



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Budget and Fiscal Management Committee

Councilmembers:

Rod Dembowski, Chair;

Jorge L. Barón, Vice Chair;

Steffanie Fain, Rhonda Lewis, Teresa Mosqueda, Sarah Perry

Lead Staff: April Sanders (206-263-3412)

Co-Lead Gene Paul (206-477-9378)

Committee Clerk: Gabbi Williams (206-477-7470)

9:30 AM

Wednesday, July 8, 2026

Hybrid Meeting

Hybrid Meetings: Attend King County Council committee meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide comment remotely are listed below.

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

HOW TO PROVIDE PUBLIC COMMENT: The Budget and Fiscal Management Committee values community input and looks forward to hearing from you on agenda items.

There are three ways to provide public comment:

1. In person: You may attend the meeting and provide comment in the Council Chambers.
2. By email: You may comment in writing on current agenda items by submitting your email comments to committees@kingcounty.gov. If your email is received before 8:00 a.m. on the day of the meeting, your email comments will be distributed to the committee members and appropriate staff prior to the meeting.
3. Remote attendance at the meeting by phone or computer (see "Connecting to the Webinar" below).

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
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You are not required to sign up in advance. Comments are limited to current agenda items.

You have the right to language access services at no cost to you. To request these services, please contact Language Access Coordinator, Tera Chea at 206 477 9259 or email tera.chea2@kingcounty.gov by 8:00 a.m. three business days prior to the meeting.

CONNECTING TO THE WEBINAR:

Webinar ID: 867 1228 9077

By computer using the Zoom application at <https://zoom.us/join> and the Webinar ID above.

Via phone by calling 1-253-215-8782 and using the Webinar ID above.

HOW TO WATCH/LISTEN TO THE MEETING REMOTELY: There are several ways to watch or listen in to the meeting:

- 1) Stream online via this link: <http://www.kingcounty.gov/kctv>, or input the link web address into your web browser.
- 2) Watch King County TV on Comcast Channel 22 and 322(HD) and Astound Broadband Channels 22 and 711(HD)
- 3) Listen to the meeting by telephone – See “Connecting to the Webinar” above.

To help us manage the meeting, if you do not wish to be called upon for public comment please use the Livestream or King County TV options listed above, if possible, to watch or listen to the meeting.

1. Call to Order



2. Roll Call

To show a PDF of the written materials for an agenda item, click on the agenda item below.

3. Approval of Minutes p. 5

June 10, 2026 meeting minutes

4. Public Comment

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711. Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
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Consent

5. [Proposed Ordinance No. 2026-0128](#) p. 9

AN ORDINANCE relating to the sale of the surplus property located at 8923 Fauntleroy Way SW, Seattle, Washington, in council district eight.

Sponsors: Dembowski

Andy Micklow, Council staff

Discussion and Possible Action

6. [Proposed Ordinance No. 2026-0108](#) p. 52

AN ORDINANCE relating to the sale of the surplus property located at 46502 268th Avenue SE, King County, Washington, in council district nine.

Sponsors: Dembowski

Brandi Paribello, Council staff

7. [Proposed Ordinance No. 2026-0069](#) p. 113

AN ORDINANCE relating to the sale of the property parcel 212205-9183 located in Kent, Washington, in council district five.

Sponsors: Fain

Nick Bowman, Council staff

8. [Proposed Ordinance No. 2026-0083](#) p. 211

AN ORDINANCE amending an interim loan program to facilitate acquisition of property for low-income housing, allowing for the executive to extend loan terms and grant further flexibility to county partners; and amending Ordinance 16693, Section 3, as amended, and K.C.C. 24.22.020, Ordinance 16693, Section 4, and K.C.C. 24.22.030, and Ordinance 16693, Section 5, and K.C.C. 24.22.040.

Sponsors: Dembowski

April Sanders, Council staff



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
TTY Number - TTY 711.
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Other Business

Adjournment



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
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by a hearing aid when it is set to 'T' (Telecoil) setting.





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Meeting Minutes Budget and Fiscal Management Committee

Councilmembers:
Rod Dembowski, Chair;
Jorge L. Barón, Vice Chair;
Steffanie Fain, Rhonda Lewis, Teresa Mosqueda, Sarah Perry

Lead Staff: *April Sanders (206-263-3412)*
Committee Clerk: *Gabbi Williams (206-477-7470)*

9:30 AM

Wednesday, June 10, 2026

Hybrid Meeting

DRAFT MINUTES

1. **Call to Order**

Chair Dembowski called the meeting to order at 9:31 a.m.

2. **Roll Call**

Councilmember Balducci was also in attendance.

Present: 6 - Barón, Dembowski, Fain, Lewis, Mosqueda and Perry

3. **Approval of Minutes**

Councilmember Barón moved approval of the May 27, 2026 meeting minutes and May 27, 2026 Special Meeting minutes. There being no objections, the minutes were approved.

4. **Public Comment**

*The following individuals were present to provide public comment:
Melissa Purcell, Kirk Nordstrom, Maria Batayola, Davante Smith, Sameth Mell, Angela Nginani Diansasila, Françoise Milinganyo, Kimmy Reedy, Mali, Dr. Marvin Rosete, and François Nahimana.*

Consent

5. [Proposed Ordinance No. 2026-0132](#)

AN ORDINANCE regarding the King County noxious weed control program; revising King County noxious weed control program assessments; amending Ordinance 13325, Sections 1 and 2, as amended, and K.C.C. 4A.670.200 and establishing an effective date.

April Sanders and Jenny Ngo, Council staff, answered questions from the members.

This item was removed from consent.

A motion was made by Councilmember Perry that this Ordinance be Recommended Do Pass. The motion carried by the following vote:

Yes: 5 - Barón, Fain, Lewis, Mosqueda and Perry

No: 1 - Dembowski

Discussion and Possible Action

6. [Proposed Ordinance No. 2026-0103](#)

AN ORDINANCE relating to rates and charges for sewage treatment and disposal; and amending Ordinance 12353, Section 2, as amended, and K.C.C. 4A.670.100, Ordinance 18745, Section 2, as amended, and Ordinance 11398, Section 1, as amended, and K.C.C. 28.84.055.

Jenny Giambattista, Council staff, briefed the committee and answered questions from the members. Sharmen Herrin, Government Relations, Wastewater Treatment Division, Caitlyn Hall, Financial Services Manager, Wastewater Treatment Division, and Kamuron Gurol, Director, Wastewater Treatment Division, also addressed the committee and answered questions from the members. Councilmember Balducci provided remarks to the committee.

Councilmember Barón moved Amendment 1. The Amendment was adopted.

Councilmember Barón moved Amendment 2. The Amendment was adopted.

A motion was made by Councilmember Barón that this Ordinance be Passed Out of Committee Without a Recommendation. The motion carried by the following vote:

Yes: 6 - Barón, Dembowski, Fain, Lewis, Mosqueda and Perry

7. [Proposed Ordinance No. 2026-0071](#)

AN ORDINANCE making a net supplemental appropriation of \$48,730,000 to various general fund agencies, a net supplemental appropriation of \$136,073,000 to various non-general fund agencies and a net supplemental appropriation of \$208,368,141 from various capital fund budgets; amending the 2026-2027 Biennial Budget Ordinance, Ordinance 20023, Sections 16, 21, 21, 33, 33, 34, 34, 35, 43, 43, 46, 47, 50, 51, 51, 52, 53, 54, 55, 59, 60, 60, 64, 64, 70, 70, 71, 79, 80, 82, 83, 87, 90, 90, 91, 94, 94, 96, 96, 98, 98, 101, 102, 102, 103, 104, 105, 107, 109, 109, 110, 110, 111, 111, 115, 115, 116, 116, 122, 124, 126, 132, and 132, as amended, and Attachment A, as amended, adding a new section to Ordinance 20023, as amended, and repealing Ordinance 20023, Sections 17, 18, 19, 20, 27, and 28, as amended.

Gene Paul and Olivia Brey, Council staff, briefed the committee and answered questions from the members. Councilmember Balducci provided remarks to the committee. Aaron Rubardt, Chief Budget Officer, King County Executive's Office, Garrett Holbrook, Council Relations Manager, King County Executive's Office, and Derek Baker, Director of Strategic Initiatives, King County Executive's Office, also addressed the committee and answered questions from the members.

Councilmember Barón moved Striking Amendment S1. The Amendment was adopted. Councilmember Lewis moved Amendment 1 to Striking Amendment S1. The Amendment was withdrawn.

Councilmember Mosqueda moved Amendment 2 to Striking Amendment S1. The Amendment was withdrawn.

Amendment 3A to Striking Amendment S1 was not offered.

Councilmember Mosqueda moved Amendment 3B to Striking Amendment S1. The Amendment was withdrawn.

Councilmember Mosqueda moved Amendment 4 to Striking Amendment S1. The Amendment was adopted.

Amendment 5 to Striking Amendment S1 was not offered.

Councilmember Barón moved Amendment 6 to Striking Amendment S1.

Councilmember Mosqueda asked to be added as a sponsor. The Amendment was adopted.

Councilmember Mosqueda moved Amendment 7 to Striking Amendment S1. The Amendment was adopted.

Councilmember Mosqueda moved Amendment 8 to Striking Amendment S1. The Amendment was adopted.

Councilmember Lewis moved Amendment 9 to Striking Amendment S1. The Amendment was adopted.

Councilmember Barón moved Amendment 10 to Striking Amendment S1. . The Amendment failed.

Title Amendment T1 was not offered.

Councilmember Barón moved Title Amendment T2. The Amendment was adopted.

A motion was made by Councilmember Barón that this Ordinance be Recommended Do Pass Substitute. The motion carried by the following vote:

Yes: 6 - Barón, Dembowski, Fain, Lewis, Mosqueda and Perry

Other Business

There was no further business to come before the committee.

Adjournment

The meeting was adjourned at 12:26 p.m.

Approved this _____ day of _____

Clerk's Signature



Metropolitan King County Council Staff Report

Committee:	Budget and Fiscal Management Committee		
Agenda Item:	5	Analyst(s):	Andy Micklow
Proposed No.:	2026-0128	Meeting Date:	July 8, 2026

OVERVIEW

TOPIC: An ordinance authorizing the Executive to authorize the sale of surplus property.

LEGISLATION SUMMARY

Proposed Ordinance 2026-0128 would approve the sale of approximately 0.32 acres of surplus land, including a vacant residential home, located in the City of Seattle in Council District 8, to the Washington State Department of Transportation (WSDOT) for \$1,825,000. According to the Executive, the property was originally purchased in 2008 by the Department of Natural Resources, Wastewater Treatment Division (WTD), for \$950,000 to support the Barton Pump Station Upgrade Project, serving as a field office and a construction materials laydown area. Following the completion of the Barton Pump Station in 2015, WTD determined that the property was surplus to its needs. WSDOT plans to use the property for an upcoming project as a construction management office.

The transmitted PSA includes a provision that it is subject to Council approval ("Council Approval Contingency"). The ordinance needs to be effective by August 3, 2026, to satisfy this contingency.

KEY ISSUES FROM THE ANALYSIS

No issues identified.

BACKGROUND & TIMING CONSIDERATIONS

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Property History. The parcel (#3524039112) located at 8923 Fauntleroy Way in the City of Seattle was originally purchased in 2008 by WTD for \$950,000 for the Barton Pump Station Upgrade Project to serve as a field office and construction materials laydown area. Following the completion of the Barton Pump Station in 2015, WTD determined that the property was surplus to its needs. From 2016 to 2025, the County leased the property to a residential tenant.

The Facilities Management Division (FMD) declared the parcels surplus on August 20, 2015, as the County does not anticipate any future needs for the property. Selling the property to the Washington State Department of Transportation (WSDOT) would relieve the County of maintenance and liability, including approximately \$998 in annual assessment fees, and provide the County with one-time revenue of approximately \$1,825,000. According to the Executive, WSDOT plans to use the property for the upcoming SR 160 - Fautleroy Terminal - Trestle & Transfer Span Replacement project for use as a construction management office.

ANALYSIS [↑ BACK TO TOP](#)

Proposed Ordinance 2026-0128 would authorize the Executive to convey the property at Fautleroy Way SW in the City of Seattle to WSDOT, consistent with the Purchase and Sale Agreement (PSA) included as Attachment A. According to the Executive, WSDOT's Washington State Ferries Division plans to use the property for the upcoming SR 160 - Fautleroy Terminal - Trestle & Transfer Span Replacement project as a construction management office.

Intergovernmental Surplus Real Property Sale Requirements. According to King County Code Section 4.56.080, any surplus property sales greater than \$100,000 require council approval. Section 4.56.060 authorizes FMD to conduct sales of all County surplus properties. All surplus property sales need to abide by the requirements outlined in King County Code Section 4.56. Table 1 provides the requirements, the King County Code reference, and the outcome or status for each requirement. The requirements are listed chronologically, since each depends on the outcome of another (i.e., FMD surplus declaration must occur before FMD offers a parcel to other county agencies).

Table 1. Surplus Property Sale Requirements

No.	Requirement	K.C.C. Reference	Outcome/Status
1.	WTD Surplus Declaration	4.56.070	FMD stated that WTD declared the property a surplus to its needs on June 23, 2015.
2.	FMD Offer of Property to other County Agencies	4.56.070	FMD stated that it offered the property to other county agencies on July 20, 2015, and received no interest.

No.	Requirement	K.C.C. Reference	Outcome/Status
3.	Property Evaluated for Affordable Housing	4.56.070.C.1	FMD evaluated the surplus parcels to be suitable for affordable housing on August 5, 2015. FMD determined that the parcels were not suitable for affordable housing due to the evaluation and determination to be unsuitable by the Affordable Housing Planner on July 23, 2015.
4.	Final Surplus Declaration	4.56.070	FMD declared the property surplus on August 20, 2015.
5.	FMD Appraisal	N/A	According to the Property Summary, the property was appraised on October 22, 2024, by Matthew Sloan, SOVA Consulting.
6.	Public Notification of Sale	4.56.090	Since the surplus property is proposed to be sold to a government agency, i.e., the WSDOT, it is exempt from being sold to the highest responsible bidder at public auction or by sealed bid, and therefore, public notification was not required.
7.	Bid Process	4.56.100	Per K.C.C. 4.56.100.A.1, since the surplus property is being sold to a government agency, it is exempt from being sold to the highest bidder at public auction or by sealed bid.

No.	Requirement	K.C.C. Reference	Outcome/Status
8.	Purchase and Sale Agreement	N/A	The Purchase and Sale Agreement (PSA) was executed on February 2, 2026.
9.	Council Approval	4.56.080	As the value of the surplus property being conveyed exceeds \$100,000, council approval of the sale is required. Under the terms of the PSA, the sale is contingent on the Council approving the PSA by June 2, 2026, with an optional 60-day extension to August 3, 2026.
10.	Disposition of Sale Proceeds	4.56.130	<p>If approved by the Council, the sale proceeds would be disbursed first to the Department of Executive Services – FMD Real Estate Services (RES) for work associated with the sale of the surplus property.</p> <p>Remaining proceeds would be deposited into the DNRP Wastewater Treatment appropriation unit.</p> <p>The County will also realize annual savings from no longer paying the annual assessment fees.</p>

No.	Requirement	K.C.C. Reference	Outcome/Status
11.	Public Hearing Notice of Intergovernmental Sale	4.56.140	<p>Prior to an intergovernmental disposal of real property with an estimated value greater than \$50,000, a public hearing notice would need to be advertised at least ten days but not more than twenty-five days before the public hearing.¹</p> <p>A public hearing notice and press release were transmitted by Executive staff with the proposed ordinance.</p>

Summary of Key PSA Terms. Table 2 provides a high-level summary of key terms in each section of the PSA.

The transmitted PSA also includes a provision in Article 5 that it is subject to Council approval ("Council Approval Contingency"). The PSA states that this contingency would be satisfied if an ordinance becomes effective within 120 days of the PSA's effective date, with an option to extend for an additional 60 days. The ordinance needs to be effective by August 3, 2026, to satisfy this contingency.

Table 2. Summary of Key PSA Terms

PSA Section	Summary of Key Terms	Beginning Page in PSA
Article 1. Purchase and Transfer of Assets	<p>King County shall convey to WSDOT on the closing date, and WSDOT shall buy and accept from King County the following assets and properties:</p> <ul style="list-style-type: none"> The property at Fautleroy Way SW, Seattle, WA, including the right, title, and interest of the property, improvements and structures located on the property, tangible personal property, and easements and other rights on the 	p. 1

¹ RCW 39.33.020

PSA Section	Summary of Key Terms	Beginning Page in PSA
	property.	
Article 2. Purchase Price	Establishes a purchase price of \$1,825,000.	p. 2
Article 3. Representations and Warranties of the Parties and Condition of the Property	Outlines terms for representations and warranties of the seller and buyer, seller disclosure statement and disclaimer of the condition of the property, buyer acceptance of the condition of the property, indemnification clause, and a risk of loss statement.	p. 2
Article 4. Title Matters	Outlines terms related to the title and title insurance.	p. 6
Article 5. Contingencies	<p>Outlines due diligence inspection provisions and right of entry.</p> <p>States that the PSA is subject to approval by the King County Council.</p>	p. 7
Article 6. Covenants of Seller Pending Closing	Outlines terms for the seller in assuring the representations and warranties, and all covenants.	p. 9
Article 7. Covenants of Buyer Pending Closing	Outlines terms for the buyer in assuring the representations and warranties, and all covenants.	p. 9
Article 8. Conditions Precedent to Buyer's Obligations	Outlines the obligations of buyers to close on the closing date.	p. 9
Article 9. Conditions Precedent to Seller's Obligations	Outlines the obligations of the seller to close on the closing date.	p. 10

PSA Section	Summary of Key Terms	Beginning Page in PSA
Article 10. Closing	<p>The closing shall occur within 45 days of removal of all contingencies in Article 5.</p> <p>Lays out all documents that shall be delivered at closing.</p>	p. 10
Article 11. Miscellaneous Provisions	<p>Outlines terms related to nonmerger, default, and attorneys' fees, computation of time, notice delivery, severability, and other miscellaneous provisions.</p> <p>Lays out the exhibits to the PSA.</p>	p. 11
Signature Pages	PSA was executed by all parties on or before February 2, 2026.	p. 15
Exhibit A	Legal Description	p. 16
Exhibit B	Bargain and Sale Deed	p. 17
Exhibit C	Bill of Sale and Assignment	p. 21
Exhibit D	Seller's Certification of Non-Foreign Status	p. 23

ATTACHMENTS

1. Proposed Ordinance 2026-0128 (and its attachment)
2. Transmittal Letter
3. Fiscal Note
4. Property Summary



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2026-0128.1

Sponsors Dembowski

1 AN ORDINANCE relating to the sale of the surplus
2 property located at 8923 Fauntleroy Way SW, Seattle,
3 Washington, in council district eight.

4 STATEMENT OF FACTS:

5 For the property located at 8923 Fauntleroy Way SW, Seattle,
6 Washington, located within council district eight, the facilities
7 management division completed the surplus property, affordable housing,
8 and public notice requirements.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. The executive is authorized to convey 8923 Fauntleroy Way SW,
11 Seattle, Washington, to the Washington state Department of Transportation consistent
12 with a purchase and sale agreement substantially in the form of Attachment A to this

- 13 ordinance and to take all actions necessary to implement the terms of the purchase and
14 sale agreement.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Girmay Zahilay, County Executive

Attachments: A. Purchase and Sale Agreement

ATTACHMENT A:

PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered by and between **KING COUNTY**, a political subdivision of the State of Washington (the “Seller”) and the State of Washington, acting by and through its Department of Transportation, (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller is the owner of that certain real property located at 8923 Fauntleroy Way, S.W., Seattle, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (the “Real Property”).

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real Property. The Parties are entering into this Agreement pursuant to the authority granted to the Buyer to purchase or condemn real property pursuant to RCW 47.12.010 and the authority granted to the Seller to directly sell real property to the State of Washington pursuant to RCW 47.12.040 and King County Code 4.56.100.A.1.

AGREEMENT

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

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all the Seller’s right, title and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller’s right, title and interest in improvements and structures located on the Real Property;

1.1.3. all of Seller’s right, title and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to, or used in connection with the Real Property (“Personal Property”);

1.1.4. all of Seller’s easements and other rights that are appurtenant to the Real Property including but not limited to, Seller’s right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of

connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real Property.

