is willing to assume oversight responsibility for the perpetuation of historic values on the Farm.

1.5 Pursuant to R.C.W. 39.34, the Interlocal Cooperation Act, the parties are each authorized to enter into an agreement for cooperative action.

Article II. DEFINITIONS.

2.1 <u>Agreement</u>. This Interlocal Cooperation Agreement between the County and the City regarding the distribution of responsibilities for the preservation of historical values of the Farmstead.

2.2 <u>Farmstead</u>. The historic Dougherty farmhouse and a surrounding parcel of land containing approximately 1 acre, more particularly described on Exhibit A, herein.

2.3 <u>Owner</u>. The Corporation of the Catholic Archbishop of Seattle, or any successor in interest or assignee bound by an agreement to sell the Farmstead to the City or the County.

2.4 Property. The Dougherty Farm, that certain 22.6-acre open space parcel in the Snoqualmie Valley located on Northeast Cherry

9964

Valley Road just north of the present limits of the City and more particularly described on Exhibit B, herein.

Article III. TERM OF AGREEMENT.

3.1 This Agreement shall be effective when executed by both parties and shall remain in effect in perpetuity, unless both parties mutually consent in writing to its termination.

Article IV. CONDITIONS OF AGREEMENT.

4.1 <u>Project Implementation</u>. The City will purchase the Farmstead from the Owner in fee. The County will provide acquisition funds in the amount of \$90,000.00. The remaining acquisition costs will be provided by the City. At closing, the City will convey to the County a Historic Preservation Easement ("Easement") in the form attached hereto as Exhibit "C", affecting the Farmstead.

The City and any successor in Maintenance in Perpetuity. 4.2 interest agree to maintain the Farmstead pursuant to this Agreement for the purposes set forth herein in perpetuity. If the Farmstead is conveyed to a third party, said conveyance shall subject the interest of the Buyer, his successors and/or assigns to the provisions of this Agreement. If the Farmstead is annexed into the City, the City agrees to adopt an ordinance designating the Farmstead a City landmark. The King County Landmarks and Heritage Commission will have the authority to review and approve proposed demolition or alterations of any designated significant features of the Farmstead, including any changes to the landscaping of the immediate surroundings which would adversely affect the historic character and setting of the Farmstead, in accordance with the terms and conditions of the easement. Such authority will continue after annexation and adoption of said ordinance. Any action taken by the City without such review and approval shall be subject to those penalties set forth in the King County Landmarks Preservation Ordinance No. 4828. Nothing in this Agreement shall prevent the City from granting easements, franchises or concessions or from making joint use agreements or other operational agreements which are compatible with the use of the Farmstead for the purposes authorized in this Agreement and which are compatible with the Easement.

4.3 <u>Project Administration and Maintenance</u>. Necessary administration and maintenance for the Farmstead after its completion shall be the responsibility of the City.

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Article V. GENERAL PROVISIONS

5.1 Hold Harmless and Indemnification.

(a) The County assumes no responsibility for the payment of any compensation, fees, wages, benefits or taxes to or on behalf of the City, its employees, contractors or others by reason of this Agreement. The City shall protect, indemnify and save harmless the County, its officers, agents and employees from any and all claims, costs and losses whatsoever occurring or resulting from (1) the City's failure to pay any compensation, wage, fee, benefit or tax, and (2) the supplying to the City of work, services, materials or supplies by City employees or agents or other contractors or suppliers in connection with or in support of performance of this Agreement.

(b) The City further agrees that it is financially responsible for and will repay the County all indicated amounts following an audit exception which occurs due to the negligent or intentional acts or failure for any reason to comply with the terms of this Agreement by the City, its officer, employees, agents or representatives.

(c) Each party hereto agrees to indemnify and hold harmless the other party, and its officers, agents and employees for all claims (including demands, suits, penalties, losses, damages or costs of any kind whatsoever) to the extent such a claim arises or is caused by the indemnifying party's own negligence or that of its officers, agents or employees in the performance of this agreement.

5.2 <u>Amendment</u>. The parties reserve the right to amend or modify this Agreement. Such amendments or modifications must be in writing, signed by the parties and approved by the respective City and County Councils.

5.3 <u>Contract Waiver</u>. No waiver by either party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or a different provision of this Agreement. No waiver shall be effective unless made in writing.

5.4 <u>Notices</u>. Any notice, consent, demand or other communication hereunder shall be in writing and shall be deemed to have been given if delivered in person or deposited in any United States Postal Service mail box, sent by registered or certified mail, return receipt requested, and first class postage prepaid, addressed to the party for whom it is intended as follows: (1) if to the City: City of Duvall, P.O. Box 1300, Duvall, WA 98019; if to the County: King County Landmarks Preservation Commission, Suite 1115 Smith Tower, 506 Second Avenue, Seattle, WA 98104, with a copy to Director, King County Department of Parks, Cultural and Natural Resources, Suite 1108 Smith

9964

Tower, 506 Second Avenue, Seattle, WA 98104. These titles and addresses may be changed by written notice to the other party pursuant to this provision.

5.5 Interpretation. This Agreement shall be interpreted according to and enforced under the laws of the State of Washington. The section and subsection captions of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

5.6 <u>Severability</u>. Each provision of this Agreement is severable from all other provisions. In the event any court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable for any reason, all remaining provisions will remain in full force and effect.

5.7 <u>Entirety</u>. This Agreement is a complete expression of the terms hereto and any oral representations or understandings not incorporated are excluded. This Agreement merges and supersedes all prior negotiations, representations and agreements between the parties relating to the Project or Bond Proceeds and constitutes the entire Agreement between the parties. The parties recognize that time is of the essence in the performance of the provisions of this Agreement.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces set forth below.

CITY OF DUVALL KING COUNTY a Municipal Corporation A Political Subdivision By ______ By _____ Title Title Title ATTEST: ATTEST:

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May 23, 1996

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EXHIBIT A

LEGAL DESCRIPTION FARMSTEAD

That portion of Government Lot 14, Section 12, Township 26 North, Range 6 East, W.M., in King County, Washington, described as follows:

Beginning at the South quarter corner of said Section 12; thence North 89°33'23" West along the South line of said Section 12 a distance of 766.70 feet to the TRUE POINT OF BEGINNING; thence continuing North 89°33'23" West along said South line a distance of 180.65 feet; thence North 0°26'37" East a distance of 271.13 feet; thence South 89°33'23" East a distance of 180.65 feet; thence South 0°26'37" West a distance of 271.13 feet to the TRUE POINT OF BEGINNING;

EXCEPT the South 30 feet thereof for Northeast Cherry Valley Road.

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EXHIBIT B

LEGAL DESCRIPTION DOUGHERTY FARM PROPERTY

That portion of Government Lot 14 lying Easterly of the Everett and Cherry Valley Traction Company right of way;

EXCEPT that portion of said premises lying within the South 132 feet of the West 396 feet of said Government Lot 14; and

EXCEPT portion thereof lying within the Duvall-Monroe Road Northeast; and

EXCEPT portion thereof lying within Northeast 165th Street; and

EXCEPT that portion of Government Lot 14 lying Easterly and Northerly of the following described fence line:

Commencing at the Southeast corner of said Government Lot 14;

thence North 4°22'19" West 1315.78 feet along an existing fence line to a fence corner;

thence North 88°14'06" West 422.97 feet along an existing fence line; thence continuing along said fence line North 88°51'10" West 401.07 feet to the Easterly right of way margin of the Duvall-Monroe Road Northeast and the terminus of this fence line description; and

EXCEPT from the remainder the Easterly 380 feet thereof.

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DOUGHERTY FARM HISTORIC PRESERVATION EASEMENT

THIS PRESERVATION AND CONSERVATION EASEMENT, made this _____ day of _____, 19_95, by and between <u>The City of Duvall</u>, a Municipal Corporation ("Grantor") and <u>King County</u>, a political subdivision of the State of Washington ("Grantee").

WITNESSETH:

WHEREAS, the Grantee is authorized to accept preservation and conservation easements to protect property significant in Washington State history and culture under the provisions of RCW Section 36.32.435 (hereinafter the "Act");

WHEREAS, the Grantor is owner in fee simple of certain real property in King County, Washington, which property is hereinafter sometimes referred to as the Dougherty Farm (hereinafter "the Premises"), said Premises including four structure(s) commonly known as Dougherty Farmstead (hereinafter "the Buildings"), and is more particularly described below;

WHEREAS, the Dougherty Farmstead is a designated King County Landmark.