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

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of **One Million, Eight Hundred Twenty-Five Thousand Dollars and 00/100 (\$1,825,000.00** (the "Purchase Price").

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, if any, is *de minimis*.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, and (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Seller or any action taken by Seller.

3.1.4. FUTURE AGREEMENTS. From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

- (a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
- (b) sell, dispose of or encumber any portion of the Property.

3.1.5. FOREIGN PERSON. Seller is not a foreign person and is a “United States Person” as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986 (“Code”), as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT D**, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is an agency of the State of Washington.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers and authority of Buyer as an agency of the State of Washington, and (ii) is duly authorized by all necessary action of the Buyer’s governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker’s, finder’s or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement (“Seller Disclosure Statement”) and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled “Environmental” if the answer to any of the questions in that section would be “yes.” Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and

agrees that any Seller Disclosure Statement delivered by Seller is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively "Condition of the Property"), including, without limitation:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;
- (e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;
- (f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence or condition of utilities serving the Property;
- (g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term "Hazardous Substance" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or

(h) Any other matter with respect to the Property.

3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller's disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 5.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer acknowledges and agrees that it will thereby approve and accept the Condition of the Property and accordingly agree to purchase the Property and accept the Condition of the Property "AS IS, WHERE IS" with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Buyer, and any person or entity claiming by or through Buyer, shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is

conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

3.3.4. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all Losses, liability, claim, agency order or requirement, damage and expense relating to or arising out of, directly or indirectly, the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration or escape of Hazardous Substances at, from, into or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations.

3.4. RISK OF LOSS. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an “Act of God,” including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by Statutory Warranty deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed general exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement. Seller hereby acknowledges that said Deed must be countersigned by the Buyer to be a valid document prior to closing.

4.2. TITLE COMMITMENT. Buyer has obtained a preliminary commitment #NCS-1179392-WA1 for an owner’s standard coverage policy of title insurance (the “Title Commitment”) issued by First American Title Company (the “Title Company”), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property.

4.3. REVIEW OF TITLE COMMITMENT.

Buyer shall have until twenty-five (25) days after the Effective Date (the “Review Period”) in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment (“Buyer’s Objections”). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions (“Permitted Exceptions”). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within ten (10) days after Seller receives Buyer’s Objections of any exceptions to title which Seller will not remove or otherwise resolve (“Seller’s Response”), and Buyer may, at Buyer’s option, either proceed to Closing and thereby waive the Buyer’s Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller

within ten (10) days after receipt of Seller’s Response. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have seven (7) days to make Buyer’s Objections to any new exception, Seller shall have five (5) days to provide Seller’s Response, and the Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER’S TITLE INSURANCE POLICY. At the Closing, Buyer shall cause an owner’s policy of title insurance to be issued by the Title Company in the full amount of the Purchase Price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary commitment and title policy generated by the Title Company.

**ARTICLE 5.
CONTINGENCIES**

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer’s contemplated use meets with its approval (“Due Diligence Contingency”). If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller within sixty (60) days of the Effective Date (“Due Diligence Period”). In such event this Agreement shall terminate, and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency. Seller and Buyer may agree in writing to extend the Due Diligence Period.

5.1.1. INSPECTIONS. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller’s possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer’s proposed development of the property; and (e) determine whether Buyer’s proposed development of the property is economically feasible.

5.1.2. RIGHT OF ENTRY. Buyer and Buyer’s designated representatives or agents

shall have the right and Seller hereby grants to Buyer and Buyer’s designated representatives the right to enter the Property and conduct tests, investigations and studies set forth in this Article 5 upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller’s use of, or Seller’s operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller’s prior written approval. If invasive tests are performed by Buyer, Seller may elect to obtain split samples of any sampling that is obtained and reimburse the Buyer for the costs thereof. The Buyer will not be permitted to undertake activities that damage the Property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer (“Claims”) caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3 RIGHT OF ENTRY INSURANCE. . For purposes of this transaction, Buyer, as an agency of the state of Washington, is self-insured for all exposure to general liability and vehicle liability as provided in the Risk Management Act, Revised Code of Washington (RCW) 43.19.760 et seq.

5.1.4 POSSESSION AT CLOSING. Seller agrees to deliver, at the time of the Closing, exclusive possession of the Property. Seller agrees the property will be broom-clean, free of all debris, litter and furnishings and shall deliver all keys in the Seller’s possession to Buyer. Buyer shall have the right to make a final inspection of the Property prior to the time of the Closing. “Broom clean” shall mean that the Property shall be empty of all personal property, except as may be included in the sale, free of all trash, garbage, junk, building materials, litter, cans of paint or stain, broken or discarded items, and vacuumed or swept.

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller’s performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council (“Council Approval Contingency”). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within one hundred twenty (120) days of the Effective Date (“Council Approval Period”). Seller may extend the Council Approval Period for up to an additional sixty (60) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

ARTICLE 6.
COVENANTS OF SELLER PENDING CLOSING

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

ARTICLE 7.
COVENANTS OF BUYER PENDING CLOSING

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

ARTICLE 8.
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

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

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, unless Seller's obligation to remove or resolve has been waived by Buyer.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

**ARTICLE 9.
CONDITIONS PRECEDENT TO SELLER’S OBLIGATIONS**

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

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

9.3. TITLE. The Title Company shall be irrevocably committed to issue an owner’s policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

**ARTICLE 10.
CLOSING**

10.1. CLOSING/CLOSING DATE. The Closing shall take place within forty-five (45) days following the removal of all the contingencies in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties (“Closing Date”). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Seattle, Washington.

10.2. CLOSING COSTS Seller and Buyer are exempt from payment of *ad valorem* real property taxes. Seller shall be responsible for payment of the assessments and other charges assessed against the Property as of the date of closing. Seller shall pay the cost of its own attorneys’ fees. Buyer shall pay the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary title commitment and title policy, the recording fees and transfer tax due for the deed and its own attorneys’ fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.3. SELLER’S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A Statutory Warranty deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto, fully executed and acknowledged by the Seller. Seller hereby acknowledges that said Deed must be counter signed by the Buyer to be a valid document;

10.3.2. A bill of sale and assignment, if necessary, duly executed by the Seller in substantially the form of **EXHIBIT C**, attached hereto for the Personal Property;

10.3.3. A seller’s certificate of non-foreign status substantially in the form of **EXHIBIT D**, attached hereto.

10.4. BUYER’S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price.

**ARTICLE 11.
MISCELLANEOUS PROVISIONS**

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS’ FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller’s sole and exclusive remedy shall be to terminate this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer’s sole and exclusive remedy shall be to terminate this Agreement.

11.2.3. ATTORNEY’S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney’s fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to “day” in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a “Legal Holiday.” A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to

have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer: State of Washington
Department of Transportation
Real Estate Services Manager
15700 Dayton Ave. North, MS 118
P.O. Box 330310
Seattle, WA 98133
Attn: Syndi Armstrong

With a copy to: Washington State
Department of Transportation
Ferries Division
2901 3rd Ave., Ste 500
Seattle, WA 98121
Attention: Bryant Bullamore

If to Seller: King County
King County Facility Management Division
Real Estate Services Section
401 Fifth Avenue, Suite 900
Seattle, WA 98104
Attn: Stephen Cugier/Steve Rizika

With a copy to: King County Prosecuting Attorney's Office
Civil Division

701 Fifth Avenue, Suite 600
Seattle, WA 98104
Attention: Darren Thompson

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

11.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties, and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. SELLER'S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Steve Rizika who is an employee of King County, and is a manager in the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Steve

Rizika has made no inquiries or investigations with respect to Seller’s representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

11.17. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 3.3.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of each Party’s immunity under Washington’s Industrial Insurance Act, RCW Title 51, as respects the other Party only, and only to the extent necessary to provide the indemnified Party with a full and complete indemnity of claims made by the indemnitor Party’s employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them

11.18. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

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

EXHIBIT A	Legal Description
EXHIBIT B	Statutory Warranty Deed
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the dates set forth below.

SELLER: KING COUNTY

By: Signed by:
Lisa K. Pearson
C49A61EB98E1418

Name: Lisa Pearson

Title: Director, Facilities Management Division

Date: 2/2/2026

BUYER: State of Washington, Department of Transportation

By: *Synthia Armstrong*
Synthia Armstrong (Dec 16, 2025 17:23:54 PST)

Name: Synthia Armstrong

Title: Northwest Region Real Estate Services Manager

Date: 12/16/2025

APPROVED AS TO FORM:

By: Signed by:
Darren Thompson 1/27/2026
FE08480913AA445...
Senior Deputy Prosecuting Attorney

APPROVED AS TO FORM:

By: *Mark Schumock*
Mark Schumock (Dec 17, 2025 11:49:44 PST)
Assistant Attorney General

EXHIBIT A.

LEGAL DESCRIPTION

Parcel of land with a frontage of 35 feet on Fauntleroy Avenue lying between two lines drawn parallel to the north line of Government Lot 2, Section 35, Township 24 North, Range 3 East of the Willamette Meridian, In King County, Washington, 465 and 500 feet, respectively, southerly from said north line of Government Lot 2 as measured along the west margin of Fauntleroy Avenue and extending from the west margin of Fauntleroy Avenue to the meander line;

Together with the tide lands of the second class abutting thereon above the line of mean low tide.

And

That portion of Block 489, Seattle Tide Lands, Extension No. 1, lying between the westerly extension of two lines which are parallel with the north line of Government Lot 2, Section 35, Township 24 North, Range 3 East, W.M., in King County, Washington, and respectively 465 feet and 500 feet southerly of said north line as measured along the westerly line of Fauntleroy Avenue, as established by Ordinance No. 33066.

Situate in county of King, State of Washington.

EXHIBIT B.

STATUTORY WARRANTY DEED

After recording return document to:

State of Washington
Department of Transportation
Real Estate Services Office
P O Box 47338
Olympia, WA 98504-7338

Document Title: Statutory Warranty Deed
Grantor: King County
Grantee: State of Washington, Department of Transportation
Legal Description: ptn Sec 35 Twp 24N and Rge 3E, WM; SW qtr, King County
Additional Legal Description is on Page 4 of Document
Assessor's Tax Parcel Number: 3524039112

STATUTORY WARRANTY DEED

State Route 160, Fauntleroy Ferry Terminal Parcel Acquisition Plan - Parcel 1-25981

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration, hereby conveys and warrants to the **State of Washington, acting by and through its Department of Transportation**, Grantee, the following described real property situated in King County, in the State of Washington, under the imminent threat of the Grantee's exercise of its right of Eminent Domain:

For legal description and additional conditions,
see Exhibit A attached hereto and made a part hereof.

It is understood and agreed that delivery of this deed is hereby tendered and that the terms and obligations hereof shall not become binding upon the State of Washington unless and until accepted and approved hereon in writing for the State of Washington, by and through its Department of Transportation, by its authorized agent.

Dated _____, 2025

KING COUNTY, a political subdivision of the State of Washington

By: _____

Its: _____

Accepted and Approved
STATE OF WASHINGTON,
Department of Transportation

By: _____
Synthia Armstrong, Northwest Region
Real Estate Services Manager,
Authorized Agent

Date: _____

STATE OF WASHINGTON)
 : §
COUNTY OF KING)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the Director of the Facilities Maintenance Division of King County, Washington, that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said County, for the uses and purposes therein mentioned, and each on oath stated that (he/she/they) (is/are) authorized to execute said instrument by resolution of the Board of County Commissioners of said County, and that the seal affixed is the official seal of said County.

GIVEN under my hand and official seal the day and year last above written.

(SEAL)

Notary Public in and for the State of
Washington, residing at _____
My commission expires _____

This notarial act was completed:

- In Person
- In Person Electronic
- Remote Using Communication Technology

EXHIBIT A
TO STATUTORY WARRANTY DEED

Parcel of land with a frontage of 35 feet on Fauntleroy Avenue lying between two lines drawn parallel to the north line of Government Lot 2, Section 35, Township 24 North, Range 3 East of the Willamette Meridian, in King County, Washington, 465 and 500 feet, respectively, southerly from said north line of Government Lot 2 as measured along the west margin of Fauntleroy Avenue and extending from the west margin of Fauntleroy Avenue to the meander line;

TOGETHER WITH the tide lands of the second class abutting thereon above the line of mean low tide.

And

That portion of Block 489, Seattle Tide Lands, Extension No. 1, lying between the westerly extension of two lines which are parallel with the north line of Government Lot 2, Section 35, Township 24 North, Range 3 East, W.M., in King County, Washington, and respectively 465 feet and 500 feet southerly of said north line as measured along the westerly line of Fauntleroy Avenue, as established by Ordinance No. 33066.

Situate in county of King, State of Washington.

SUBJECT TO:

[Permitted Exceptions, to be entered at a later time]

EXHIBIT C.

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this _____ day of _____, 20____, by KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), in favor of the State of Washington, acting by and through its Department of Transportation (“**Buyer**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Exhibit A.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

By: _____

Name: Lisa Pearson

Title: Director, Facilities Management Division

EXHIBIT A
TO BILL OF SALE

LEGAL DESCRIPTION

Parcel of land with a frontage of 35 feet on Fauntleroy Avenue lying between two lines drawn parallel to the north line of Government Lot 2, Section 35, Township 24 North, Range 3 East of the Willamette Meridian, In King County, Washington, 465 and 500 feet, respectively, southerly from said north line of Government Lot 2 as measured along the west margin of Fauntleroy Avenue and extending from the west margin of Fauntleroy Avenue to the meander line;

Together with the tide lands of the second class abutting thereon above the line of mean low tide.

And

That portion of Block 489, Seattle Tide Lands, Extension No. 1, lying between the westerly extension of two lines which are parallel with the north line of Government Lot 2, Section 35, Township 24 North, Range 3 East, W.M., in King County, Washington, and respectively 465 feet and 500 feet southerly of said north line as measured along the westerly line of Fauntleroy Avenue, as established by Ordinance No. 33066.

Situate in county of King, State of Washington.

EXHIBIT D.

**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 800 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Dated this ___ day of _____, 20__.

King County, Transferor:

By: _____
Name: Lisa Pearson
Title: Director, Facilities Management Division







SR 160, FAuntleroy Terminal Trestle | 1-25981 King Co PSA

Final Audit Report

2025-12-17

Created:	2025-12-17
By:	Julie Huggins (julie.huggins@wsdot.wa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAbVrPkikAhM0rLnu9FI5grkSEonpidSQA

"SR 160, FAuntleroy Terminal Trestle | 1-25981 King Co PSA" History

-  Document created by Julie Huggins (julie.huggins@wsdot.wa.gov)
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-  Document emailed to syndi.armstrong@wsdot.wa.gov for signature
2025-12-17 - 1:00:36 AM GMT
-  Email viewed by syndi.armstrong@wsdot.wa.gov
2025-12-17 - 1:23:13 AM GMT- IP address: 104.47.65.254
-  Signer syndi.armstrong@wsdot.wa.gov entered name at signing as Synthia Armstrong
2025-12-17 - 1:23:52 AM GMT- IP address: 198.238.213.153
-  Document e-signed by Synthia Armstrong (syndi.armstrong@wsdot.wa.gov)
Signature Date: 2025-12-17 - 1:23:54 AM GMT - Time Source: server- IP address: 198.238.213.153
-  Agreement completed.
2025-12-17 - 1:23:54 AM GMT






SR 160, Fauntleroy Terminal Trestle _ 1-25981 King Co PSA

Final Audit Report

2025-12-17

Created:	2025-12-17
By:	Julie Huggins (julie.huggins@wsdot.wa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZB-OzqNbpsCN_mqtYJGsqPOeErqEaevn

"SR 160, Fauntleroy Terminal Trestle _ 1-25981 King Co PSA" History

-  Document created by Julie Huggins (julie.huggins@wsdot.wa.gov)
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-  Document emailed to Mark Schumock (mark.schumock@atg.wa.gov) for signature
2025-12-17 - 7:47:29 PM GMT
-  Email viewed by Mark Schumock (mark.schumock@atg.wa.gov)
2025-12-17 - 7:48:22 PM GMT- IP address: 104.47.65.254
-  Document e-signed by Mark Schumock (mark.schumock@atg.wa.gov)
Signature Date: 2025-12-17 - 7:49:44 PM GMT - Time Source: server- IP address: 152.113.249.117
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2025-12-17 - 7:49:44 PM GMT

**Executive Girmay Zahilay**

Chinook Building, CNK-EX-0800
401 Fifth Avenue, Suite 800
Seattle, WA 98104-2391

May 13, 2026

The Honorable Sarah Perry
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Perry:

This letter transmits a proposed Ordinance that would, if enacted, will enable King County to sell the surplus parcel located at 8923 Fauntleroy Way SW, Seattle, Washington, to the Washington State Department of Transportation in support of the provision of King County operations and services.

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Pursuant to King County Code 4.56.140 and RCW 39.33.020 this proposed intergovernmental transfer of surplus real property requires public notice, a press release, and a public hearing. The public notice is required to be published in an area newspaper at least ten days but no more than twenty-five days prior to the hearing. A hearing notice and a press release are attached.

Per the Purchase and Sale Agreement, the proposed Ordinance is to be in effect by June 2, 2026, and has an optional 60-day extension to August 3, 2026.

Thank you for your consideration of this proposed Ordinance.

If your staff have any questions, contact Lisa Pearson, Director, Facilities Management Division at 206-263-9238.

The Honorable Sarah Perry
May 13, 2026
Page 2

Sincerely,



for

Girmay Zahilay
King County Executive

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy Executive, Office of the Executive
Jasmin Weaver, Chief of Staff, Office of the Executive
Hyeok Kim, Chief Operating Officer, Office of the Executive
Sierra Howlett Browne, Director of Government Relations, Office of the Executive
Garrett Holbrook, Council Relations Manager, Office of the Executive
Lorraine Patterson-Harris, County Administrative Officer, Department of Executive
 Services (DES)
Lisa Pearson, Director, Facilities Management Division (FMD), DES
Julie Ockerman, Manager, Real Estate Services, FMD, DES

KING COUNTY FISCAL NOTE - Property Leases and Sales

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:				Transaction Duration:	N/A
Title:	Fauntleroy Surplus Sale - Parcel no. 3524039112			Fair Market Value:	\$ 1,825,000
Affected Agency/Agencies:	King County			Legal Transaction Type:	Sale
Note Prepared By:	Sandy Ou / Stephen Cugier	Date Prepared:	1/28/2026	Fiscal Transaction Type:	Stand Alone
Note Reviewed By:					
Description of Request:	Fauntleroy Surplus Sale				

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
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Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is estimated to be as indicated below:

Revenue to: ^{2,3,b}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2026	2026 / 2027	2028 / 2029	2030 / 2031	Sum of Outyear Impacts ²
DNRP Wastewater Treatment	0	DNRP	3611		39542 - Sale of Real Property	\$ -	\$ 1,825,000	\$ -	\$ -	\$ -
FMD Real Estate Services	A440000	DES	10		34187 - Costs of Real Property Sales	\$ 12,132	\$ 2,621	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ 12,132	\$ 1,827,621	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,b}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2026	2026 / 2027	2028 / 2029	2030 / 2031	Sum of Outyear Impacts ²
Real Estate Services Labor Costs					Estimated RES Labor cost	\$ 12,132	\$ 2,621	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ 12,132	\$ 2,621	\$ -	\$ -	\$ -
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ 12,132	\$ 2,621	\$ -	\$ -	\$ -

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the budget appropriation of King County is estimated to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2026 / 2027 Appropriation Change
					0	\$ -
						\$ -
						\$ -
TOTAL						\$ -

Total 6-Year CIP Outyear Planning Level Costs
\$ -
\$ -
\$ -
\$ -
\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because this property is surplus to the needs of King County.