WHEREAS, the Grantor and Grantee recognize the historical, cultural, and aesthetic value and significance of the Premises, and have the common purpose of conserving and preserving the aforesaid value and significance of the Premises;

WHEREAS, the grant of preservation and conservation easement by Grantor to Grantee on the real property referred to herein will assist in preserving and maintaining the Premises and its architectural, historical, and cultural features;

WHEREAS, the grant of a preservation and conservation easement by Grantor to Grantee on the Premises will assist in preserving and maintaining the aforesaid value and significance of the Premises;

WHEREAS, to that end, Grantor desires to grant to Grantee, and Grantee desires to accept, a preservation and conservation easement on the Premises, pursuant to RCW 36.32.435, and Chapter 20.62, King County Code:

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknow-ledged, The City of Duvall does hereby irrevocably grant and convey unto the Grantee a preservation and conservation easement in gross in perpetuity (which easement is more particularly described below and is hereinafter "the Easement") in and to that certain real property and the exterior surfaces of the Buildings located thereon,

9964

owned by the Grantor, and more particularly described as:

(As hereto attached as Attachment A)

The Easement, to be of the nature and character hereinafter further expressed, shall constitute a binding servitude upon said Premises of the Grantor, and to that end Grantor covenants on behalf of itself, its successors, and assigns, with Grantee, its successors, and assigns, such covenants being deemed to run as a binding servitude, in perpe-tuity, with the land, to do upon the Premises each of the following covenants and stipulations, which contribute to the public purpose in that they aid significantly in the preservation of the Buildings and surrounding land area, and which help maintain and assure the present and future historic integrity of the Buildings:

- 1. Description of Facades. In order to make more certain the full extent of Grantor's obligations and the restrictions on the Premises (including the Buildings), and in order to document the external nature of the Buildings as of the date hereof, attached hereto as Exhibit A and incorporated herein by this reference are a set of photographs depicting the exterior surfaces of the Buildings and the surrounding property and an affidavit specifying certain technical and locational information relative to said photographs satisfactory to Grantee, attached hereto as Exhibit B. It is stipulated by and between Grantor and Grantee that the external nature of the Buildings as shown in Exhibit A is deemed to be the external nature of the Buildings as of the date hereof and as the date this instrument is first recorded in the land records of King County, Washington. The external nature of the Buildings as shown in Exhibit A is hereinafter referred to as the "Facades."
- 2. <u>Grantor's Covenants</u>. In furtherance of the easement herein granted, Grantor undertakes, of itself, to do (and to refrain from doing as the case may be) upon the Premises each of the following covenants, which contribute to the public purpose of significantly protecting and preserving the Premises:
 - A. Grantor shall not demolish, remove, or raze the Buildings or the Facades except as provided in Paragraphs 6 and 7.
 - B. Without the prior express written permission of the Grantee, signed by a duly authorized representative thereof, Grantor shall not undertake any of the following actions:
 - i) increase or decrease the height of the Facades or the Buildings;
 - ii) adversely affect the structural soundness of the
 Facades;

9964

- iii) make any changes in the Facades including the alteration, partial removal, construction, remodeling, or other physical or structural change including any change in color or surfacing, with respect to the appearance or construction of the Facades, with the exception of ordinary maintenance pursuant to Paragraph 2(c) below;
- iv) erect anything on the Premises or on the Facades which would prohibit them from being visible from street level, except for a temporary structure during any period of approved alteration or restoration;
- v) permit any significant reconstruction, repair, repainting, or refinishing of the facades that alters their state from the existing condition. This subsection v) shall not include ordinary maintenance pursuant to Paragraph 2(c) below;
- vi) erect, construct, or move anything on the Premises that would encroach on the open land area surrounding the Buildings and interfere with a view of the Facades or be incompatible with the historic or architectural character of the Buildings or the Facades.

Grantor agrees at all times to maintain the Buildings in a good and sound state of repair and to maintain the Facades and the structural soundness and safety of the Buildings and to undertake the minimum maintenance program attached as Exhibit C so as to prevent deterioration of the Facades. Subject to the casualty provisions of Paragraphs 5 through 7, this obligation to maintain shall require replacement, rebuilding, repair, and reconstruction whenever necessary to have the external nature of the Buildings at all times appear to be and actually be the same as the Facades.

- D. No buildings or structures, including satellite receiving dishes, camping accommodations, or mobile homes not presently on the Premises shall be erected or placed on the Premises hereafter, except for temporary structures required for the maintenance or rehabilitation of the property, such as construction trailers.
- E. Except for a sign identifying the property and posting reasonable rules and regulations for its use by the public, no signs, billboards, awnings, or advertisements shall be displayed or placed on the Premises or Buildings; provided, however, that Grantor may, with prior written approval from and in the sole discretion of Grantee, erect such signs or awnings as are compatible with the preservation and conservation purposes of this easement and appropriate to

identify the Premises and Buildings and any activities on the Premises or in the Buildings. Such approval from Grantee shall not be unreasonably withheld.

- F. No topographical changes, including but not limited to excavation, shall occur on the Premises; provided, however, that Grantor may, with prior written approval from and in the sole discretion of Grantee, make such topographical changes as are consistent with and reasonably necessary to promote the preservation and conservation purposes of this easement.
- G. There shall be no removal, destruction, or cutting down of trees, shrubs, or other vegetation on the Premises; provided, however, that Grantor may with prior written approval from and in the sole discretion of Grantee, undertake such landscaping of the Premises as is compatible with the preservation and conservation purposes of this easement and which may involve removal or alteration of present landscaping, including trees, shrubs, or other vegetation. In all events, Grantor shall maintain trees, shrubs, and lawn in good manner and appearance in conformance with best management practices.
- H. No dumping of ashes, trash, rubbish, or any other unsightly or offensive materials shall be permitted on the Premises.
- I. The Premises shall be uses only for purposes consistent with the preservation and conservation purposes of this easement.
- J. The Premises shall not be subdivided and the Premises shall not be devised or conveyed except as a unit.
- K. No utility transmission lines, except those reasonably necessary for the existing Buildings, may be created on said land, subject to utility easements already recorded.
- 3. <u>Public Access</u>. Grantor shall make the premises accessible to the public at reasonable times and at other times by appointment, to permit persons affiliated with educational organizations, professional architectural associations, and historical societies to study the property. Any such public admission may be subject to restrictions mutually agreed upon as reasonably designed for the protection and maintenance of the property, and the Grantor shall furnish such guides and/or guardians as may reasonably be necessary or desirable for such restrictions. Such admission may also be subject to a reasonable fee, if any, as may be approved by the Grantee. The Grantee may make photographs, drawings, or other representations documenting the significant historical, cultural, or architectural character and features of the property and distribute them to magazines, newsletters, or other publicly

9964

available publications, or use them in any of its efforts or activities for the preservation and conservation of Washington heritage.

- Standards for Review. In exercising any authority created by the 4. Easement to inspect the Premises, the Buildings, or the Facades; to review any construction, alteration, repair, or maintenance; or to review casualty damage or to reconstruct or approve reconstruction of the Buildings following casualty damage, Grantee shall apply the Standards for Rehabilitation and apply the Standards for Rehabilitation Grantee shall and Guidelines for Rehabilitating Historic Buildings, issued and as may be amended from time to time by the Secretary of the United States Department of the Interior (hereinafter the "Standards") and/or state of local standards considered appropriate by Grantee for review of work affecting historically or architecturally significant structures or for construction of new structures within historically, architecturally, or culturally significant A copy of the Standards is attached as Exhibit D in the areas. Addenda, and whenever Grantee receives notice that the Standards have been amended, it shall notify Grantor of the amendment. Grantor agrees to abide by the Standards in performing all ordinary repair and maintenance work and the minimum maintenance program described in Paragraph 2(c) and contained in Exhibit C in the Addenda. In the event the Standards are abandoned or materially altered or otherwise become, in the sole judgment of the Grantee, inappropriate for the purposes set forth above, the Grantee may apply reasonable alternative standards and notify Grantor of the substituted standards.
- 5. <u>Casualty Damage or Destruction</u>. In the event that the Premises or any part thereof shall be damaged or destroyed by casualty, the Grantor shall notify the Grantee in writing within three (3) days of the damage or destruction, such notification including what, if any, emergency work has already been completed. For purposes of this instrument, the term 'casualty' is defined as such sudden damage or loss as would qualify of a loss deduction pursuant to Section 165(c)(3) of the United States Internal Revenue Code (the "Code") (construed without regard to the legal status, trade, or business of the Grantor or any applicable dollar limitation). No repairs or reconstruction of any type, other than temporary emergency work to prevent further damage to the Property and to protect public safety, shall be undertaken by Grantor without the Grantee's prior written approval of the work. Within four (4) weeks of the date of damage or destruction, the Grantor shall submit to the Grantee a written report prepared by a qualified restoration architect and engineer, if required, acceptable to the Grantor and the Grantee which shall include the following:

A. An assessment of the nature and extent of the damage;

9964

B. A determination of the feasibility of the restoration of the Facades and/or reconstruction of damaged or destroyed portions of the Premises; and f

- C. A report of such restoration/reconstruction work necessary to return the Premises to the condition existing at the date hereof. If in the opinion of the Grantee, after reviewing such report, the purpose and intent of the Easement will be served by such restoration/reconstruction, the Grantor shall within eighteen (18) months after the date of such change or destruction completed the restoration/construction of the premises in accordance with plans and specifications consented to by the Grantee up to at least the total of the casualty insurance proceeds. Grantee has the right to raise funds toward the costs of restoration of partially destroyed premises above and beyond the total of the Facades, and such additional costs shall constitute a lien on the Premises until repaid by Grantor.
- 6. <u>Grantee's Remedies Following Casualty Damage</u>. The foregoing notwithstanding, in the event of damage resulting from casualty, as defined at Paragraph 5, which is of such magnitude and extent as to render repairs or reconstruction of the Buildings impossible using all applicable insurance proceeds, as determined by Grantee by reference to bona fide cost estimates, then
 - A. Grantee may elect to reconstruct the Building using insurance proceeds, donations, or other funds received by Grantor or Grantee on account of such casualty, but otherwise at its own expense; or
 - B. Grantee may elect to choose any salvageable portion of the Facades and remove them from the premises, extinguish the easement pursuant to Paragraph 23, and this instrument shall thereupon lapse and be of no further force and effect, and Grantee shall execute and deliver to grantor acknowledged evidence of such fact suitable for recording in the land records of King County, Washington, and Grantor shall deliver to Grantee a good and sufficient Bill of Sale for such salvaged portions of the Facade.
- 7. <u>Review After Casualty Loss</u>. If in the opinion of the Grantee, restoration/reconstruction would not serve the purpose and intent of the Easement, then the Grantor shall continue to comply with the provisions of the Easement and obtain the prior written consent of the Grantee in the event the Grantor wishes to alter, demolish, remove, or raze the Buildings, and/or construct new improvements on the Premises.
- 8. Inspection. Grantor hereby agrees that representatives of

Grantee shall be permitted at all reasonable times to inspect the Premises, including the Facades and the Buildings. Grantor agrees that representatives of Grantee shall be permitted to enter an inspect the interior of the Buildings to ensure maintenance of structural soundness and safety; inspection of the interior will not, in the absence of evidence of deterioration, take place more often than annually, an may involve reasonable testing of interior structural condition. Inspection of the interior will be made at the time mutually agreed upon by Grantor and Grantee, and Grantor covenants not to withhold unreasonably its consent in determining a date and time for such inspection.

- 9. <u>Grantee's Remedies</u>. Grantee has the following legal remedies to correct any violation of any covenant, stipulation, or restriction herein, in addition to any remedies now or hereafter provided by law; provided that grantee shall before taking such action give notice of such violation, together with a specified reasonable time to cure such violation.
 - A. Grantee may, following reasonable written notice to Grantor, institute suit(s) to enjoin such violation by ex parte, temporary, preliminary, and/or permanent injunction, including prohibitory and/or mandatory injunctive relief, and to require the restoration of the Premises to the condition

to require the restoration of the Premises to the condition and appearance required under this instrument.

- B. Representatives of the Grantee may, following reasonable notice to Grantor, enter upon the Premises, correct any such violation, and hold Grantor, its successors, and assigns, responsible for the cost thereof.
 - i) Such cost until repaid shall constitute a lien on the Premises.
 - ii) Grantee shall exercise reasonable care in selecting independent contractors if it chooses to retain such contractors to correct any such violations, including making reasonable inquiry as to whether any such contractor is properly licensed and has adequate liability insurance and workman's compensation coverage.
- C. In the event Grantor or Grantee is found to have violated any of its obligations, the prevailing party shall reimburse the other for any costs or expenses incurred in connection therewith, including all reasonable court costs, and attorney's architectural, engineering, and expert witness fees.
- D. Grantee shall also have available all legal and equitable

remedies to enforce Grantor's obligations hereunder.