1. If the expenditure impact equals or exceeds five percent of the fund expenditures, a copy of the most recent applicable appropriation unit financial plan is attached to this transmittal.
2. The sum of outyear impacts is provided for capital projects and agreements. This sum for revenue and expenditures includes all revenues/expenditures for the duration of the lease/other agreement or life of the capital investment.
3. This transaction does not require the use of fund balance or reallocated grant funding.
4. The transaction is backed by new revenue. The new revenue does not include grant revenue. The new revenue has not been received. The new revenue will be received by ...
5. A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
 - The sales price for this property will be \$1,825,000.00
 - The Estimated RES labor cost is about \$14,753.00

Sale Property Summary

Photo of Property



Address	8923 Fauntleroy Way SW, Seattle WA 98106
Sale Price	\$1,825,000.00
Sale Area	2,480 Square Foot (SQFT) residential home on a 13,984 SQFT lot
Assessor's Parcel	352403-9112
Zoning	Neighborhood Residential
Council District	Eight
Funding Source	Wastewater Capital Improvement Fund 03611
Declared Surplus	August 20, 2015
Template Status:	County template
Offer Expiration:	Proposed Ordinance to be in effect by June 2, 2026, per the terms of the Purchase and Sale Agreement, with an optional 60-day extension to August 3, 2026.

Property Information

8923 Fauntleroy is two-bedroom one bath residence located adjacent to the Fauntleroy Ferry Terminal. The property was originally purchased in 2008 for \$950,000 by the Department of Natural Resources, Wastewater Treatment Division (WTD) for the Barton Pump Station Upgrade Project¹ to serve as a field office and construction materials laydown area.

¹ Ordinance 16764, DNRP/WTD-Barton Pump Station [[Link](#)]

Context

Following completion of the Barton Pump Station upgrade in July 2015, WTD determined that the property was surplus to its needs. Because the Barton Pump Station is located within a City right-of-way, the County and the City of Seattle explored a potential property trade. The proposed trade would have allowed the County to acquire the property underlying the pump station improvements, while enabling the City to expand its existing park and public access to the beach. Ultimately, the trade was not pursued because the City determined there was insufficient support for expanding the park and waterfront access. In response to clear and consistent neighborhood feedback, the County leased the property to a residential tenant in 2016.

In 2024, the Washington State Department of Transportation's (WSDOT) Washington State Ferries Division engaged FMD about a direct sale of the property for WSDOT's upcoming SR 160 - Fauntleroy Terminal - Trestle & Transfer Span Replacement project² for use as a construction management office. Pursuant to King County Code (KCC) 4.56.140³ and KCC 4.56.100.A.1, FMD and WSDOT directly negotiated the sale of the property at appraised market value and under WSDOT's potential imminent threat of its right of eminent domain to obtain the property⁴. As a condition of sale WSDOT required the property to be vacant. The existing tenant was relocated by WSDOT, and the property has been vacant since September 2025.

Rationale for transaction: The property is surplus to King County's current and future needs and will eliminate operating costs, liability, and assessments of \$997.68 per year.

Policy considerations : The property was originally acquired by WTD for use as a construction office and WSDOT's Washington State Ferries Division also intends to use the property as a construction office.

Political considerations: N/A

Community considerations

or partnerships: The community is active regarding this area. WSDOT convened advisory groups within the community starting in summer 2021 to educate and inform the community about the updates to the terminal and to seek input and feedback.

Fiscal considerations: The transaction will provide one time revenue of \$1,825,000 to WTD and will eliminate operating costs, liability, and assessments of \$997.68 per year.

Other considerations: N/A

² WSDOT Fauntleroy Terminal – Trestle & Transfer Span Replacement Project [[Link](#)]

³ King County Code – 4.56 [[Link](#)]

⁴ A situation where a government entity or authorized agency notifies a property owner that their land is required for a public project, and if the owner does not agree to a voluntary sale, the agency will use legal authority to acquire the property through condemnation.

CIP/operational impacts: The sale will not impact the operations of WTD.

Change in property use: WSDOT’s Washington State Ferries Division does not intend to pursue a change of use on the property.

SEPA Review Required yes/no: No

King County Strategic Plan impact: N/A

Equity and Social Justice impact: In accordance with Real Property Asset Management Plan (RAMP) policy, the Facilities Management Division and Wastewater Treatment Division reviewed this legislation for equity and social justice (ESJ) impacts. The property will support WSDOT’s Washington State Ferries Division’s replacement of the Fautleroy Ferry Terminal which will serve the greater public in better connecting our region with effective transportation opportunities.

Surplus Process

Interest from other county agencies? No
Property suitable for affordable housing? No
Property determined to be surplus? Yes, declared surplus August 20, 2015

Marketing and Sale

Indicate whether the property was marketed or not, and if so, how it was marketed:

<input type="checkbox"/>	MLS
<input type="checkbox"/>	Commercial Broker
<input type="checkbox"/>	County Website (number of website views: _____)
<input type="checkbox"/>	Social Media
<input type="checkbox"/>	Onsite Signage
<input checked="" type="checkbox"/>	Not Marketed – Pursuant to KCC 4.56.140, the County may dispose of county real property to another governmental agency by negotiation, upon such terms as may be agreed upon and for such consideration as may be deemed by the County to be adequate.

Appraisal Process

Summary

Date of valuation: October 22, 2024
Appraised by: Matthew Sloan, SOVA Consulting
Appraisal factors: A state-operated ferry terminal is located directly adjacent to the property.
Comps analysis: Appropriate and timely comparable properties were utilized
Estimated FMV: \$1,825,000.00

Appraisal al Summary Chart

Sales Comparison Method	
Comp 1	\$1,941,500
Comp 2	\$1,864,388
Comp 3	\$1,718,450
Comp 4	\$1,795,300
Comp 5	\$1,751,464

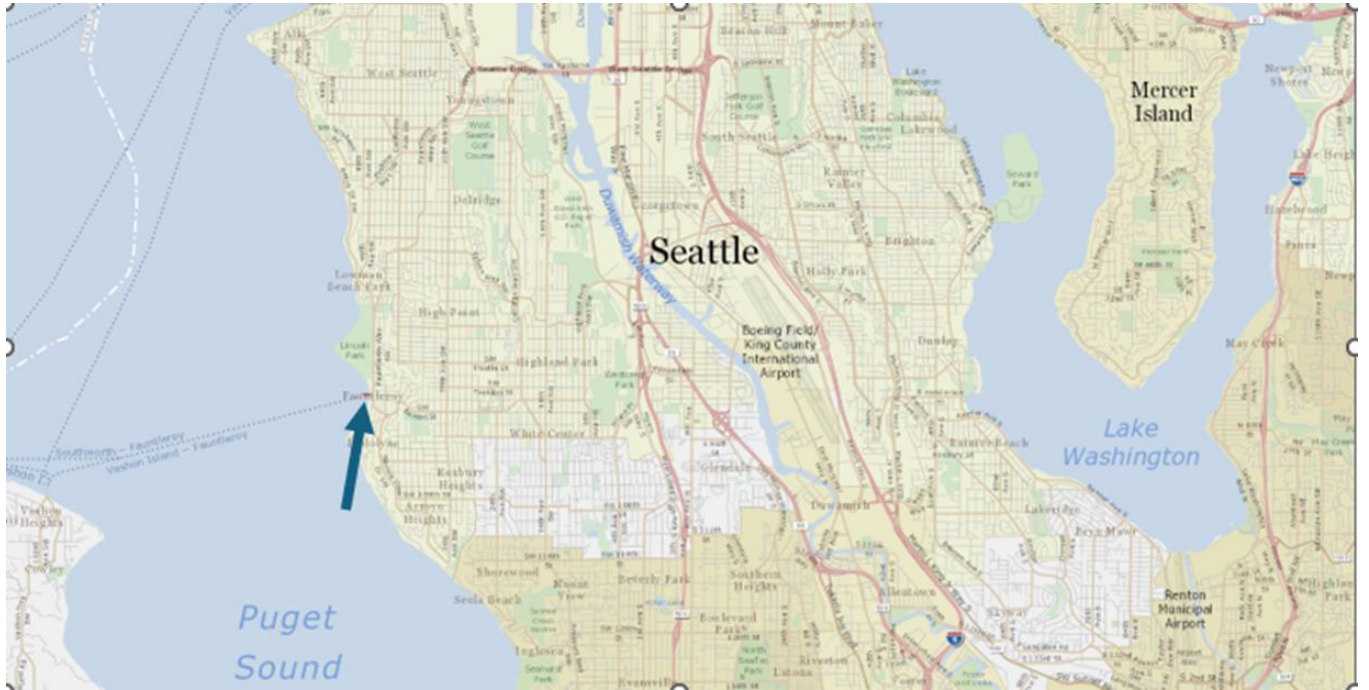
The sales comparison method is the most appropriate method of valuation primarily because there will be no income to capitalize at the time of the sale. The comparables in the table above, reflect a very wide range of values. All of the sales require consideration of transactional differences, and then for market conditions, location, and a variety of physical characteristics. Transaction adjustments include real property rights conveyed, financing terms, and conditions of sale. In this case, the sales all represent the full bundle of rights, are considered arm's length transactions, and were purchased with cash or typical financing terms, and were exposed to the market through MLS.

CONCLUSION OF MARKET VALUE

Based on the above analysis, my estimate of value of the fee interest in the subject property, as of March 13, 2026 is reasonably estimated at:

One Million Eight Hundred Twenty-Five Thousand Dollars
\$1,825,000

Vicinity View Map



Parcel Map





Metropolitan King County Council Staff Report

Committee:	Budget & Fiscal Management		
Agenda Item:	6	Analyst(s):	Brandi Paribello
Proposed No.:	2026-0108	Meeting Date:	July 8, 2026

OVERVIEW

TOPIC: An ordinance that would approve the sale of real property that has been declared surplus.

LEGISLATION SUMMARY

The proposed ordinance would approve the sale of real property that has been declared surplus. The property was previously under the custodianship of the King County Water and Land Resources Division (WLRD); the division determined it no longer needs the property and instead wants to sell it. The Facilities Management Division (FMD) thus conducted the codified surplus declaration analysis, resulting in the property being declared surplus on September 8, 2021. The county has subsequently entered into a purchase and sale agreement for the property, which accompanies this proposed ordinance.

KEY ISSUES FROM THE ANALYSIS

- A. **Consistency with County Code.** All occupancy, vacancy, and leasing decisions regarding county-owned real property are under the purview of either FMD or departmental custodians. Under county code, in the case where a custodian has indicated it no longer needs a property, FMD must conduct an analysis of whether that property can be declared surplus before it can be sold. The declaration of surplus and proposed sale of the property appears to be consistent with county code requirements.

AMENDMENTS

- **Amendment 1** would add attachment *B. Second Amendment to Real Estate Purchase and Sale Agreement* extending the Council Approval Period to August 17, 2026.

Property History. King County received the property from the Washington State Department of Natural Resources in 2001 as part of the 1999-2001 biennium Trust Land Transfer¹. The custodian of the subject property, the Water and Land Resources Division (WLRD), indicated it no longer needed the property and the Facilities Management Division (FMD) conducted the codified surplus declaration analysis, resulting in the property at issue being declared surplus on September 8, 2021.

Key Terms of the Purchase and Sale Agreement. If council approves the proposed ordinance, the agreement will set forth the following:

- **Property.** The property consists of 39.10 acres of agricultural land located at 46502 268th Avenue Southeast which is south of the City of Enumclaw in unincorporated King County. The property is commonly known as Mt. Peak North. There is one barn and one large shed located on the property.
- **Purchase Price.** Russel Appraisal and Consulting used a sales comparison approach among five land sales to reach a property appraisal amount of \$600,000 on October 10, 2025.
- **Deed.** A Bargain and Sale Deed that is subject to a reserved agricultural easement upon closing of the sale.
- **Council Approval Contingency.** The Council Approval Contingency will be satisfied if an ordinance passed by the King County Council approving the sale becomes effective within 120 days of the effective date. Seller may extend the Council Approval Period.

County Code Requirements. All occupancy, vacancy, and leasing decisions regarding county-owned real property are under the purview of either FMD or departmental custodians that make use of county-owned real property for county business and that submit annual reports to FMD regarding the statuses of the properties under their custodianships. The reports include information as to whether a county-owned real property is surplus to the custodian's needs. In the case where a custodian has indicated it no longer needs a property, FMD must conduct an analysis of whether that property can be declared surplus.

King County Code (K.C.C.) 4.56 establishes requirements and guidelines for the disposition of county-owned real and personal property.

¹ Trust Land Transfer Program LEAP Capital Document No. 99-3 [[LINK](#)]

- After a custodial agency deems a property surplus to its needs, FMD drafts a surplus property notice, which provides an opportunity for other departments to determine if the property could fulfill a need for (a) essential government services, (b) affordable housing, or (c) other government services, in that order of importance.
- FMD sends the surplus notice to all department directors and King County Councilmembers with an interest form attached.
- The Housing, Homelessness, and Community Development Division (HHCDD) of the Department of Community & Human Services (DCHS) and FMD analyze all surplus properties for feasibility of affordable housing development. If the property is deemed suitable for affordable housing, HHCDD will submit an interest form.
- If, after 30 days, no interest form is submitted, FMD drafts the declaration of surplus. Once a property is declared surplus, FMD can dispose of the property in a variety of ways consistent with KCC 4.56.100.

Timing. According to the Purchase and Sale Agreement, the proposed ordinance was to be in effect by June 17, 2026, however King County negotiated with the buyers to extend the “Council Approval Period” to August 17, 2026.

ANALYSIS

[↑ BACK TO TOP](#)

Consistency with County Code. The declaration of surplus and proposed sale of the property appears to be consistent with county code requirements.

Under King County Code 4.56.070, FMD must work with DCHS to determine whether surplus property is suitable for affordable housing. County code defines “suitable for affordable housing” to mean the parcel is located within the Urban Growth Area, zoned residential, and the housing development is compatible with the neighborhood. Because this property is not located within the Urban Growth Area, FMD and DCHS determined it is not suitable for affordable housing.

County code further requires that sales of surplus property be approved by the King County Council. Additionally, code requires that the county advertise the sale “in a legal newspaper at least once a week for two consecutive weeks” and that the sale be done at public auction or sealed bid, unless: 1) the property is sold to a governmental agency; 2) the Executive has determined an emergency to exist; or the county council, by ordinance, has determined that unique circumstances make a negotiated direct sale in the best interests of the public; 3) the property is traded for real property of similar value, or when county personal property is traded for personal property of similar value; or 4) FMD has

determined that the county will receive a greater return on real property when it is listed and sold through a residential or commercial real estate listing service.

The Property Summary indicates that the property was advertised as required and was marketed via the Multiple Listing Service, the King County website, and signage on site.

Rationale for Sale. The Property Summary states that the rationale for sale of the property is that “the property is surplus to the current and future needs of the Water and Land Resources Division (WLRD) and the County. The sale will provide one-time revenues to WLRD to fund the acquisition of new open space property and improve recreation facilities at existing sites.”

AMENDMENTS

[↑ BACK TO TOP](#)

The following amendments are publicly available as of July 2, 2026, and attached to this staff report. Additional amendments may be released prior to the committee meeting.

Amendment	Sponsor	Effect Statement
1 Add Attachment B	Dembowski	Amendment 1 would add attachment B. Second Amendment to Real Estate Purchase and Sale Agreement extending the Council Approval Period to August 17, 2026.

INVITED

- Lisa Pearson, Director, Facilities Management Division
- Amanda Tran, Real Property Agent IV, Facilities Management Division

ATTACHMENTS

1. Proposed Ordinance 2026-0108 (and its attachment)
2. Amendment 1
 - a. Attachment to Amendment 1: B. Second Amendment to Real Estate Purchase and Sale Agreement
3. Transmittal Letter
4. Fiscal Note



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2026-0108.1

Sponsors Dembowski

1 AN ORDINANCE relating to the sale of the surplus
2 property located at 46502 268th Avenue SE, King County,
3 Washington, in council district nine.

4 STATEMENT OF FACTS:

5 For the property located at 46502 268th Avenue SE, King County,
6 Washington, located within council district nine, the facilities management
7 division completed the surplus property, affordable housing and public
8 notice requirements.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. The executive is authorized to convey the property at 46502 268th
11 Avenue SE, King County, to Kenny Bosik and Jessica Mavin consistent with a purchase

- 12 and sale agreement substantially in the form of Attachment A to this ordinance and to
13 take all actions necessary to implement the terms of the purchase and sale agreement.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, _____.

Girmay Zahilay, County Executive

Attachments: A. Purchase and Sale Agreement

ATTACHMENT A:

PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is entered between **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington (the “Seller”) and **KENNY BOSIK AND JESSICA MAVIN** (the “Buyer”). Seller and Buyer are also referred to individually as a “Party” or collectively as “Parties.” This Agreement is effective the date both parties execute (“Effective Date”) the Agreement.

RECITALS

A. Seller is the owner of that certain real property commonly known as King County tax assessor’s parcel no. 362006-9002 on 46502 268th Avenue SE, King County, State of Washington, the legal descriptions of which are attached hereto as **EXHIBIT A** (the “Real Property”).

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real Property.

AGREEMENT

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

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all the Seller’s right, title, and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller’s right, title, and interest in improvements and structures located on the Real Property, if any;

1.1.3. all of Seller’s right, title, and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to, or used in connection with the Real Property (“Personal Property”);

1.1.4. all of Seller’s easements and other rights that are appurtenant to the Real Property including but not limited to, Seller’s right, title, and interest in and to streets, alleys, or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress, leases, licenses, government approvals, and permits affecting the Real Property.

Hereinafter, the items listed in Section 1.1 are collectively referred to as the “Property.”

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of **Six Hundred Thousand Dollars (\$600,000.00)** (the “Purchase Price”).

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, if any, is *de minimis*.

2.3. DEPOSIT. Within five (5) business days after the Effective Date, Buyer shall deliver to Chicago Title Company (the “Escrow Agent”), in its capacity as the Parties’ closing agent, immediately available cash funds in the amount of **Six Thousand Dollars (\$6,000.00)** (the “Deposit”). The Deposit shall be invested by the Escrow Agent in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. Accrued interest will be added to and become part of the Deposit. Upon deposit with Escrow Agent, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a home rule charter county and political subdivision of the State of Washington duly organized, validly existing, and in good standing under the laws of the State of Washington.

3.1.2. EXECUTION, DELIVERY, AND PERFORMANCE OF AGREEMENT; AUTHORITY. The execution, delivery, and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, and (ii) subject to the contingency in Section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller’s legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated

hereby other than Cheri Westphal of CW Realty Group, and no other broker, finder, agent, or similar intermediary is entitled to any broker's, finder's, or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with Seller or any action taken by Seller.

3.1.4. FUTURE AGREEMENTS. From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

(a) enter into any agreement, contract, commitment, lease, or other transaction that affects the Property in any way; or

(b) sell, dispose of, or encumber any portion of the Property.

3.1.5. FOREIGN PERSON. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986 ("Code"), as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT D**, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants that Buyer, and any person signing on behalf of Buyer, has full power and authority to execute this Agreement and to perform Buyer's obligations hereunder. Further, this Agreement constitutes the legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.1. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby other than Cheri Westphal of CW Realty Group, and no other broker, finder, agent, or similar intermediary is entitled to any broker's, finder's, or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by Chapter 64.06 RCW, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in Chapter 64.06 RCW. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" if the answer to any of the questions in that section would be "yes." Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in Chapter 64.06 RCW. Buyer acknowledges that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that any Seller Disclosure Statement

delivered by Seller is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively "Condition of the Property"), including, without limitation:

- (a) The water, soil, and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations, or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;
- (e) The habitability, merchantability, marketability, profitability, or fitness for a particular purpose of the Property;
- (f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence, or condition of utilities serving the Property;
- (g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal, or other handling of any Hazardous Substances in, on, under, or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county, and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws, and regulations. For purposes of this Agreement, the term "Environmental Law" shall mean: any federal, state, or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction, or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, Chapter 70A.305 RCW ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, Chapter 90.48 RCW, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term "Hazardous Substance" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or

(h) Any other matter with respect to the Property.

3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller's disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Buyer acknowledges and agrees that it approves and accepts the Condition of the Property and accordingly agree to purchase the Property and accept the Condition of the Property "AS IS, WHERE IS" with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Buyer, and any person or entity claiming by or through Buyer, shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law,

whether or not enacted after transfer of the Property.

3.3.4. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend, and hold Seller, its officers, agents, and employees harmless from and against any and all Losses, liability, claim, agency order, or requirement, damage, and expense relating to or arising out of, directly or indirectly, the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration, or escape of Hazardous Substances at, from, into, or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county, and local laws and regulations including, without limitation, Environmental Laws and regulations.

3.4. RISK OF LOSS. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring because of an “Act of God,” including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by bargain and sale deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

4.2. TITLE COMMITMENT. Buyer shall within ten (10) days after the Effective Date obtain a preliminary commitment for an owner’s standard coverage policy of title insurance (the “Title Commitment”) issued by Chicago Title (the “Title Company”), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. When the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

4.3. REVIEW OF TITLE COMMITMENT. Buyer shall have until fifteen (15) days after the Effective Date (the “Review Period”) in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment (“Buyer’s Objections”). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions (“Permitted Exceptions”). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within five (5) days after Seller receives Buyer’s Objections of any exceptions to title which Seller will not remove or otherwise resolve (“Seller’s Response”), and Buyer may, at Buyer’s option, either proceed to Closing and thereby waive the Buyer’s Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within three (3) days after receipt of Seller’s Response. If the

Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have five (5) days to make Buyer's Objections to any new exception, Seller shall have five (5) days to provide Seller's Response, and the Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER'S TITLE INSURANCE POLICY. At the Closing, Buyer shall cause an owner's policy of title insurance to be issued by the Title Company in the full amount of the Purchase Price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation of Buyer to provide the title policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this Section. If requested in writing by Seller, Buyer shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

ARTICLE 5. CONTINGENCIES

5.1. INSPECTIONS. Buyer waives its rights to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property except those set forth in Section 5.2(subject to the limitations set forth below and Section 5.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller's possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege, or by other similar confidentiality protections; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the property; and (e) determine whether Buyer's proposed development of the property is economically feasible.

5.2. RIGHT OF ENTRY. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property and conduct a boundary and topography survey and soil testing for septic design and drainage upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. Apart from soil testing for septic design and drainage, invasive tests of the Property, such as drilling or excavation, are subject to Seller's prior written approval. If invasive tests are performed by Buyer, Seller may elect to obtain split samples of any sampling

that is obtained and reimburse the Buyer for the costs thereof. The Buyer will not be permitted to undertake activities that damage the Property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify, and defend Seller, its officers, agents, and employees, from and against all claims, losses, or liability for injuries to persons, sickness, or death of persons, including employees of Buyer (“Claims”) caused by or arising out of any act, error, or omission of Buyer, its officers, agents, contractors, subcontractors, or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents, or employees.

5.3. RIGHT OF ENTRY INSURANCE. Prior to the entry of Buyer or its contractors for invasive testing of the Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor’s Pollution insurance in the amount of \$1,000,000 per claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

5.4. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller’s performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council (“Council Approval Contingency”). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within one hundred twenty (120) days of the Effective Date (“Council Approval Period”). Seller may extend the Council Approval Period for an additional sixty (60) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

**ARTICLE 6.
COVENANTS OF SELLER PENDING CLOSING**

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

**ARTICLE 7.
COVENANTS OF BUYER PENDING CLOSING**

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

**ARTICLE 8.
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

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

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, unless Seller's obligation to remove or resolve has been waived by Buyer.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

**ARTICLE 9.
CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS**

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

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

9.3. TITLE. The Title Company shall be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Bellevue, Washington.

10.2. PRORATIONS. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for the deed and its own attorneys' fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A bargain and sale deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

10.3.2. A bill of sale and assignment duly executed by the Seller in substantially the form of **EXHIBIT C**, attached hereto for the Personal Property, if any;

10.3.3. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT D**, attached hereto.

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price, less the Deposit made under Section 2.3. of this Agreement.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement, and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages. Buyer expressly agrees that the retention of the Deposit by Seller represents a reasonable estimation of the damages in the event of Buyer's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty. Buyer and Seller acknowledge and agree that these damages have been specifically negotiated and are to compensate Seller for taking the Property off the market and for its costs and expenses associated with this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer's sole and exclusive remedy shall be to terminate this Agreement and receive a refund of the Deposit.

11.2.3. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 PM of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein. Notwithstanding the foregoing, a Party may provide notice electronically via the email addresses listed below with delivery confirmation or read receipt (or both). A Party providing electronic notice shall bear the burden to prove the date that notice was delivered.

If to Buyer: KENNY BOSIK AND JESSICA MAVIN
47302 252nd Ave SE
Enumclaw, WA 98022
Jmavin@live.com

If to Seller: King County
King County Facility Management Division
Real Estate Services Section
401 Fifth Avenue, Suite 930
Seattle, WA 98104
Attn: Amanda Tran
atran@kingcounty.gov

With a copy to: King County Prosecuting Attorney's Office
Civil Division
1191 2nd Ave., Suite 1700
Seattle, WA 98101
Attn: Raam Wong
Raam.wong@kingcounty.gov

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture, or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs, or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs, or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. If either Party brings a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

11.13. NO THIRD-PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. SELLER'S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Amanda Tran, who is an employee of King County, and is a Real Property Agent of the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Amanda Tran has made no inquiries or investigations with respect to Seller's representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

11.17. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 3.3.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

11.18. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing

the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

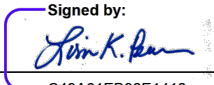
11.19. EXHIBITS. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the dates set forth below.

SELLER: KING COUNTY

By:  Signed by:
C49A61EB98E1418...

Name: Lisa K Pearson

Title: Director,
Facilities Management Division

Date: 12/19/2025

BUYER: KENNY BOSIK

By:  Authentisign
Kenny Bosik

Name: Kenny Bosik

Date: 12/17/2025

BUYER: JESSICA MAVIN

By:  Authentisign
Jessica Mavin

Name: Jessica Mavin

Date: 12/17/2025

APPROVED AS TO FORM:

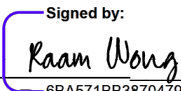
By:  Signed by:
6BA571BB3870479
Senior Deputy Prosecuting Attorney

EXHIBIT A.

LEGAL DESCRIPTION

The Northwest quarter of the Northeast quarter of Section 36, Township 20 North, Range 6 East, Willamette Meridian, in King County, Washington;

EXCEPT any portion thereof lying within the right of way for 268th Avenue Southeast; and

EXCEPT that portion thereof, if any, lying within the Drainage District No. 6 right of way.

TAX PARCEL NUMBER: 362006-9002

EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:
KENNY BOSIK AND JESSICA MAVIN
47302 252ND Ave SE
Enumclaw, WA 98022

BARGAIN AND SALE DEED

Grantor -- King County, Washington
Grantee -- KENNY BOSIK AND JESSICA MAVIN
Legal - - - - PTN NW ¼ NE ¼ 36-20-06
Tax Acct. – 362006-9002

The Grantor, KING COUNTY, a home rule charter county and political subdivision of the State of Washington, for \$10.00 and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, pursuant to King County Ordinance No. _____, does hereby bargain, sell, and convey unto the Grantee, KENNY BOSIK AND JESSICA MAVIN, the following real property situated in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

GRANTOR
KING COUNTY

GRANTEE
KENNY BOSIK

BY: _____

BY: _____

TITLE: Director, Facilities Management Division DATE: _____

DATE: _____

Approved as to Form:

GRANTEE
JESSICA MAVIN

By _____
Senior Deputy Prosecuting Attorney

BY: _____

DATE: _____

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared LISA K PEARSON, to me known to be the Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that SHE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

Printed Name

at _____
City and State

My appointment expires _____

NOTARY BLOCK FOR KENNY BOSIK

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

Printed Name

at _____
City and State

My appointment expires _____

NOTARY BLOCK FOR JESSICA MAVIN

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing

Printed Name

at _____
City and State

My appointment expires _____

EXHIBIT A
TO BARGAIN AND SALE DEED

LEGAL DESCRIPTION

The Northwest quarter of the Northeast quarter of Section 36, Township 20 North, Range 6 East, Willamette Meridian, in King County, Washington;

EXCEPT any portion thereof lying within the right of way for 268th Avenue Southeast; and

EXCEPT that portion thereof, if any, lying within the Drainage District No. 6 right of way.

TAX PARCEL NUMBER: 362006-9002

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT C.

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this _____ day of _____, 2025, by KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), in favor of KENNY BOSIK AND JESSICA MAVIN (“**Buyer**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Exhibit A.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

By: _____

Name: Lisa K Pearson

Title: Director, Facilities Management Division

EXHIBIT A
TO BILL OF SALE

LEGAL DESCRIPTION

The Northwest quarter of the Northeast quarter of Section 36, Township 20 North, Range 6 East, Willamette Meridian, in King County, Washington;

EXCEPT any portion thereof lying within the right of way for 268th Avenue Southeast; and

EXCEPT that portion thereof, if any, lying within the Drainage District No. 6 right of way.

TAX PARCEL NUMBER: 362006-9002

EXHIBIT D.

**Seller’s Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Suite 930 King County Chinook Building, 401 Fifth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Dated this ___ day of _____, 2025.

King County, Transferor:

By: _____
Name: Lisa K Pearson
Title: Director, Facilities Management Division

FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

This First Amendment to Real Estate Purchase and Sale Agreement (the “Amendment”) is made and entered by and between **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington (the “Seller”) and **KENNY BOSIK AND JESSICA MAVIN** (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Amendment shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

- A. WHEREAS, Seller and Buyer are Parties to that certain Real Estate Purchase and Sale Agreement (the “PSA”) with an Effective Date of December 19, 2025, for property commonly known as King County tax assessor’s parcel no. 362006-9002 on 46502 268th Avenue SE, King County, State of Washington.
- B. WHEREAS, the Parties acknowledge that, at the time of the execution of the PSA, both Seller and Buyer intended for the Property to be conveyed subject to a Reserved Agricultural Easement.
- C. WHEREAS, the Parties further acknowledge that the form of the Bargain and Sale Deed attached as **Exhibit B** to the PSA did not contain the specific language for said Reserved Agricultural Easement.
- D. WHEREAS, the Parties now desire to amend the PSA to substitute the correct form of the deed to reflect their original intent.

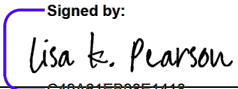
AGREEMENT

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to amend the PSA as follows:

- A. Exhibit B of the PSA is hereby deleted in its entirety and replaced with the Bargain and Sale Deed Subject to Reserved Agricultural Easement attached to this Amendment as **New Exhibit B**. The Parties agree that the form of the deed attached as **New Exhibit B** shall be the “substantially” similar form required for conveyance at Closing under Section 4.1 of the Agreement.
- B. In addition to any exceptions shown in the Title Commitment to which Buyer does not object, the “Permitted Exceptions” shall expressly include the Reserved Agricultural Easement and all covenants, conditions, and restrictions set forth in the Bargain and Sale Deed conveyed at Closing.
- C. Except as expressly provided in this First Amendment, all other terms and conditions of the Agreement remain in full force and effect.

EXECUTED on the dates set forth below.


SELLER: KING COUNTY

By:  Signed by:
Lisa K. Pearson
C49A61EB98E1418...

Name: Lisa K Pearson
Title: Director,
Facilities Management Division

Date: 2/12/2026

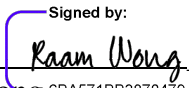
BUYER: KENNY BOSIK

By:  AuthentiSIGN
Kenny Bosik

Name: Kenny Bosik

Date: 02/10/2026

APPROVED AS TO FORM:

By:  Signed by:
Raam Wong
6BA571BB3870479...

Senior Deputy Prosecuting Attorney

BUYER: JESSICA MAVIN

By:  AuthentiSIGN
Jessica Mavin

Name: Jessica Mavin

Date: 02/10/2026

NEW EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:
KENNY BOSIK AND JESSICA MAVIN
47302 252ND Ave SE
Enumclaw, WA 98022

**BARGAIN AND SALE DEED
SUBJECT TO RESERVED AGRICULTURAL EASEMENT**

Grantor - - King County, a home rule charter county and political subdivision of the State of Washington
Grantee - - KENNY BOSIK AND JESSICA MAVIN
Legal: NW 1/4 OF NE 1/4 36-20-06 LESS CO RD DNR LEASE #10-A68940
Tax Acct. 362006-9002

Grantor, King County, a home rule charter county and political subdivision of the State of Washington, for and in consideration of ten dollars and other good and valuable consideration in hand, does hereby convey and warrant unto Kenny Bosik and Jessica Mavin the real property legally described in EXHIBIT A, attached hereto and incorporated herein by this reference (the "Property"), subject to the permitted exceptions set forth in EXHIBIT B, and further subject to the reserved agricultural easement set forth in this deed, which covenants are intended to be running covenants burdening the real property described in Exhibit A and benefiting the land that makes up Grantor's system of parks, recreation, and open space lands. A site plan ("Site Plan") of the Property is attached hereto as EXHIBIT C, and is incorporated herein by this reference. The covenants contained in this deed shall bind Grantor and Grantee and their respective successors and assigns. Grantor and Grantee are sometimes referred to herein individually as a "Party" and together as the "Parties."

RESERVED AGRICULTURAL EASEMENT

1. Purpose. King County has an interest in preventing the conversion of agricultural lands to non-agricultural uses and it is the purpose of this reserved agricultural easement ("Easement Reservation") to protect the prime farmland soils and to retain the agricultural viability of the Property. The Property is Farm and Agricultural Land as defined in RCW 84.34.020(2), possesses agricultural soils, and has other characteristics, referred to in this Easement Reservation as "Conservation Values," that make it very suitable for the commercial production of agricultural products. The Property also contributes natural, open space, ecological, habitat, and scenic values, referred to herein as "Open Space Values", which are of importance to the citizens of King County. The characteristics of the Property are documented in an inventory of relevant features, dated _____, 2025 and located in a file entitled Baseline Documentation on file at the offices of the King County and incorporated herein by this reference. The Baseline Documentation consists of reports, maps,

photographs, surveys of known cultural sites and other documentation that provide, collectively, an accurate representation of the Property as of the date of the conveyance of this Property and which are intended to serve as an objective information baseline for monitoring compliance with the terms of this Easement Reservation. The Easement Reservation herein furthers the objectives of the King County Comprehensive Plan to ensure the conservation and productive use of King County's natural resource lands. This Easement Reservation is also responsive to the Washington State Growth Management Act as it serves to retain open space, encourages the conservation of productive agricultural lands, discourages incompatible uses of these lands, and maintains and enhances natural resource-based industries occurring thereon. This Easement Reservation will preserve the Property for activities consistent with agricultural and open space uses in perpetuity in accordance with the specific terms and conditions hereinafter set forth. None of the covenants, terms, or conditions herein contained shall be construed as allowing a use that is not otherwise permitted by applicable state and local laws, codes, standards, and ordinances. Grantee shall conduct all reserved and permitted uses and activities under this Easement Reservation to meet all requirements of federal, state and local statutes, rules, and regulations as they may be amended from time to time.

2. Restrictions on Use. The Property is hereby permanently restricted to agricultural and open space uses and may not be used for any other purpose. Grantor strongly encourages Grantee to farm the Property or to lease the Property for farming. Such uses shall be carried out in accordance with applicable law and in compliance with the purpose and terms of this Easement Reservation. Without limiting the generality of the foregoing, Grantee acknowledges and agrees the Property must be managed or farmed under a "Farm Management Plan," which shall be submitted to Grantor, or an agency or agencies designated by Grantor, for review and approval within twelve (12) months of the date of this Easement Reservation. The Farm Management Plan shall conform to Administrative Rule PUT 8-21, or its successor. A copy of the Farm Management Plan shall be kept on file at the offices of King County, specifically the office that houses the King County Farmland Preservation Program. Requirements for the Farm Management Plan is more fully described in Section 9 of this Easement Reservation.

A. "Agricultural uses," as used herein, means:

- i. The growing, raising, and production of horticultural and agricultural crops (including, but not limited to, vegetables, berries, other fruits, cereal grains, herbs, and hay), and the processing and marketing, for consumption off-premises, of such crops and products. Although intended to support agricultural activity on the Property, such processing and marketing may include agricultural crops from other properties, provided that such activity serves to maintain the economic viability of agricultural operations on other farmlands in King County, and provided further, that the amount of such activity is approved in writing by Grantor. On-premises tasting and sampling of horticultural and agricultural crops is permitted if necessary for the performance of processing and marketing activities that are otherwise allowed herein.
- ii. All forms of animal husbandry, including the processing and marketing for off-premises consumption, of the animals or their products. Although intended to

support agricultural activity on the Property, such processing and marketing may include animal products from other properties, provided that such activity serves to maintain the economic viability of agricultural operations on other farmlands in King County, and provided further, that the amount of such activity is approved in writing by Grantor. On-premises tasting and sampling of animals or their products is permitted if necessary for the performance of processing and marketing activities that are otherwise allowed herein.

iii. Uses that are consistent with the classification as “Farm and Agricultural Land” as that term is defined in RCW 84.34.020(2).

iv. Infrastructure and facilities, such as manure digesters or wind turbines, that support and/or enhance the agricultural use of the Property, are permitted, provided that the predominate use of the property and the majority of its area that is suitable for agricultural production is used for the growing or raising of agricultural crops and/or animal products. Infrastructure and facilities, such as manure digesters, that utilize agricultural products, must use products that are produced on-site, but may combine those products with products or materials produced off-site, provided that such activity is approved in writing by Grantor. It is the intent of this provision to promote the economic viability of agricultural operations on the Property and on other farmlands in King County.

v. Agricultural uses do not include the primary use of the Property as a site for processing and/or marketing agricultural crops and animal products as these activities must be secondary to the use of the Property for the growing, raising, and production of horticultural and agricultural crops and/or all forms of animal husbandry.

B. “Open space uses,” as used herein, means:

i. Agricultural uses as defined above;

ii. Non-agricultural uses that conserve and enhance natural, scenic, or designated historic resources on the Property, and that do not permanently compact, remove, sterilize, pollute, or otherwise impair the use of the soil on the Property for the raising of horticultural or agricultural crops.

C. Neither open space nor agricultural uses include the following: commercial and industrial activities that are unassociated with agriculture; the construction, habitation, or other use of a dwelling unit and/or farm worker housing, except to the extent such use is specifically reserved in this Easement Reservation; placement, construction, or expansion of buildings, structures, or roads for non-agricultural uses; restaurants or other establishments primarily intended for the consumption of food or beverages; the construction or use of golf courses, parking lots unassociated with agricultural uses, zoos, kennels, catteries, athletic fields, campgrounds, or vehicle raceways or animal raceways other than those principally used for the exercise of animals grown, raised, or produced on the Property. Agricultural and open space uses do not allow or include

the conversion of Property to fish or wildlife habitat, unless such conversion will directly benefit the agricultural use of the Property as approved in writing by Grantor or unless the area is designated in the Baseline Documentation as being available for such conversion. Open space uses may include trails for non-motorized use by the public.

3. Dwelling Units. “Dwelling Unit,” as used herein, means a permanent or mobile structure designed and used for single-family residential occupancy.
 - A. Reservation of Dwelling Unit. Grantee shall have the right to the use of one single-family dwelling unit. There are currently no dwelling units existing on the Property as of the date of this Easement Reservation. Grantee may not construct or modify a dwelling unit on the Property without the express written permission of Grantor. The total living space square footage of any new or remodeled reserved dwelling unit shall not exceed 3,000 square feet which is approximately 150% of the median size of dwelling unit living space in King County’s Agricultural Production Districts, as determined by King County Assessor’s records.
 - B. The dwelling unit must be used for the sole purpose of accommodating Grantee and their successors in interest to the Property, the farm operator, or the families of such persons, or for accommodating on-farm agricultural employees of Grantee or operator and their families. The dwelling unit cannot be leased to the public-at-large.
 - C. No more than one dwelling unit will be permitted, regardless of whether the Property is subdivided or its boundaries are altered. If the Property is subdivided, or its boundaries altered, reference to this Easement Reservation must be shown on the map of the subdivided or altered property and Exhibit C must be recorded as part of the subdivision or alteration so that any future conveyance or change in ownership of the Property shall be explicitly subject to and governed by Exhibit C.
 - D. If a portion of the Property is conveyed separate from the whole, the conveyance instrument shall state that no dwelling units are allocated to that portion, and Exhibit C shall be attached to the conveyance instrument and recorded with it.
 - E. Failure to record Exhibit C upon subdivision, boundary alteration, or upon the conveyance of a portion of the Property, shall not invalidate or otherwise affect the restriction of the total number of reserved dwelling units and their location(s) on the Property.
4. Accessory Dwelling Units. “Accessory Dwelling Unit,” as used herein, means a separate, complete dwelling unit that is attached to or contained within the structure of a reserved dwelling unit or is contained within a separate structure that is accessory to and on the same legal lot as a reserved dwelling unit.
 - A. There are no accessory dwelling units on the Property as of the date of this conveyance. Only one accessory dwelling unit may be placed on the Property. The

total living space square footage of an accessory dwelling unit shall not exceed 1,000 square feet unless the accessory dwelling unit is wholly contained within a basement or attic of a reserved dwelling unit. Property containing an accessory dwelling unit cannot be subdivided or conveyed separately from the property on which the dwelling unit is located unless the accessory dwelling unit is removed prior to such action. The use of any accessory dwelling unit shall be limited to Grantee and Grantee's successors in interest to the Property, the farm operator, or the families of such persons, or for accommodating on-farm agricultural employees of Grantee or operator and their families. An accessory dwelling unit may not be leased to the public-at-large.