- E. Exercise by Grantee of one remedy herunder shall ndt have the effect of waiving or limiting any other remedy, and the failure to exercise any remedy shall not have the effect of waiving or limiting the use of any other remedy or the use of such remedy at any other time.
- 10. Notice from Government Authorities. Grantor shall deliver to Grantee copies of any notice, demand, letter, or bill received by Grantor from any government authority within five (5) days of receipt by Grantor. Upon request by Grantee, grantor shall promptly furnish Grantee with evidence of Grantor's compliance with such notice, demand, letter, or bill, where compliance is required by law.
- 11. Notice of Proposed Sale. Grantor shall promptly notify Grantee in writing of any proposed sale of the Premises and provide the opportunity for Grantee to explain the terms of the Easement to potential new owners prior to sale closing.
- 12. <u>Runs with the Land</u>. The obligations imposed by this Easement shall be effective in perpetuity and shall be deemed to run as a binding servitude with the premises. This Easement shall extend to and be binding upon Grantor and Grantee, their respective successors in interest, and all persons hereafter claiming under or through Grantor and Grantee.
- 14. Permitted Exceptions. Those special exceptions listed on Stewart Title Company of Washington, Inc. Title Report # 197274 dated December 1, 1992, and any supplements thereto (which Title Report and Supplement are incorporated into this Agreement by this reference) numbered 1.
- 15. Existing Liens. Except for those matters shown in Exhibit E hereto, Grantor warrants to Grantee that no lien or encumbrance exists on the premises as of the date hereof. Grantor shall immediately cause to be satisfied or release any lien or claim of lien that may hereafter come to exist against the premises which would have priority over any of the rights, title, or interest hereunder of Grantee.
- 16. <u>Plaques</u>. Grantor agrees that grantee may provide and maintain a plaque on the Facades of the Buildings, which plaque shall not exceed 12 by 16 inches in size, giving notice of the significance of the Buildings or the Premises and the existence of this perpetual preservation and conservation easement.
- 17. Indemnification. Each party hereto agrees to indemnify and hold harmless the other party, and its officers, agents and employees for all claims (including demands, suits, penalties, losses,

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May 23, 1996

9964

damages or costs of any kind whatsoever) to the extent such a claim arises or is caused by the indemnifying party's own negligence or that of its officers, agents or employees in the performance of this agreement.

- 18. Taxes. Grantor shall pay immediately, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, and other charges which may become a lien on the premises. Grantee is hereby authorized, but in no event required or expected, to make or advance, upon three (3) days prior written notice to Grantor, in the place of Grantor, any payment relating to taxes, assessments, water rates, sewer rentals, and other governmental or municipality charge, fine, imposition, or lien asserted against the premises and may do so according to any bill, statement, or estimate procured from the he appropriate public office without inquiry into the accuracy of such a bill, statement, or assessment or into the validity of such tax, assessment, sale, or forfeiture. Such payment, if made by Grantee, shall become a lien on the premises of the same priority as the item it not paid would have had and shall bear interest until paid by Grantor at two (2) percentage points over the prime rate of interest from time to time charged by Seattle First National Bank.
- Insurance. The Grantor shall keep the premises insured by an insurance company rated "A+" or better by Best's for the full replacement value against loss from the perils commonly insured 19. standard fire and extended coverage policies and under comprehensive general liability insurance against claims for personal injury, death, and property damage of a type and in such amounts as would, in the opinion of Grantee, normally be carried on a property such as the Premises protected by a preservation and conservation easement. Such insurance shall include and conservation easement. Such insurance shall include Grantee's interest and name Grantee as an additional insured and shall provide for at least thirty (30) days' notice to Grantee before cancellation and that the act or omission of one insured will not invalidate the policy as to the other insured party. Furthermore, the Grantor shall deliver to the Grantee fully executed copies of such insurance policies evidencing the aforesaid insurance coverage at the commencement of this grant and copies of new or renewed policies at least ten (10) days prior to the expiration of such policy. The Grantee shall have the right to provide insurance at the Grantor's cost and expense, should the Grantor fail to obtain same. In the event the Grantee obtains such insurance, the cost of such insurance shall be a lien on the Premises until repaid by the Grantor.
- 20. Liens. Any lien on the Premises created pursuant to any Paragraph of the Easement may foreclosed by Grantee in the same manner as a mechanic's lien.