- B. Grantee must obtain written permission from Grantor prior to the construction or installation of an accessory dwelling unit. Nothing herein shall be deemed to waive the requirement to obtain any required permits from the agency of the appropriate government responsible for issuing development permits. A new accessory dwelling unit must be approved by Grantor in writing, and shown on an updated Site Plan. If Grantor approves such construction, Grantor shall modify the Baseline Documentation on file at the offices of King County accordingly.
5. Agricultural Employee Dwelling Units. "Agricultural Employee Dwelling Unit," as used herein, means a dwelling unit in which the total living space square footage does not exceed 1,000 square feet and which is used to house agricultural employees who are employed to work on the Property.
 - A. There are no agricultural employee dwelling units on the Property as of the date of this conveyance. Only one agricultural employee dwelling unit may be placed on the Property. The agricultural employee dwelling unit is not included in the number of dwelling units allowed on the Property nor is it considered to be an accessory dwelling unit. If the primary use of the Property changes to a non-agricultural use, any constructed agricultural employee dwelling units must be removed. Property containing an agricultural employee dwelling unit cannot be subdivided or conveyed separately from the rest of the Property unless said structure is permanently removed prior to such action. The agricultural employee dwelling unit may only be occupied by agricultural employees who are employed to work on the Property.
 - B. Grantee must obtain written permission from Grantor prior to the construction or installation of an agricultural employee dwelling unit. Nothing herein shall be deemed to waive the requirement to obtain any required permits from the agency of the appropriate government responsible for issuing development permits. A new agricultural employee dwelling unit must be approved by Grantor in writing, and shown on an updated Site Plan. If Grantor approves such construction, Grantor shall modify the Baseline Documentation on file at the offices of King County accordingly.
6. Emergencies. Grantee may undertake any activities that are (a) necessary to protect health or safety; (b) required to prevent significant property damage on the Property; or (c) required by and subject to compulsion of any governmental agency. Notwithstanding the preceding sentence, Grantee shall first reasonably attempt to notify Grantor prior to taking such action.

If Grantor cannot provide consent, with or without conditions, within such time as is reasonable under the circumstances, Grantee may proceed with such action without consent.

7. Further Restrictions on Use of the Property. Grantee, and Grantee's heirs, successors, and assigns, shall only be entitled to use, lease, maintain, or improve the Property for agricultural and open space uses, and shall comply with the following terms, conditions, restrictions, and covenants, which are permanently binding on the Property:
 - A. Grantee may not subdivide the Property in a manner that reduces any parcel to less than thirty-five (35) acres. Grantee must obtain written permission from Grantor prior to initiating any subdivision or boundary line adjustment. All restrictions imposed by this Easement Reservation shall survive any subdivision. No boundary line adjustment that combines the Property, or any portion thereof, that is subject to this Easement Reservation, with property on which the development rights have not been conveyed to King County, is permitted. Subdivisions or boundary line adjustments which would result in any parcel exceeding the limit on non-tillable surface as specified in this Easement Reservation are prohibited.
 - B. No more than a total of five (5) percent of the Property, or of any parcel thereof resulting from any future subdivision of the Property, boundary line adjustment, or conveyance of a portion of the Property, shall be covered by structures or non-tillable surfaces. For purposes of this Easement Reservation, "structures" include, but are not limited to, residences, barns, machine sheds, permanent greenhouses, associated structures, retail and processing facilities, surfaced parking areas, surfaced driveways, surfaced roadways, and surfaced pads. Temporary shelter for soil-dependent cultivation of horticultural or viticultural crops (e.g., "high tunnels" where crops can be planted directly in the ground) is not considered a structure. For purposes of this Easement Reservation, "non-tillable surfaces" include, but are not limited to, asphalt, concrete, gravel, or any other cover material not normally associated with cultivation of the soil. Naturally-occurring non-tillable surfaces, such as rock outcrops, bodies of water, or stands of mature trees within aquatic area buffers, shall not be counted against the five (5) percent non-tillable surface limitation. Non-tillable surfaces within public right-of-way or utility easements that exist upon the date of this conveyance, or which are approved in writing by Grantor after the date of this conveyance, shall not be counted against the five (5) percent non-tillable surface limitation. Prior to the creation of any non-tillable surface, the topsoil on the area so affected shall be removed and used elsewhere on the Property. Nothing in this Section 7(B) shall be construed as superseding any perming requirements by an entity having land use authority over the Property.
 - C. Grantee is prohibited from mining, drilling, or extracting gas, gravel, or minerals on or under the Property that breaks the surface of the Property. Temporary disruption of the Property, not to exceed one acre in total, for the extraction of subsurface materials is permitted only if the extracted materials are used in connection with agricultural activities occurring on the Property. No part of the surface of the Property may be

used for storage or processing of gas, oil, or minerals taken from the Property, other than storage for the private use of the occupants of the Property.

- D. Grantee is prohibited from conducting any subsurface activities, including excavation for permitted underground utilities, pipelines, or other underground installations, which would cause permanent disruption of the surface of the Property. Grantee shall restore any temporarily disrupted surfaces in a manner consistent with agricultural uses, including restoration of the original soil horizon sequence, within one year of when the soils were initially disrupted.
- E. Grantee is prohibited from the dumping or storing solid or liquid waste, trash, rubbish, Hazardous Materials, or noxious materials, on the Property. "Hazardous Materials" include explosives; veterinary or medical wastes; radioactive wastes; chemical, biological, or petroleum products that are not being used for agricultural purposes and which may pose a substantial present or potential hazard to humans, wildlife, or the environment and which, either singularly or in combination, have toxic properties that may cause death, injury, or illness or have mutagenic, teratogenic, or carcinogenic properties, or are corrosive, explosive, flammable, or may generate pressure through decomposition or other means. The temporary storage of waste generated on the Property is permitted provided such storage is in compliance with all applicable laws. For purposes of this Easement Reservation, "temporary storage" means storage for the duration of one year or less. Grantee may compost biodegradable materials for on-site application at agronomic rates, provided such composting is done in accordance with all applicable laws. Production of compost for sale or off-site application must be predominately of biodegradable materials produced on the Property or of biodegradable materials that have been used for agricultural purposes on the Property, and done in accordance with all applicable laws. For purposes of this Easement Reservation, "hazardous materials" or "noxious materials" do not include biosolids, herbicides, pesticides, rodenticides, insecticides, and fertilizers applied and maintained in accordance with federal, state, and local law.
- F. Grantee may not conduct any activities on the Property that violate sound agricultural soil and water conservation management practices.
- G. Grantee may not erect any signs on the Property, unless such signage is erected for the following purposes:
 - i. to state the name of the property and the name and address of the occupant;
 - ii. to advertise any use or activity consistent with the agricultural or open space uses as herein defined; or
 - iii. to advertise the property for sale or rent.
- H. Recreational uses of the Property are limited to passive recreational open space uses such as hiking, fishing, horseback riding, in-season hunting and fishing, and other

forms of recreation that do not require site modification to accommodate motorized, mechanical, or electronic accessories. All forms of developed recreation or recreation that adversely impacts the conservation purposes of this Easement Reservation are prohibited.

- I. Unless otherwise prohibited by law, Grantee may cut trees to control insects and disease, prevent personal injury and property damage, obtain wood for personal use, construct fences (provided such construction is authorized by this Easement Reservation), and, with advance written permission of Grantor, maintain grasslands. Except for trees produced as agricultural products, any commercial harvesting of trees shall be conducted in accordance with a King County approved forest stewardship plan prepared by a professional forester and in accordance with state and local regulations and the Forest Stewardship Plan Public Rule (PUT 8-19-2). The provisions of this Section 7(I) shall not be construed to allow uses otherwise inconsistent with agriculture and open space uses as defined herein.
- J. Grantee may repair or replace existing fences, or construct new fences, for the purposes described in the Farm Management Plan referenced in this Easement Reservation.
- K. Grantee may install, repair, and maintain ditches, drainage tiles, and other water conveyance or impoundment features to support and further enhance the agricultural purposes cited in this Easement Reservation.
- L. Grantee may not construct, install, or relocate roads or public or private utilities (including communication services and alternative energy facilities over or under the Property) that affect the suitability of the Property for agricultural use, unless (i) such construction, installation, or relocation is necessary to serve the Property and uses permitted by this Easement Reservation, or (ii) the Metropolitan King County Council has found it necessary to convey a road or utility easement for such construction, installation or relocation, in accordance with Ordinance 4341. Grantee may not convey any road or utility easements, including temporary easements, without the express written permission of Grantor.
- M. Grantee shall not engage in any use or activity that causes or is likely to cause significant soil degradation, erosion, or significant contamination or pollution of any soils or surface or substrate waters on the Property.
- N. The creation, enhancement, restoration or preservation of wetlands, fish or wildlife habitat, or other natural resources for the purpose of, directly or indirectly, compensating for or mitigating resource losses or damages in any way associated with actual or potential impacts of development, except for impacts caused by Grantee on the Property (“Compensatory Mitigation”), is prohibited on the Property. For purposes of this Easement Reservation, “Compensatory Mitigation” includes, but is not limited to, mitigation banking, conservation banking, and any other sale or

exchange of mitigation credits based on the creation, restoration, enhancement, or preservation of such natural resources within the Property.

- O. Grantee may engage in home occupations or home industries, as defined in Chapter 21A.06 of the King County Code (as may be amended from time to time), provided such activities are subordinate to the use of the Property for agricultural purposes, and provided further that all the following requirements are met:
- i. The home occupation or home industry must be consistent with the size, scale, and intensity of the existing agricultural use of the Property as of the date of this conveyance, and must maintain the primacy of and be subordinate to the use of the Property for agricultural purposes; and
 - ii. The home industry or home occupation must adhere to the restrictions contained in this Easement Reservation and in Chapter 21A.30 of the King County Code, (as may be amended from time to time); and
 - iii. The home industry or home occupation must be owned and operated by the Grantee or a farm operator as authorized by this Easement Reservation; and
 - iv. All activities associated with the home occupation or home industry are subject to the limitation on non-tillable surfaces as is specified in this Easement Reservation; and
 - v. If the home industry is sited in a barn or other agricultural structure, the Grantee must be able to provide verification that the home industry is subordinate to the use of the Property as a farm, and that the affected agricultural structure remains available for uses supportive of farm operations; and
 - vi. No new structures or surfaces, to be used primarily for the operation of a home industry or home occupation, may be constructed or installed on the Property; and
 - vii. If there is any discrepancy between the covenants and restrictions contained in this Easement Reservation and the restrictions on home industries and occupations contained in King County Code, the more restrictive of the two shall prevail.
8. Restriction on Use of the Property to Satisfy Conservation and Open Space Requirements for Development or Use of Other Real Property. Except as is otherwise provided herein, if at any time Grantee applies to a federal, state, or local governmental authority to make use of any other real property including, but not limited to, real property that is contiguous to any of the Property burdened by this Easement Reservation, which proposed use is conditioned by such government authority on the existence of a specified quantity of open space or other restrictions on development, then the Property shall not be used to contribute toward the satisfaction of any such open space requirement. This restriction shall not apply if the

proposed use of the other real property is an agricultural or open space use, as defined in Section 2 of this Easement Reservation.

9. Farm Management Plan. Grantee and Grantee's heirs, successors, and assigns, shall maintain the Property and conduct all agricultural operations on the Property in a manner consistent with a Farm Management Plan, as those terms are defined in Section 2 of this Easement Reservation.
 - A. Grantee's Farm Management plan shall be prepared in consultation with King Conservation District, meet the standards established in Administrative Rule PUT 8-21, or its successor and meet the approval standards of other agency or agencies as designated by the King County. The Farm Management Plan shall be developed using the standards and specifications of the NRCS Field Office Technical Guide and 7 CFR part 12 that are in effect on the date of this conveyance. Notwithstanding the previous sentence, Grantee may develop and implement a management plan that proposes a higher level of conservation and is consistent with the NRCS Field Office Technical Guide standards and specifications. Grantor shall have the right to enter upon the Property, with advance notice to Grantee, to monitor compliance with the Farm Management Plan.
 - B. If Grantee fails to comply with the Farm Management Plan, Grantor shall work with Grantee to explore methods of compliance and provide Grantee a reasonable amount of time, not to exceed twelve (12) months, to take corrective action. If Grantee fails to bring the Property into compliance within twelve (12) months, but has demonstrated a good faith effort to do so and is making measurable progress, Grantor may provide an extension to the corrective action timeline. Grantor may take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the Farm Management Plan.
10. Subsequent Liens. No provisions of this Easement Reservation shall be construed as impairing the ability of Grantee to use the Property as collateral for a loan, provided that any mortgage or lien associated with the loan is subject to or subordinated to this Easement Reservation.
11. Responsibilities of Grantor and Grantee Not Affected. Except as explicitly specified in this Easement Reservation, this Easement Reservation is not intended to impose any legal or other responsibility on Grantor or in any way affect any existing obligations of Grantee.
12. No Public Rights Conveyed by Easement Reservation. The Parties acknowledge that, except as specifically provided herein, this Easement Reservation does not grant, expand, or extend any rights to the general public, including, without limitation, any rights of public access to, on, or across, the Property.
13. Remedies. Grantee acknowledges and agrees that Grantor has the right to enforce the terms of this Easement Reservation, including to prevent and correct or require correction of violations of the terms, conditions, restrictions, and covenants of this Easement Reservation.

- A. Grantor shall have the right to prevent, or cause Grantee to prevent, any use of, or activity on, the Property that is inconsistent with the purpose and terms of this Easement Reservation, including trespasses by members of the public, and shall have the right to undertake or cause to be undertaken the restoration of such areas or features of the Property that are materially damaged by activities contrary to the provisions of this Easement Reservation. After giving reasonable notice to Grantee or Grantee's heirs, successors, or assigns, Grantor or its authorized representative shall have the right to enter from time to time onto the Property and into structures located thereon for the sole purposes of inspection and enforcement of the terms, conditions, restrictions, and covenants imposed by this Easement Reservation. Grantor shall have the right to enter upon the Property, at a mutually agreeable date and time and upon prior reasonable notice to Grantee, to inspect the Property after major natural events occur, such as fires, windstorms, and floods. Grantor will exercise its access rights in compliance with applicable laws and in a manner that will not materially disturb or interfere with Grantee's reserved rights, any other person's lawful use of the Property, or Grantee's quiet enjoyment of the Property.
- B. If Grantor becomes aware of or finds a violation of this Easement Reservation, Grantor may, at its discretion, take all appropriate legal action in law or equity, or pursue administrative remedies under the King County Code. Upon discovery of a violation, Grantor shall notify Grantee in writing of the violation. Except when an ongoing or imminent violation could, as determined by Grantor, seriously impair the Conservation Values of the Property, King County shall give Grantee written notice of the violation and a minimum of thirty (30) days to correct it before filing any legal action, including any administrative activity under the King County Code.
- C. If Grantee fails to cure the violation within the time period prescribed by this Section 13, King County may (i) seek enforcement under the provisions of the King County Code, (ii) bring an action in court to enforce the terms of this Easement Reservation, to enjoin the violation, and to require restoration of the Property to the condition that existed prior to any such injury, or (iii) pursue the remedies described in both (i) and (ii). Grantee agrees that Grantor's remedies at law for any violation of the terms of this Easement Reservation are inadequate and that Grantor shall be entitled to the injunctive relief described in this Section (both prohibitive and mandatory), in addition to such other relief to which Grantor may be entitled, including specific performance of the terms of this Easement Reservation, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. All such actions for injunctive relief may be taken without Grantor being required to post bond or provide other security. If a court of competent jurisdiction finds that a violation has occurred, Grantee shall reimburse Grantor for all related expenses incurred in halting and correcting the violation, including, but not limited to, actual costs of restoration, court costs, and reasonable attorneys' fees. Because the actual impairment of, or damage to, the Conservation Values resulting from Grantee's breach of this Easement Reservation would be impractical or extremely difficult to measure, the Parties agree that the money damages Grantor is entitled to recover from

Grantee shall be, at Grantor's election, the higher of (i) the amount of economic gain realized by Grantee from violating the terms of this Easement Reservation, or (ii) the cost of restoring any Conservation Values or Open Space Values that have been damaged by such violation. If Grantor selects the second of these two measures, Grantee agrees to allow Grantor and Grantor's agents and contractors to enter upon the Property to conduct restoration activities.

14. Enforcement. Enforcement of the terms of this Easement Reservation shall be at the discretion of Grantor. Any forbearance by Grantor to exercise its rights under this Easement Reservation in the event of Grantee's breach of any terms of this Easement Reservation shall not be deemed or construed to be a waiver by Grantor of such term, or of any of Grantor's rights under this Easement Reservation. No delay or omission by Grantor in the exercise of any right or remedy upon any breach by Grantee shall impair such right or remedy, or be construed as a waiver. Any failure by Grantor to discover a violation of this Easement Reservation, or any forbearance by Grantor in exercising its rights under this Easement Reservation in the event of Grantee's breach, shall not be deemed a waiver by Grantor of such rights with respect to any subsequent violation. No waiver or waivers by Grantor, or Grantor's successors or assigns, of any breach of a term, condition, restriction, or covenant contained herein, shall be deemed a waiver of any subsequent breach of such term, condition, restriction, or covenant, or of any other term, condition, restriction, or covenant contained herein.
15. No Alteration or Amendment. The terms, conditions, restrictions, and covenants contained in this Easement Reservation shall not be altered or amended unless such alteration or amendment is made in writing by Grantor and Grantee. Any such alteration or amendment shall be consistent with the purposes of King County Ordinance No. 4341, codified in Section 26.04 of the King County Code, as heretofore or hereafter amended. Any amendment to this Easement Reservation shall be recorded in the official records of King County, Washington.
16. Restrictions Binding on Successors and Third Parties. The Parties agree that the terms, conditions, restrictions, and covenants contained herein shall be binding upon Grantee, their agents, personal representatives, heirs, assigns, and all other successors in interest to the Property and possessors of the Property, and shall be permanent terms, conditions, restrictions, covenants, servitudes, and easements running with and perpetually binding the Property. Any interests in the Property held or obtained by third parties shall be subordinate to the terms of this Easement Reservation.
17. Notice. Certain provisions of this Easement Reservation require Grantee to give notice to Grantor prior to undertaking certain uses and activities to provide Grantor with an opportunity to adequately ensure that the proposed use or activity is designed and implemented in a manner that is consistent with the purpose of this Easement Reservation. Whenever such notice is required, and no alternate timeline for notice is provided herein, Grantee shall provide such notice in writing not less than ninety (90) days prior to the date Grantee intends to undertake the use or activity in question. The notice shall describe the proposed use or activity in sufficient detail to allow Grantor to make an informed judgment as to its consistency with the terms of the Easement Reservation. Grantor agrees to provide a written response to the notice in a timely manner.

18. Consent Not Unreasonably Withheld. Whenever this Easement Reservation requires a Party's consent, such consent may be withheld only upon a reasonable determination by that Party that the action as proposed would be inconsistent with the purpose or terms of this Easement Reservation, and such action cannot be modified to make the proposed action consistent with the purpose and terms of this Easement Reservation. A Party's consent may include reasonable conditions that must be satisfied in undertaking the proposed action, use, or activity to be consistent with the purpose and terms of this Easement Reservation.

19. Addresses for Notices. Any notice, demand, request, consent, concurrence, approval, or communication that either Party desires or is required to give to the other shall be in writing either served personally or sent by registered mail or overnight courier with proof of delivery, addressed as follows:

To Grantee: Kenny Bosik and Jessica Mavin
 47302 252nd Ave SE
 Enumclaw, WA 98022

To King County: King County Water and Land Resources Division
 201 South Jackson Street, Suite 6300
 Seattle, WA 98104-3855

20. No Merger. If at any time Grantor re-acquires the underlying fee title in the Property, its interest granted by this Easement Reservation will not merge with fee title but will continue to exist and be managed as a separate estate.

21. Valuation. This Easement Reservation constitutes a real property interest vested in Grantor. For purposes of this Section 22, the Parties stipulate that these Development Rights have a fair market value determined by multiplying (i) the then fair market value of the Property unencumbered by the Easement Reservation (minus any increase in value attributable to improvements on the Property), at the time of termination or extinguishment, as determined by an appraisal that meets standard real property appraisal methods by (ii) the ratio of the value of the Easement Reservation at the time of this grant to the value of the Property, unencumbered by the Easement Reservation, at the time of this grant.

22. No Affirmative Obligations; Indemnification. Grantor, in retaining this Easement Reservation and related interests described herein, assumes no affirmative obligations whatsoever for the management, supervision, or control of the Property or of any activities occurring on the Property. Grantee shall indemnify King County and hold King County harmless from all damages, costs (including, but not limited to, attorneys' fees and other costs of defense incurred by King County), and other expenses of every kind arising from or incident to any claim or action for damages, injury, or loss suffered or alleged to have been suffered on or with respect to the Property. Nothing in this Easement Reservation shall be construed as giving rise, in the absence of a judicial decree, to any right or ability in Grantor to exercise physical or managerial control over the day-to-day operations of the Property, or

any of Grantee's activities on the Property, or otherwise to become an operator with respect to the Property within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"). This provision shall be binding upon Grantee for so long as they hold fee title to the Property, and shall bind their successors in interest to the fee title to the Property.

23. Environmental Liability

Grantee shall release, defend, indemnify, and hold harmless King County, from and against all litigation, claims, demands, penalties, and damages, including reasonable attorneys' fees, arising from or connected with the release or threatened release of any Hazardous Materials on, at, beneath, or from the Property, or arising from or connected with a violation of any Environmental Laws, by Grantee. Grantee's indemnification obligation shall not be affected by any authorizations provided by Grantor to Grantee with respect to the Property or any restoration activities carried out by Grantor on the Property; provided, however, that Grantor shall be responsible for any Hazardous Materials contributed by King County after the date of this conveyance.

- A. "Environmental Law" or "Environmental Laws" means any and all Federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, guidelines, policies, or requirements of any governmental authority regulating or imposing standards of liability or standards of conduct (including common law) concerning air, water, solid waste, hazardous materials, worker and community right-to-know, hazard communication, noise, radioactive material, resource protection, subdivision, inland wetlands and watercourses, health protection, and similar environmental health, safety, building, and land use as may now or at any time hereafter be in effect. For purposes of this Section 23, "Hazardous Materials" has the same meaning as given in Section 7(E) of this Easement Reservation.
- B. Remediation. If, at any time, there occurs, or has occurred, a release in, on, or about the Property, of a hazardous substance, Grantee agrees to take or compel responsible third parties to take all steps required under applicable law and necessary to ensure its containment and remediation, including any cleanup that may be required, unless the release was caused by Grantor, in which case Grantor shall be responsible for such remediation to the extent the release was caused by Grantor. At its discretion, Grantor may assist Grantee in compelling third parties to contain and remediate any such release. Notwithstanding any provision of this Section 23 to the contrary, Grantee's use of institutional controls with respect to any release of a Hazardous Material or violation of any Environmental Law shall not be allowed without the consent of Grantor.
24. Rules of Construction. This Easement Reservation shall be governed by and construed in accordance with the laws of the State of Washington, without giving effect to its conflicts of law rules or choice of law provisions. Any ambiguities in this Easement Reservation and questions as to the validity or interpretation of any of its specific provisions shall be resolved in favor of Grantor to preserve the agricultural and open space uses of the Property, and to maintain the goals and objectives expressed in King County Ordinance No. 4341.

25. Severability. If any section or provision of this Easement Reservation is held by any court of competent jurisdiction to be unenforceable, this Easement Reservation shall be construed as though such section or provision had not been included in it, and the remainder of this Easement Reservation shall be enforced as the expression of the Parties' intentions. If any section or provision of this Easement Reservation is found to be subject to two constructions, one of which would render such section or provision invalid, and one of which would render such section or provision valid, then the latter construction shall prevail. If any section or provision of this Easement Reservation is determined to be ambiguous or unclear, it shall be interpreted in accordance with the policies and provisions expressed in Ordinance No. 4341. If any material provision of this Easement Reservation, or the application thereof, to any person or circumstance, is found to be invalid or unenforceable by any court of competent jurisdiction or is superseded by state or federal legislation, rules, regulations, or decisions, so that the intent of these provisions is frustrated, the Parties agree to immediately negotiate a replacement provision to fulfill the intent of the superseded provisions consistent with the purpose of this Easement Reservation and applicable law.

26. Entire Agreement. This Easement Reservation sets forth the entire agreement of the Parties and supersedes all prior discussions, negotiations, understandings, or agreements. No alteration or variation of this Easement Reservation shall be valid or binding unless contained in an amendment that complies with this Easement Reservation.

GRANTOR: KING COUNTY

GRANTEE: KENNY BOSIK

By: _____

By: _____

Name: Lisa K Pearson

Name: _____

Title: Director,
Facilities Management Division

Date: _____

Date: _____

APPROVED AS TO FORM:

GRANTEE: JESSICA MAVIN

By: _____

By: _____

Senior Deputy Prosecuting Attorney

Name: _____

Date: _____

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this _____ day of _____, 2026, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared LISA K PEARSON, to me known to be the Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that he was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Signature

Name

Notary Public in and for the
State of Washington, residing
at _____
City and State

My appointment expires _____

NOTARY BLOCK FOR KENNY BOSIK

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this _____ day of _____, 2026, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Signature

Name

Notary Public in and for the
State of Washington, residing
at _____
City and State

My appointment expires _____

NOTARY BLOCK FOR JESSICA MAVIN

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this _____ day of _____, 2026, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Signature

Name

Notary Public in and for the
State of Washington, residing
at _____
City and State

My appointment expires _____

EXHIBIT A

LEGAL DESCRIPTION

The Northwest quarter of the Northeast quarter of Section 36, Township 20 North, Range 6 East, Willamette Meridian, in King County, Washington;

EXCEPT any portion thereof lying within the right of way for 268th Avenue Southeast; and

EXCEPT that portion thereof, if any, lying within the Drainage District No. 6 right of way.

TAX PARCEL NUMBER: 362006-9002

EXHIBIT B

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT C

SITE PLAN



July 2, 2026
Add Attachment B

[B. Paribello]

Sponsor: Dembowski

Proposed No.: 2026-0108

1 **AMENDMENT TO PROPOSED ORDINANCE 2026-0108, VERSION 1**

2 On page 2, line 12, after “in the form of” strike “Attachment A” and insert “Attachments
3 A and B”

4

5 Insert Attachment B. Second Amendment to Real Estate Purchase and Sale Agreement

6

7 ***EFFECT prepared by B. Paribello: The amendment would add attachment B. Second***
8 ***Amendment to Real Estate Purchase and Sale Agreement extending the Council***
9 ***Approval Period to August 17, 2026.***

**SECOND AMENDMENT TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

This Second Amendment to Real Estate Purchase & Sale Agreement (the “Second Amendment”) is made and entered by and between, **KING COUNTY**, a home rule charter county and political subdivision of the State of Washington (the “Seller”), and **KENNY BOSIK AND JESSICA MAVIN** (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Second Amendment shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller and Buyer are Parties to that certain Real Estate Purchase and Sale Agreement (the “PSA”) with an Effective Date of December 19, 2025, for property commonly known as King County tax assessor’s parcel no. 362006-9002 on 46502 268th Avenue SE, King County, State of Washington.

B. On February 12, 2026 the Parties subsequently amended the PSA with that certain First Amendment to Real Estate Purchase and Sale Agreement (the “First Amendment” and together with the PSA, herein the “Agreement”).

C. The Parties desire to further amend the Agreement to extend the Council Approval Period and otherwise modify the Agreement pursuant to the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to amend the PSA as follows:

1. The Agreement is hereby amended by striking the second and third sentences of **Section 5.4. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY**, and replacing them with the following sentence:

The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within two hundred forty (240) days of the Effective Date (“Council Approval Period”).

2. Unless otherwise modified herein, all other terms and conditions of the Agreement remain in full force and effect as if fully set forth herein. All capitalized terms used herein and not otherwise defined shall remain as set forth in the Agreement.

3. This Second Amendment may be executed in one or more counterparts, each of which shall be deemed original, and all of which together shall constitute one and the same instrument. The signatures to this Second Amendment may be executed on separate pages and when attached to this Second Amendment shall constitute one complete document. For purposes of this Second Amendment, a signature by facsimile or electronic signature on a portable document format (PDF) or other electronic counterpart shall be fully binding as though it was an original signature.

EXECUTED on the dates set forth below.

SELLER: KING COUNTY

BUYER: KENNY BOSIK

Signed by:
By: *Lisa K. Pearson*
C49A61EB98E1418...

AuthentiSIGN
By: *Kenny Bosik* 06/12/2026 *Jessica Mavin*
AuthentiSIGN

Name: Lisa K. Pearson
Title: Director,
Facilities Management Division

Name: Kenny Bosik Jessica Mavin

Date: 06/12/2026 06/12/2026

Date: 6/11/2026

APPROVED AS TO FORM:

Signed by:
By: *Raam Wong*
V78BA571BB3870479...

Raam Wong
Senior Deputy Prosecuting Attorney

 **King County | Office of the Executive**

Executive Girmay Zahilay

Chinook Building, CNK-EX-0800
401 Fifth Avenue, Suite 800
Seattle, WA 98104-2391

April 29, 2026

The Honorable Sarah Perry
Chair, King County Council
Room 1200
COURTHOUSE

Dear Councilmember Perry:

This letter transmits a proposed Ordinance that, if enacted, will enable King County to sell surplus parcel, 362006-9002, commonly known as Mt. Peak North, located at 46502 268th Avenue SE, King County, Washington, to Kenny Bosik and Jessica Mavin in support of the provision of King County operations and services.

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Thank you for your consideration of this proposed Ordinance.

If your staff have any questions, contact Lisa Pearson, Director, Facilities Management Division at 206-263-9238.

Sincerely,



for

Girmay Zahilay
King County Executive

The Honorable Sarah Perry

April 29, 2026

Page 2

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council

Melani Hay, Clerk of the Council

Karan Gill, Deputy King County Executive, Office of the Executive

Jasmin Weaver, Chief of Staff, Office of the Executive

Hyeok Kim, Chief Operating Officer, Office of the Executive

Sierra Howlett Browne, Director of Government Relations, Office of the Executive

Garret Holbrook, Council Relations Manager, Office of the Executive

Lorraine Patterson-Harris, County Administrative Officer, Department of Executive

Services (DES)

Lisa Pearson, Director, Facilities Management Division (FMD), DES

Julie Ockerman, Manager, Real Estate Services, FMD, DES

KING COUNTY FISCAL NOTE - Property Leases and Sales

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:		Title: Mt. Peak North Surplus Sale - parcel no. 362006-9002		Transaction Duration: NA	
Affected Agency/Agencies: King County		Note Prepared By: Sandy Ou / Amanda Tran		Fair Market Value: \$ 600,000	
Note Reviewed By: Helene Ellickson		Date Prepared: 1/20/2026		Legal Transaction Type: Sale	
Description of Request: Mt Peak North Surplus Sale		Date Reviewed: 4/3/2026		Fiscal Transaction Type: Stand Alone	

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
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Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is estimated to be as indicated below:

Revenue to: ^{2,3,5}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2026	2026 / 2027	2028 / 2029	2030 / 2031	Sum of Outyear Impacts ²
DNRP Parks Division	640210	DNRP	1451	1141854	Sales Price	\$ -	\$ 600,000	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 600,000	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2026	2026 / 2027	2028 / 2029	2030 / 2031	Sum of Outyear Impacts ²
Real Estate Services Labor Costs					RES Labor Cost	\$ -	\$ 24,289	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 24,289	\$ -	\$ -	\$ -
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 24,289	\$ -	\$ -	\$ -

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the budget appropriation of King County is estimated to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2026 / 2027 Appropriation Change
					0	\$ -
						\$ -
						\$ -
TOTAL						\$ -

Total 6-Year CIP Outyear Planning Level Costs	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because the property is surplus to the needs of King County.

1. If the expenditure impact equals or exceeds five percent of the fund expenditures, a copy of the most recent applicable appropriation unit financial plan is attached to this transmittal.
2. The sum of outyear impacts is provided for capital projects and agreements. This sum for revenue and expenditures includes all revenues/expenditures for the duration of the lease/other agreement or life of the capital investment.
3. This transaction does not require the use of fund balance or reallocated grant funding.
4. The transaction is backed by new revenue. The new revenue does not include grant revenue. The new revenue has not been received. The new revenue will be received by ...
5. A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
 - The sales price for this property will be \$600,000.00.
 -
 -
 -



Metropolitan King County Council Staff Report

Committee:	Budget and Fiscal Management Committee		
Agenda Item:	7	Analyst(s):	Nick Bowman
Proposed No.:	2026-0069	Meeting Date:	July 8, 2026

OVERVIEW

TOPIC: An Ordinance relating to the sale of County owned property to the City of Kent.

LEGISLATION SUMMARY

Proposed Ordinance 2026-0069 would approve the sale of a 179,467 square feet of county owned property located in the City of Kent, in Council District 5, for \$114,350. According to the Executive, the property was purchased by the Road Services Division in 1997 under an interlocal agreement wherein the City of Kent would reimburse the County for half of the acquisition costs and that the property would be transferred to the City for exclusive use as park and open space. However, the City of Kent did not reimburse the County, and the property was never conveyed to the City.

Sale of the property for the original 1997 property values would satisfy the obligations of the original interlocal agreement, will provide one-time revenues to the Roads Fund and relieve the County of assessments totaling \$20.42 per year.

KEY ISSUES FROM THE ANALYSIS

- A. Sale Price Based on 1997 Property Appraisal.** The City of Kent and King County have agreed to use the 1997 property values as the basis for the purchase price as intended under the original 1996 interlocal agreement and as agreed to by the Washington Interagency Committee for Outdoor Recreation (IAC).
- B. Incomplete Transmittal.** The transmitted Purchase and Sale Agreement (PSA), which is attachment A to the proposed ordinance, did not include several key components necessary to effectuate the sale. Amendment 1 would replace the incomplete PSA with a new PSA which includes all necessary components.

AMENDMENTS

- **Amendment 1** would delete the transmitted Attachment A, the Purchase and Sale Agreement, and replace it with a new Attachment A, a complete Purchase and Sale

Agreement dated June 10, 2026, that includes the signed 1st amendment extending the Council contingency period to July 24, 2026, and the restrictive covenant requiring the property to be used for parks and open space.

BACKGROUND & TIMING CONSIDERATIONS

[↑ BACK TO TOP](#)

Background. In August 1990, the Washington Interagency Committee for Outdoor Recreation (IAC) awarded the County a \$1 million dollar grant to purchase Clark Lake Park. As part of the grant, the IAC required that Clark Lake Park be used “forever for outdoor recreation purposes.” The City of Kent expanded its boundary to include Clark Lake Park in January 1996.

In May 1996, the King County Roads Services Division (Roads) and the City of Kent entered an interlocal agreement to widen S.E. 240th Street, a major arterial road that runs along the northern boundary line of Clark Lake Park.¹ Under the terms of the agreement the County would acquire the property required to widen the street, and that the City of Kent would “pay the County one-half of the costs” for the property acquisition.

As part of the road widening project, the City and the County needed to convert a small section of Clark Lake Park into a storm water drainage pond. The City and the County jointly requested that the IAC approve the conversion in exchange for the City of Kent and King County acquiring parcel 212205-9183 as a replacement for the converted park land. The IAC approved the County and City of Kent’s request with the stipulation that the replacement parcel serve as “park land for public use.”² The County purchased the property in May 1997 for \$269,280 with the condition that it “remain in use” as a “City park and open space.”

The City of Kent did not reimburse the County for its share of the acquisition costs, and the County did not convey the parcel to the City as originally agreed to.

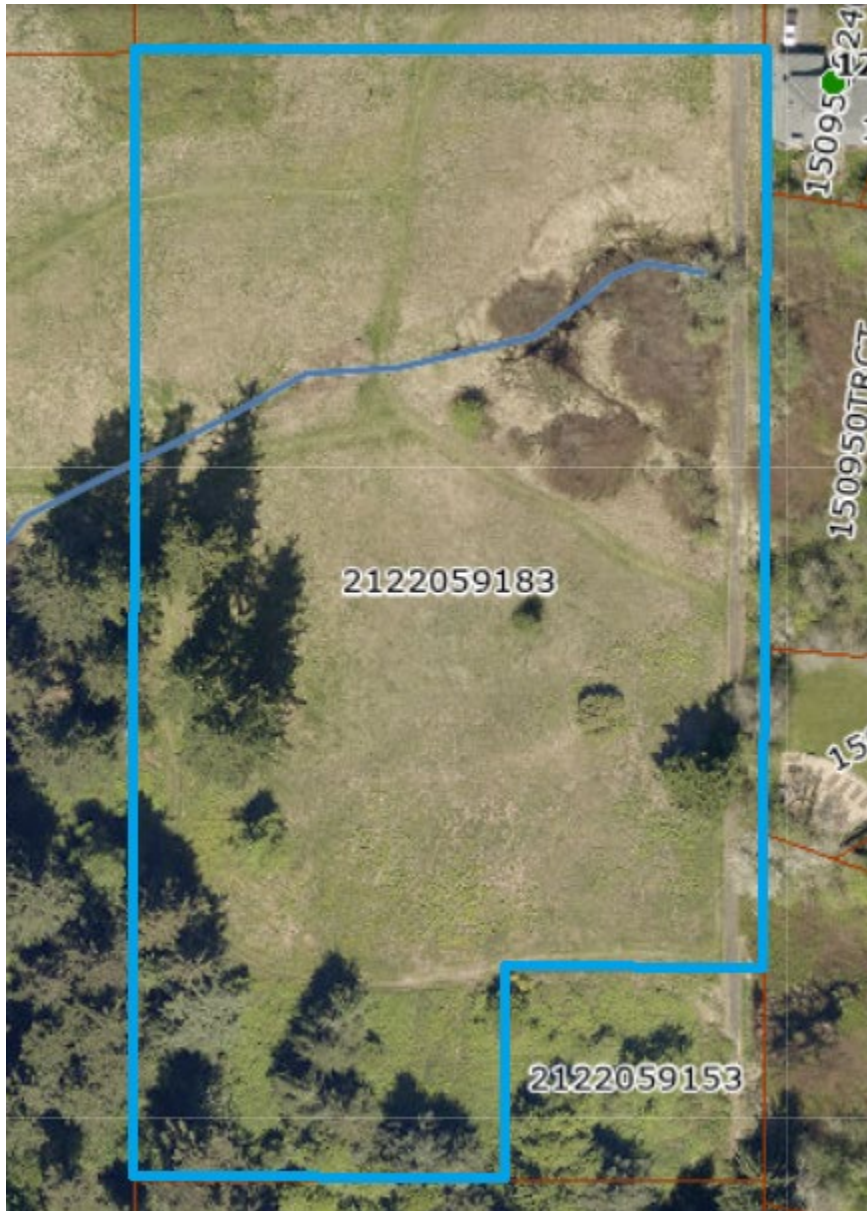
Maps of the proposed property are included below.