21. <u>Written Notice</u>. Any notice which either Grantor or Grantee may desire or be required to give to the other party shall be in writing and shall be mailed postage prepaid by registered or certified mail with return receipt requested, or hand delivered:

To Grantor: City of Duvall P.O. Box 1300 Duvall, WA 98019 To Grantee: King County Office of Open Space 506 Second Avenue, Suite 1621 Seattle, WA 98104

With a copy to: King County Landmarks Commission 506 Second Avenue, Suite 1115 Seattle, WA 98104

Each party may change its address set forth herein by a notice to such effect to the other party. Any notice, consent, approval, agreement, or amendment permitted or required of Grantee under the Easement may be given by the King County Executive or by any duly authorized representative of the Grantee.

- 22. Evidence of Compliance. Upon request by Grantee, Grantor shall promptly furnish Grantee with evidence of Grantor's compliance with any obligation of Grantor contained herein.
- 23. Extinguishment. Grantor and Grantee hereby recognize that an unexpected change in the conditions surrounding the Premises may make impossible the continued ownership or use of the Premises for the preservation and conservation purposes and necessitate extinguishment of the Easement. Such a change in conditions includes, but is not limited to, partial or total destruction of the Buildings or the Facades resulting from a casualty of such magnitude that Grantee approves demolition as explained in Paragraphs 5 and 7, or condemnation or loss of title of all or portion of the Premises, the Buildings, or the Facades.
- 24. Interpretation and Enforcement. The following provisions shall govern the effectiveness, interpretation, and duration of the Easement.
 - A. Any rule of strict construction designed to limit the breadth of restrictions on alienation or use of property shall not apply in the construction or interpretation of this instrument, and this instrument shall be interpreted broadly to effect its preservation and conservation purposes and the transfer of rights and the restrictions on use herein contained as provided in the Act.
 - B. To the extent that Grantor owns or is entitled to development rights which may exist now or at some time

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hereafter by reason of the fact that under any applicable zoning or similar ordinance the Premises may be developed to use more intensive (in terms of height, bulk, or other objective criteria regulated by such ordinances) than the Premises are devoted as of the date hereof, such development rights shall not be exercisable on, above, or below the Premises during the term of the Easement, nor shall they be transferred to any adjacent parcel or exercised in a manner that would interfere with the preservation and conservation purposes of the Easement.

- C. The terms and conditions of this easement shall be referenced in any transfer of the property by the Grantor, his heirs, successors, and assigns.
- D. The instrument is made pursuant to RCW 36.32.435 and Chapter 20.62, King County Code, but the invalidity of such statute or any part thereof shall not affect the validity and enforceability of this instrument according to its terms, it being the intent of the parties to agree and to bind themselves, their successors, and their assigns in perpetuity to each term of this instrument whether this instrument be enforceable by reason of any statute, common law, or private agreement either in existence now or at any time subsequent hereto. This instrument may be re-recorded at any time by any person if the effect of such re-recording is to make more certain the enforcement of this instrument or any part thereof. The invalidity or unenforceability of any provision of this instrument shall not affect the validity or enforceability of any other provision of this instrument or supplementary agreement relating to the subject matter hereof.
- E. Nothing contained herein shall be interpreted to authorize or permit Grantor to violate any ordinance or regulation relating to building materials, construction methods, or use. In the event of any conflict between any such ordinance or regulation and the terms hereof, Grantor promptly shall notify Grantee of such conflict and shall cooperate with Grantee and the applicable governmental entity to accommodate the purposes of both this instrument and such ordinance or regulation.
- F. This instrument reflects the entire agreement of the Grantor and Grantee. Any prior or simultaneous correspondence, understandings, agreements, and representations are null and void upon execution hereof, unless set out in this instrument.
- G. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of

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any other provision.

King County Landmarks and Heritage Commission shall have the Н. authority to review and approve proposed alterations to any designated significant features and/or demolition of such features.

IN WITNESS WHEREOF, on the date first shown above, Grantor has caused this preservation and conservation easement to be executed, sealed, and delivered; and Grantee has caused this instrument to be accepted, sealed, and executed in its corporate name by its and attested by its Secretary.

CITY OF DUVALL a Municipal Corporation A Political Subdivision

KING COUNTY

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