¹ See Attachment 5

² See Attachment 6



The parcel proposed for sale is highlighted in blue.



Timing Considerations. Under the Purchase and Sale Agreement, the proposed ordinance must be effective by July 24, 2026. To meet this deadline, the Budget and Fiscal Management Committee would need to approve the proposed ordinance at the July 8th committee meeting and expedite the proposed ordinance to the Full Council for approval on July 14th. The Full Council would then need to approve the ordinance on July 14th for ordinance to become effective by the July 24th deadline.³

³ Under King County Charter Section 270.30, ordinances become effective 10 days after enactment.

Intergovernmental Property Sale. King County Code 4.56.140 allows for the County to dispose of real property to another governmental agency by negotiation, upon such terms as may be agreed upon and for such consideration as may be deemed by the County to be adequate.

According to the Executive, the sale of the property to the City of Kent for the original 1997 property values would satisfy the obligations of the 1996 interlocal agreement, will provide one-time revenues to the Roads Fund, and relieve the County of assessments totaling \$20.42 per year.

Key Issue A. Proposed Sale Price Based on 1997 Property Appraisal. According to the Executive, the County and the City of Kent have agreed to use the 1997 property values of the converted and replacement parcels to determine the purchase price because that is what was originally intended under the 1996 interlocal agreement and what the IAC approved.

The agreed upon purchase price of \$114,350 was reached by deducting the appraised value of the converted parcel (\$40,580) from the purchase price of the replacement parcel (\$269,280) and dividing it in half.

Key Issue B. Incomplete Transmittal. The transmitted Purchase and Sales Agreement (attachment A to the proposed ordinance) did not include a signed amendment to the Purchase and Sale Agreement (PSA), the effect of which extends the Council contingency period until July 24, 2026. Without this amendment to the PSA, the Council contingency period included in the underlying PSA would have already lapsed. The amendment to the PSA also includes a restrictive covenant intended to ensure the property must always be used as a city park and open space as originally required by the IAC.

AMENDMENTS

The following amendments are publicly available as of July 2, 2026, and attached to this staff report. Additional amendments may be released prior to the committee meeting.

Amendment	Sponsor	Effect Statement
1	Fain	Amendment 1 would delete the transmitted Attachment A, the Purchase and Sale Agreement, and replace it with a new Attachment A, a complete Purchase and Sale Agreement dated June 10, 2026, that includes the signed 1 st amendment extending the Council contingency period

Amendment	Sponsor	Effect Statement
		to July 24, 2026 and the restrictive covenant requiring the property to be used for parks and open space.

INVITED

- Amanda Tran, Real Property Agent, Facilities Management Division

ATTACHMENTS

1. Proposed Ordinance 2026-0069 (and its attachment)
2. Amendment 1
3. Transmittal Letter
4. Fiscal Note
5. 1996 King County and City of Kent Interlocal Agreement
6. IAC Approval of Clark Lake Park Conversion



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2026-0069.1

Sponsors Fain

1 AN ORDINANCE relating to the sale of the property
2 parcel 212205-9183 located in Kent, Washington, in
3 council district five.

4 **STATEMENT OF FACTS:**

5 For the property parcel 212205-9183 located in Kent, Washington, within
6 council district five.

7 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

8 **SECTION 1. Findings:** The sale of the Clark lake property parcel 212205-9183
9 through a negotiated direct sale is authorized under K.C.C. 4.56.140 as an
10 intergovernmental sale of real property. The sale satisfies an interlocal agreement
11 between with the city of Kent and is approved by the Washington interagency committee
12 for outdoor recreation.

13 **SECTION 2.** The executive is authorized to convey the Clark lake property
14 parcel 212205-9183 to the city of Kent consistent with a purchase and sale agreement

- 15 substantially in the form of Attachment A to this ordinance and to take all actions
- 16 necessary to implement the terms of the purchase and sale agreement.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Girmay Zahilay, County Executive

Attachments: A. Purchase and Sale Agreement

ATTACHMENT A:

PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered by and between KING COUNTY, a home-rule charter county and political subdivision of the State of Washington (the "Seller" or "County") and the CITY OF KENT, a municipal corporation of the State of Washington (the "Buyer" or "City"). Seller and Buyer are also referred to herein individually as a "Party" or collectively as "Parties." This Agreement shall be effective as of the date it has been executed by both Parties ("Effective Date").

RECITALS

A. Seller is the owner of that certain real property with the parcel number 212205-9183, King County, State of Washington, the legal description of which is attached hereto as EXHIBIT A (the "Real Property").

B. On May 22, 1997, Seller purchased the Real Property for \$269,280 with the condition that it remain in use as a City park and open space.

C. Seller acquired the Real Property to replace a small section of Clark Lake Park that was converted into a storm water drainage pond as part of a road widening project with Buyer.

D. Through an interlocal agreement dated May 9, 1996, the Parties agreed that Seller would acquire all property needed for the road widening project and that Buyer would reimburse Seller for one-half of the property acquisition costs.

E. Buyer's share of the acquisition costs of the Real Property was \$114,350, the amount reached by subtracting the appraised value of the converted portion of Clark Lake Park (\$40,580) from the purchase price (\$269,280) and dividing it in half.

F. Buyer did not reimburse Seller for its share of the Real Property acquisition costs. Nonetheless, the Real Property has been exclusively used as a park and open space since its purchase.

G. To effectuate the interlocal agreement, Seller desires to sell the Real Property and Buyer desires to purchase the Real Property. The Parties are entering into this Agreement pursuant to the authority granted in the King County Code (KCC) 4.56.140(A) and the Intergovernmental Disposition of Property Act, chapter 39.33 RCW.

AGREEMENT

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

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all of Seller's right, title, and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller's right, title, and interest in improvements and structures located on the Real Property, if any;

1.1.3. all of Seller's right, title, and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Real Property ("Personal Property");

1.1.4. all of Seller's easements and other rights that are appurtenant to the Real Property including but not limited to, Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real Property.

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

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of One Hundred Fourteen Thousand and Three Hundred Fifty Dollars (\$114,350) (the "Purchase Price").

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, if any, is *de minimis*.

2.3. DEPOSIT. Within two (2) business days after the Effective Date, Buyer shall deliver to Chicago Title Insurance Company (the "Escrow Agent"), in its capacity as the Parties' closing agent, immediately available cash funds in the amount of **Ten Thousand Dollars (\$10,000.00)** (the "Deposit"). The Deposit shall be invested by the Escrow Agent in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. Accrued interest will be added to and become part of the Deposit. Upon deposit with Escrow Agent, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND
CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, and (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Seller or any action taken by Seller.

3.1.4. FUTURE AGREEMENTS. From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

- (a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
- (b) sell, dispose of or encumber any portion of the Property.

3.1.5. FOREIGN PERSON. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986 ("Code"), as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT D**, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a municipal corporation of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it

is now being conducted in the place where such businesses are now conducted.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a municipal corporation of the State of Washington, and (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer's governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" if the answer to any of the questions in that section would be "yes." Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that any Seller Disclosure Statement delivered by Seller is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively "Condition of the Property"), including, without limitation:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;

(d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;

(e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;

(f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence or condition of utilities serving the Property;

(g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term "Hazardous Substance" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or

(h) Any other matter with respect to the Property.

3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller's disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 5.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to

the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer acknowledges and agrees that it will thereby approve and accept the Condition of the Property and accordingly agree to purchase the Property and accept the Condition of the Property "AS IS, WHERE IS" with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Buyer, and any person or entity claiming by or through Buyer, shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

3.3.4. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all Losses, liability, claim, agency order or requirement, damage and expense relating to or arising out of, directly or indirectly, the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration or escape of Hazardous Substances at, from, into or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations.

3.4. RISK OF LOSS. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by bargain and sale deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed general exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

4.2. TITLE COMMITMENT. Buyer shall within ten (10) days after the Effective Date obtain a preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") issued by Chicago Title Insurance Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

4.3. REVIEW OF TITLE COMMITMENT. Buyer shall have until twenty (20) days after the Effective Date (the "Review Period") in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment ("Buyer's Objections"). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within five (5) days after Seller receives Buyer's Objections of any exceptions to title which Seller will not remove or otherwise resolve ("Seller's Response"), and Buyer may, at Buyer's option, either proceed to Closing and thereby waive the Buyer's Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within five (5) days after receipt of Seller's Response. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have five (5) days to make Buyer's Objections to any new exception, Seller shall have five (5) days to provide Seller's Response, and the Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER'S TITLE INSURANCE POLICY. At the Closing, Buyer shall cause an owner's policy of title insurance to be issued by the Title Company in the full amount of the Purchase Price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation of Buyer to provide the title

policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this Section. If requested in writing by Seller, Buyer shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

**ARTICLE 5.
CONTINGENCIES**

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer’s contemplated use meets with its approval (“Due Diligence Contingency”). If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller within ninety (90) days of the Effective Date (“Due Diligence Period”). In such event this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency and the Deposit shall be nonrefundable to Buyer except in the event of a default hereunder by Seller. Seller and Buyer may agree in writing to extend the Due Diligence Period.

5.1.1. INSPECTIONS. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller’s possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer’s proposed development of the property; and (e) determine whether Buyer’s proposed development of the property is economically feasible.

5.1.2. RIGHT OF ENTRY. Buyer and Buyer’s designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer’s designated representatives the right to enter the Property and conduct tests, investigations and studies set forth in this Article 5 upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller’s use of, or Seller’s operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller’s prior written approval. If invasive tests are performed by Buyer, Seller may elect to obtain split samples of any sampling that is obtained and reimburse the Buyer for the costs thereof. The Buyer will not be permitted to undertake activities that

damage the Property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer ("Claims") caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3 RIGHT OF ENTRY INSURANCE. Prior to the entry of Buyer or its contractors for invasive testing of the Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor's Pollution insurance in the amount of \$1,000,000 per claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller's performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council ("Council Approval Contingency"). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within one hundred eighty (180) days of the Effective Date ("Council Approval Period"). Seller may extend the Council Approval Period for up to an additional one hundred twenty (120) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

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

ARTICLE 7. COVENANTS OF BUYER PENDING CLOSING

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

ARTICLE 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

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

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, unless Seller's obligation to remove or resolve has been waived by Buyer.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

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

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

9.3. TITLE. The Title Company shall be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Seattle, Washington.

10.2. PRORATIONS. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for the deed and its own attorneys' fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A bargain and sale deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

10.3.2. A bill of sale and assignment duly executed by the Seller in substantially the form of **EXHIBIT C**, attached hereto for the Personal Property, if any;

10.3.3. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT D**, attached hereto.

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price, less the Deposit made under Section 2.3. of this Agreement.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages. Buyer expressly agrees that the retention of the Deposit by Seller represents a reasonable estimation of the damages in the event of Buyer's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty. Buyer and Seller acknowledge and agree that these damages have been specifically negotiated and are to compensate Seller for taking the Property off the market and for its costs and expenses associated with this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer's sole and exclusive remedy shall be to terminate this Agreement and receive a refund of the Deposit.

11.2.3. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein. Notwithstanding the foregoing, a Party may provide notice electronically via the email addresses listed below with delivery confirmation or read receipt (or both). A Party disputing delivery or receipt of electronic notice shall bear the burden of proving that the notice was not delivered or received or both.

If to Buyer: City of Kent
220 4th AVE S

KENT WA 98032
ATTN: Parks Planning
Bhiggins@kentwa.gov

If to Seller: King County Real Estate Services, FMD
401 Fifth Avenue, Suite 930
Seattle, WA 98104
Attn: Amanda Tran
atran@kingcounty.gov

With a copy to: King County Prosecuting Attorney's Office
Civil Division
701 5th Avenue
Seattle, WA 98104
Attn: Kristin Relyea
kristin.relyea@kingcounty.gov

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. Any and all claims relating to this Agreement and all amendments hereto shall be governed by the substantive and procedural laws of the State of Washington without giving effect to its conflicts of law rules or choice of law provisions. The sole and exclusive venue for any action arising out of this Agreement shall be in the Superior Court of King County, Washington, and the parties hereby agree to the personal jurisdiction of such court.

11.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties, and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. SELLER'S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Amanda Tran, who is an employee of King County, and is a Real Property Agent of the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Amanda Tran has made no inquiries or investigations with respect to Seller's representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

11.17. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 3.3.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

11.18. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing

the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

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

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the last date set forth below.

SELLER: KING COUNTY

DocuSigned by:
By: Drew Zimmerman
W. Drew Zimmerman
Acting Director, Facilities Management Division

Date: 7/29/2025

BUYER: THE CITY OF KENT

By: Dana Ralph
Name: Dana Ralph
Title: Mayor

Date: 7/10/25

APPROVED AS

Signed by:
By: Kristin Relyea
Kristin A. Relyea
Senior Deputy Prosecuting Attorney

EXHIBIT A.
LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:
King County Real Estate Services, FMD
401 Fifth Avenue, Suite 930
Seattle, WA 98104
ATTN: Amanda Tran

BARGAIN AND SALE DEED

Grantor -- King County, Washington
Grantee -- The City of Kent, Washington
Legal ---- PORTION LOT 2 KC SP NO. 674032 REC NO. 7708030801
Tax Acct. - 212205-9183

The Grantor, KING COUNTY, a home-rule charter county and a political subdivision of the State of Washington, for and in consideration of mutual benefits, pursuant to King County Ordinance No. _____, does hereby bargain, sell and convey unto the Grantee, the City of Kent, a municipal corporation of the State of Washington, the following real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

GRANTOR
KING COUNTY

BY: _____
W. Drew Zimmerman
Acting Director, Facilities Management Division

DATE: _____

Approved as to Form:

By _____
Kristin A. Relyea
Senior Deputy Prosecuting Attorney

GRANTEE
THE CITY OF KENT

BY: Dana Ralph
NAME: Dana Ralph
TITLE: Mayor

DATE: 7/16/25

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared W. DREW ZIMMERMAN, to me known to be the Acting Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that HE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing
at _____
City and State
My appointment expires _____

NOTARY BLOCK FOR THE CITY OF KENT

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this 16th day of July, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dana Ralph, to me known to be the Mayor, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the City of Kent for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing
at Kent, Washington
City and State
My appointment expires 06/08/26



Kimberley A. Komoto

EXHIBIT A
TO BARGAIN AND SALE DEED

LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT C.

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this ____ day of _____, 2025, by KING COUNTY, a home-rule charter county and a political subdivision of the State of Washington (“Seller”), in favor of the CITY OF KENT, a municipal corporation of the State of Washington (“Buyer”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Exhibit A.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

By: _____
W. Drew Zimmerman
Acting Director, Facilities Management Division

EXHIBIT A
TO BILL OF SALE

LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

EXHIBIT D.

**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, 401 Fifth Avenue, Suite 930, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Dated this ___ day of _____, 2025.

King County, Transferor:

By: _____
W. Drew Zimmerman
Acting Director, Facilities Management Division

June 24, 2026
Revised ATT A

[N. Bowman]

Sponsor: Fain

Proposed No.: 2026-0069

1 **AMENDMENT TO PROPOSED ORDINANCE 2026-0026, VERSION 1**

2 Strike Attachment A, Purchase and Sale Agreement, and insert Attachment A, Purchase
3 and Sale Agreement version date June 10, 2026.

4 ***EFFECT prepared by Nick Bowman: Deletes the transmitted Attachment A, a***
5 ***Purchase and Sale Agreement and replaces it with a new Attachment A dated June 10,***
6 ***2026, a complete Purchase and Sale Agreement that includes the signed 1st amendment***
7 ***extending the Council contingency period in Section 5.2 to July 24, 2026 and the***
8 ***restrictive covenant ensuring the property is used for park and open space.***

ATTACHMENT A:

PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered by and between KING COUNTY, a home-rule charter county and political subdivision of the State of Washington (the “Seller” or “County”) and the CITY OF KENT, a municipal corporation of the State of Washington (the “Buyer” or “City”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller is the owner of that certain real property with the parcel number 212205-9183, King County, State of Washington, the legal description of which is attached hereto as EXHIBIT A (the “Real Property”).

B. On May 22, 1997, Seller purchased the Real Property for \$269,280 with the condition that it remain in use as a City park and open space.

C. Seller acquired the Real Property to replace a small section of Clark Lake Park that was converted into a storm water drainage pond as part of a road widening project with Buyer.

D. Through an interlocal agreement dated May 9, 1996, the Parties agreed that Seller would acquire all property needed for the road widening project and that Buyer would reimburse Seller for one-half of the property acquisition costs.

E. Buyer’s share of the acquisition costs of the Real Property was \$114,350, the amount reached by subtracting the appraised value of the converted portion of Clark Lake Park (\$40,580) from the purchase price (\$269,280) and dividing it in half.

F. Buyer did not reimburse Seller for its share of the Real Property acquisition costs. Nonetheless, the Real Property has been exclusively used as a park and open space since its purchase.

G. To effectuate the interlocal agreement, Seller desires to sell the Real Property and Buyer desires to purchase the Real Property. The Parties are entering into this Agreement pursuant to the authority granted in the King County Code (KCC) 4.56.140(A) and the Intergovernmental Disposition of Property Act, chapter 39.33 RCW.

AGREEMENT

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

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all of Seller's right, title, and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller's right, title, and interest in improvements and structures located on the Real Property, if any;

1.1.3. all of Seller's right, title, and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Real Property ("Personal Property");

1.1.4. all of Seller's easements and other rights that are appurtenant to the Real Property including but not limited to, Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real Property.

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

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of One Hundred Fourteen Thousand and Three Hundred Fifty Dollars (\$114,350) (the "Purchase Price").

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, if any, is *de minimis*.

2.3. DEPOSIT. Within two (2) business days after the Effective Date, Buyer shall deliver to Chicago Title Insurance Company (the "Escrow Agent"), in its capacity as the Parties' closing agent, immediately available cash funds in the amount of **Ten Thousand Dollars (\$10,000.00)** (the "Deposit"). The Deposit shall be invested by the Escrow Agent in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. Accrued interest will be added to and become part of the Deposit. Upon deposit with Escrow Agent, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND
CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, and (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Seller or any action taken by Seller.

3.1.4. FUTURE AGREEMENTS. From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

- (a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
- (b) sell, dispose of or encumber any portion of the Property.

3.1.5. FOREIGN PERSON. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986 ("Code"), as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in EXHIBIT D, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a municipal corporation of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it

is now being conducted in the place where such businesses are now conducted.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a municipal corporation of the State of Washington, and (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer's governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" if the answer to any of the questions in that section would be "yes." Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that any Seller Disclosure Statement delivered by Seller is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively "Condition of the Property"), including, without limitation:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;

(d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;

(e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;

(f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence or condition of utilities serving the Property;

(g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term "Hazardous Substance" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or

(h) Any other matter with respect to the Property.

3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller's disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 5.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to

the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer acknowledges and agrees that it will thereby approve and accept the Condition of the Property and accordingly agree to purchase the Property and accept the Condition of the Property "AS IS, WHERE IS" with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Buyer, and any person or entity claiming by or through Buyer, shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

3.3.4. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all Losses, liability, claim, agency order or requirement, damage and expense relating to or arising out of, directly or indirectly, the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration or escape of Hazardous Substances at, from, into or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations.

3.4. RISK OF LOSS. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by bargain and sale deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed general exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

4.2. TITLE COMMITMENT. Buyer shall within ten (10) days after the Effective Date obtain a preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") issued by Chicago Title Insurance Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

4.3. REVIEW OF TITLE COMMITMENT. Buyer shall have until twenty (20) days after the Effective Date (the "Review Period") in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment ("Buyer's Objections"). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within five (5) days after Seller receives Buyer's Objections of any exceptions to title which Seller will not remove or otherwise resolve ("Seller's Response"), and Buyer may, at Buyer's option, either proceed to Closing and thereby waive the Buyer's Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within five (5) days after receipt of Seller's Response. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have five (5) days to make Buyer's Objections to any new exception, Seller shall have five (5) days to provide Seller's Response, and the Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER'S TITLE INSURANCE POLICY. At the Closing, Buyer shall cause an owner's policy of title insurance to be issued by the Title Company in the full amount of the Purchase Price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation of Buyer to provide the title

policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this Section. If requested in writing by Seller, Buyer shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval ("Due Diligence Contingency"). If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller within ninety (90) days of the Effective Date ("Due Diligence Period"). In such event this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency and the Deposit shall be nonrefundable to Buyer except in the event of a default hereunder by Seller. Seller and Buyer may agree in writing to extend the Due Diligence Period.

5.1.1. INSPECTIONS. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller's possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the property; and (e) determine whether Buyer's proposed development of the property is economically feasible.

5.1.2. RIGHT OF ENTRY. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property and conduct tests, investigations and studies set forth in this Article 5 upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. If invasive tests are performed by Buyer, Seller may elect to obtain split samples of any sampling that is obtained and reimburse the Buyer for the costs thereof. The Buyer will not be permitted to undertake activities that

damage the Property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer (“Claims”) caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3 RIGHT OF ENTRY INSURANCE. Prior to the entry of Buyer or its contractors for invasive testing of the Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor’s Pollution insurance in the amount of \$1,000,000 per claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller’s performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council (“Council Approval Contingency”). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within one hundred eighty (180) days of the Effective Date (“Council Approval Period”). Seller may extend the Council Approval Period for up to an additional one hundred twenty (120) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

**ARTICLE 6.
COVENANTS OF SELLER PENDING CLOSING**

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

**ARTICLE 7.
COVENANTS OF BUYER PENDING CLOSING**

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

ARTICLE 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

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

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, unless Seller's obligation to remove or resolve has been waived by Buyer.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

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

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

9.3. TITLE. The Title Company shall be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Seattle, Washington.

10.2. PRORATIONS. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for the deed and its own attorneys' fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A bargain and sale deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

10.3.2. A bill of sale and assignment duly executed by the Seller in substantially the form of **EXHIBIT C**, attached hereto for the Personal Property, if any;

10.3.3. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT D**, attached hereto.

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price, less the Deposit made under Section 2.3. of this Agreement.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages. Buyer expressly agrees that the retention of the Deposit by Seller represents a reasonable estimation of the damages in the event of Buyer's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty. Buyer and Seller acknowledge and agree that these damages have been specifically negotiated and are to compensate Seller for taking the Property off the market and for its costs and expenses associated with this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer's sole and exclusive remedy shall be to terminate this Agreement and receive a refund of the Deposit.

11.2.3. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein. Notwithstanding the foregoing, a Party may provide notice electronically via the email addresses listed below with delivery confirmation or read receipt (or both). A Party disputing delivery or receipt of electronic notice shall bear the burden of proving that the notice was not delivered or received or both.

If to Buyer: City of Kent
220 4th AVE S

KENT WA 98032
ATTN: Parks Planning
Bhiggins@kentwa.gov

If to Seller: King County Real Estate Services, FMD
401 Fifth Avenue, Suite 930
Seattle, WA 98104
Attn: Amanda Tran
atran@kingcounty.gov

With a copy to: King County Prosecuting Attorney's Office
Civil Division
701 5th Avenue
Seattle, WA 98104
Attn: Kristin Relyea
kristin.relyea@kingcounty.gov

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. Any and all claims relating to this Agreement and all amendments hereto shall be governed by the substantive and procedural laws of the State of Washington without giving effect to its conflicts of law rules or choice of law provisions. The sole and exclusive venue for any action arising out of this Agreement shall be in the Superior Court of King County, Washington, and the parties hereby agree to the personal jurisdiction of such court.

11.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties, and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. SELLER'S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Amanda Tran, who is an employee of King County, and is a Real Property Agent of the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Amanda Tran has made no inquiries or investigations with respect to Seller's representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

11.17. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 3.3.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

11.18. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing

the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

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

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the last date set forth below.

SELLER: KING COUNTY

DocuSigned by:
By: Drew Zimmerman
W. Drew Zimmerman
Acting Director, Facilities Management Division

BUYER: THE CITY OF KENT

By: Dana Ralph
Name: Dana Ralph
Title: Mayor

Date: 7/29/2025

Date: 7/10/25

APPROVED AS

Signed by:
By: Kristin Relyea
Kristin A. Relyea
Senior Deputy Prosecuting Attorney

EXHIBIT A.

LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:
King County Real Estate Services, FMD
401 Fifth Avenue, Suite 930
Seattle, WA 98104
ATTN: Amanda Tran

BARGAIN AND SALE DEED

Grantor -- King County, Washington
Grantee -- The City of Kent, Washington
Legal ---- PORTION LOT 2 KC SP NO. 674032 REC NO. 7708030801
Tax Acct. - 212205-9183

The Grantor, KING COUNTY, a home-rule charter county and a political subdivision of the State of Washington, for and in consideration of mutual benefits, pursuant to King County Ordinance No. _____, does hereby bargain, sell and convey unto the Grantee, the City of Kent, a municipal corporation of the State of Washington, the following real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

GRANTOR
KING COUNTY

GRANTEE
THE CITY OF KENT

BY: _____
W. Drew Zimmerman
Acting Director, Facilities Management Division

BY: Dana Ralph
NAME: Dana Ralph
TITLE: Mayor

DATE: _____

DATE: 7/10/25

Approved as to Form:

By _____
Kristin A. Relyea
Senior Deputy Prosecuting Attorney

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared W. DREW ZIMMERMAN, to me known to be the Acting Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that HE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing
at _____
City and State
My appointment expires _____

NOTARY BLOCK FOR THE CITY OF KENT

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this 16th day of July, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dana Ralph, to me known to be the Mayor, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the City of Kent for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing
at Kent, Washington
City and State
My appointment expires 06/08/26



Kimberley A. Komoto

EXHIBIT A
TO BARGAIN AND SALE DEED

LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT C.

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this ____ day of _____, 2025, by KING COUNTY, a home-rule charter county and a political subdivision of the State of Washington (“Seller”), in favor of the CITY OF KENT, a municipal corporation of the State of Washington (“Buyer”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Exhibit A.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

By: _____
W. Drew Zimmerman
Acting Director, Facilities Management Division

EXHIBIT A
TO BILL OF SALE

LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

EXHIBIT D.

**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, 401 Fifth Avenue, Suite 930, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Dated this ___ day of _____, 2025.

King County, Transferor:

By: _____
W. Drew Zimmerman
Acting Director, Facilities Management Division

FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

The undersigned parties, **KING COUNTY**, a home-rule charter county and political subdivision of the State of Washington (the “Seller” or “County”) and the **CITY OF KENT**, a municipal corporation of the State of Washington (the “Buyer” or “City”), hereby agree to amend that certain Real Estate Purchase and Sale Agreement between the Parties for the Real Property with the parcel number 212205-9183 located in King County, State of Washington (the “Agreement”), dated July 29, 2025. County and City are also referred to herein individually as a “Party,” or collectively as “Parties.” For reference purposes, this “First Amendment” is dated February 9, 2026, and shall be effective as of the date it has been fully executed by both Parties.

RECITALS

A. Buyer and Seller are Parties to the Agreement by which Seller has agreed to sell and Buyer to purchase that certain real property with the parcel number 212205-9183 located in King County, State of Washington, the legal description of which is attached as Exhibit A to the Agreement (the “Property”).

B. The Parties desire to amend the Agreement pursuant to the terms and conditions set forth below.

AGREEMENT

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

1. Subsection 1.1.1. of the Agreement is deleted in its entirety and replaced with a new Subsection 1.1.1. to read as follows:

1.1.1. all of Seller’s right, title, and interest in the Real Property as legally described in **EXHIBIT A**, subject to the Restrictive Covenant for Park Use and Open Space as set forth in Section 4.5 and **Exhibit B-2**, attached hereto and incorporated herein by this reference;

2. Subsection 3.3.2. of the Agreement is deleted in its entirety and replaced with a new Subsection 3.3.2. to read as follows:

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller’s representations and warranties in Section 3.1. of this Agreement, and the Restrictive Covenant set forth in Section 4.5 and **Exhibit B-2** of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or

written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively “Condition of the Property”), including, without limitation:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;
- (e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;
- (f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence or condition of utilities serving the Property;
- (g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term “Environmental Law” shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. (“RCRA”); the Washington State Model Toxics Control Act, RCW ch. 70A.305 (“MTCA”); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term “Hazardous Substance” shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or
- (h) Any other matter with respect to the Property.

3. **Subsection 3.3.3.(c) of the Agreement** is deleted in its entirety and replaced with a new Subsection 3.3.3.(c) to read as follows:

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer acknowledges and agrees that it will thereby approve and accept the Condition of the Property, including the Restrictive Covenant for Park Use and Open Space as set forth in Section 4.5 and **Exhibit B-2**, and accordingly agree to purchase the Property and accept the Condition of the Property “AS IS, WHERE IS” with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal, or other handling of any Hazardous Substances in, on, under, or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county, and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws, and regulations. Buyer acknowledges and agrees that, except to the extent of Seller’s representations and warranties in Section 3.1. of this Agreement, Buyer shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys’ fees) of any and every kind or character, known or unknown (collectively, “Losses”), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal, or other handling of any Hazardous Substances in, on, under, or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

4. **Section 4.1. of the Agreement** is deleted in its entirety and replaced with a new Section 4.1. to read as follows:

4.1. Conveyance. Seller shall convey to Buyer the title to the Property by bargain and sale deed (the “Deed”) in substantially the form attached hereto as **Exhibit B-1**, subject only to the Permitted Exceptions (as defined below) and the Restrictive Covenant (as described in Section 4.5 herein), the lien of current real property taxes, fees, and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing

jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

5. A new Section 4.5. of the Agreement is added to the Agreement to read as follows:

4.5. RESTRICTIVE COVENANT. The Deed (as defined in Section 4.1 herein) shall include and be subject to the Restrictive Covenant for Park Use and Open Space as set forth in **Exhibit B-2** (the “Restrictive Covenant”). Seller and Buyer agree that the County and its successors in interest shall have standing to enforce the Restrictive Covenant. The Restrictive Covenant shall be enforced with the remedies set forth in **Exhibit B-2**. Buyer and Seller further agree that the Restrictive Covenant may also be enforced by the Parties hereto as a matter of contract through this Agreement, and that each covenant comprising the Restrictive Covenant shall be a binding obligation on Buyer when this Agreement is fully executed.

Buyer and Seller further agree and declare that the Restrictive Covenant contained herein shall bind and the benefits shall inure to, respectively, the Buyer and its successors and assigns and all subsequent owners of any portion of the Property, and to Seller and its successors and assigns, subject to modification thereof as specifically provided in **Exhibit B-2**. Each and every contract, deed or other instrument hereafter executed conveying any portion or interest in the Property shall contain an express provision making such conveyance subject to the Restrictive Covenant of this Agreement, provided however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered, and accepted subject to the Restrictive Covenant, regardless of whether or not such Restrictive Covenant is set forth or incorporated by reference in such contract, deed, or other instrument.

6. Section 5.2. of the Agreement is deleted in its entirety and replaced with a new Section 5.2. to read as follows:

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller’s performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council (“Council Approval Contingency”). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within two hundred forty (240) days of the Effective Date (“Council Approval Period”). Seller may extend the Council Approval Period for up to an additional one hundred twenty (120) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall

be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

7. **Section 11.19. of the Agreement** is deleted in its entirety and replaced with a new Section 11.19. to read as follows:

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

EXHIBIT A	Legal Description
EXHIBIT B-1	Bargain and Sale Deed
EXHIBIT B-2	Restrictive Covenant for Park Use and Open Space
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status

8. **Exhibit B Bargain and Sale Deed of the Agreement** is deleted in its entirety and replaced with a new **Exhibit B-1 Bargain and Sale Deed** and a new **Exhibit B-2 Restrictive Covenant for Park Use and Open Space**, both attached and incorporated into the Purchase and Sale Agreement by this reference.

9. Unless otherwise modified herein, all other terms and conditions of the Agreement remain in full force and effect as if fully set forth herein. All capitalized terms used herein and not otherwise defined shall remain as set forth in the Agreement.

10. This First Amendment may be executed in one or more counterparts, each of which shall be deemed original, and all of which together shall constitute one and the same instrument. The signatures to this First Amendment may be executed on separate pages and when attached to this First Amendment shall constitute one complete document. For purposes of this First Amendment, a signature by facsimile or electronic signature on a portable document format (PDF) or other electronic counterpart shall be fully binding as though it was an original signature.

EXECUTED on the last date set forth below.

*****Signatures to follow on next page.*****

SELLER: KING COUNTY

Signed by:
By: Lisa K. Pearson
Lisa K. Pearson
Director, Facilities Management Division

Date: 6/10/2026

BUYER: THE CITY OF KENT

By: Dana R
Name: Dana Ralph
Title: Mayor

Date: 3/12/20

APPROVED AS TO FORM:

Signed by:
By: Kristin A. Relyea
Kristin A. Relyea
Senior Deputy Prosecuting Attorney

EXHIBIT B-1.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:
King County Real Estate Services, FMD
401 Fifth Avenue, Suite 930
Seattle, WA 98104
ATTN: Amanda Tran

BARGAIN AND SALE DEED

Grantor -- King County, Washington
Grantee -- The City of Kent, a municipal corporation
Legal ---- PORTION LOT 2 KC SP NO. 674032 REC NO. 7708030801
Tax Acct. - 212205-9183

The Grantor, KING COUNTY, a home-rule charter county and a political subdivision of the State of Washington, for and in consideration of mutual benefits, pursuant to King County Ordinance No. _____, does hereby bargain, sell, and convey unto the Grantee, the City of Kent, a municipal corporation of the State of Washington, the following real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

Grantor hereby expressly reserves to itself, its successors and assigns forever a Restrictive Covenant for Park Use and Open Space attached hereto as EXHIBIT B-2, and the foregoing conveyance of the Property is subject to the Restrictive Covenant for Park Use and Open Space attached hereto as EXHIBIT B-2, recorded along with this Deed and incorporated herein by this reference.

GRANTOR
KING COUNTY

GRANTEE
THE CITY OF KENT

BY: _____
Lisa K. Pearson
Director, Facilities Management Division

BY: _____
NAME: _____
TITLE: _____

DATE: _____

DATE: _____

Approved as to Form:

By _____
Kristin A. Relyea
Senior Deputy Prosecuting Attorney

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Lisa K. Pearson is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Director, Facilities Management Division of KING COUNTY, a home-rule charter county and political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Printed name

Notary Public in and for the
State of Washington

Residing at _____

My appointment expires _____

NOTARY BLOCK FOR THE CITY OF KENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the _____ of CITY OF KENT, a municipal corporation of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Printed name

Notary Public in and for the
State of Washington

Residing at _____

My appointment expires _____

EXHIBIT A
TO BARGAIN AND SALE DEED

LEGAL DESCRIPTION

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS, AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT B-2.

RESTRICTIVE COVENANT FOR PARK USE AND OPEN SPACE

After Recording Return to:
Real Estate Services Section
Facilities Management Division
Department of Executive Services
King County Chinook Building
401 Fifth Avenue, Room 930
Seattle, Washington 98104-2337

RESTRICTIVE COVENANT FOR PARK USE AND OPEN SPACE

Grantor: KING COUNTY, a home-rule charter county and political subdivision of the State of Washington

Grantee: CITY OF KENT, a municipal corporation of the State of Washington

Abbreviated Legal Description: PORTION OF LOT 2 KING CO SHORT PLAT NO 674032 RECORDING NO 7708030801 LYING NORTH OF LINE PARALLEL TO & 949 FT SOUTH OF N LINE OF NE QTR STR 21-22-05 (BEING A PORTION OF E HALF NW QTR NE QTR STR 21-22-05) EXC S 110 FT OF E 135 FT THEREOF

Assessor's Parcel No.: 212205-9183

RESTRICTIVE COVENANT FOR PARK USE AND OPEN SPACE

This Restrictive Covenant for Park Use and Open Space (the "Restrictive Covenant") is made and entered by and between **KING COUNTY**, a home-rule charter county and political subdivision of the State of Washington (the "County") and the **CITY OF KENT**, a municipal corporation of the State of Washington (the "City"). County and City are also referred to herein individually as a "Party," or collectively as "Parties." This Restrictive Covenant shall be effective as of the last date it has been executed by both Parties.

RECITALS

A. The City is acquiring from the County and the County is conveying to the City, for and in consideration of the terms and conditions of that certain Real Estate Purchase and Sale Agreement, dated July 29, 2025 (“Purchase and Sale Agreement”) and the First Amendment to the Real Estate Purchase and Sale Agreement, dated for reference purposes February 9, 2026 (“First Amendment”), that certain real property located in the City of Kent, King County, State of Washington, known as King County Tax Parcel Number 212205-9183, and legally described in Attachment 1, attached hereto and by this reference incorporated herein (“the Property”).

B. On May 22, 1997, the County purchased the Property with the condition that it remain in use as a City park and open space.

C. The Property has been exclusively used as a park and open space since its purchase.

D. The County’s agreement to convey the Property to the City is conditioned upon the City’s covenant to use the Property solely as a park and open space.

AGREEMENT

NOW, THEREFORE, the Parties agree, covenant, and declare that the Property is subject to the following restrictive covenant, which covenant shall run with the land and burden the Property for the sole benefit of the County. The Parties agree that the County and its successors in interest shall have standing to enforce these covenants.

The Parties further agree and declare that the covenants and conditions contained herein shall bind and the benefits shall inure to, respectively, the City and its successors and assigns and all subsequent owners or tenants of those portions of the Property subject to this Restrictive Covenant, and to the County and its successors and assigns, subject to modification thereof as specifically provided below. Each and every contract, deed, or other instrument hereafter executed conveying any portion or interest in the Property subject to this Restrictive Covenant shall contain an express provision making such conveyance subject to the covenants and conditions of this Restrictive Covenant, provided however, that any such contract, deed, or other instrument shall conclusively be held to have been executed, delivered, and accepted subject to such covenants and conditions, regardless of whether or not such covenants and conditions are set forth or incorporated by reference in such contract, deed, or other instrument.

All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Covenant and to sustain the validity hereof.

1. Covenants and Restrictions.

The Property shall be used as a City park and open space.

2. Duration.

The Property shall be subject to this Restrictive Covenant in perpetuity.

3. Remedies.

County, its successors, designees, or assigns shall have the following remedies against City, its successors, designees, or assigns for violation of this Restrictive Covenant:

3.1 Default. If City fails to observe or perform any of the terms, conditions, obligations, restrictions, easements, covenants, representations, or warranties of this Restrictive Covenant, and if such noncompliance is not corrected as provided herein, then such noncompliance shall be considered an event of default and the following shall occur:

3.1.1 Notice. Before County pursues a remedy against City for breach of this Restrictive Covenant, County shall provide written notice specifying the default to City. City shall thereafter have a 30-day period to cure such default (or if such default is not capable of cure within 30 days, such additional period as is reasonably necessary for City to complete such cure, provided that City commences curing the default within 30 days of receiving notice from the County and thereafter diligently pursues curing the default to completion).

3.1.2 County's remedies. County shall be entitled to all remedies in law, or in equity against City, including without limitation the right to: 1) compel specific performance by City of its obligations under this Restrictive Covenant; 2) to restrain by injunction the actual or threatened commission or attempt of a breach of this Restrictive Covenant or to obtain a judgment or order specifically prohibiting a violation or breach of this Restrictive Covenant.

3.2 No Waiver. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of the County to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation or any other breach or violation thereof at any later time.

4. Notice.

Any notice or other communication required or permitted to be given under any of the provisions of this Restrictive Covenant shall be in writing and shall be effective (1) upon receipt when personally delivered, to the recipient at the recipient's address set forth below; (2) on the third day following the date mailed by certified or registered mail, postage pre-paid, return receipt requested; (3) one business day after deposit with a recognized overnight courier or delivery service; or (4) when electronically transmitted to the email address set forth below. A Party disputing delivery or receipt of email notice shall have the burden of proving that the email notice was not delivered or received or both. All notices shall be given in writing to the Parties at the following respective addresses, or to such other place as may hereafter be designated by either Party in writing:

If to King County:

King County Real Estate Services
401 Fifth Ave. Suite 930
Seattle, WA 98104
Telephone: (206) 263-0226
Email: atran@kingcounty.gov

If to City of Kent:

Parks Planning and Development
220 4th Ave S
Kent, WA 98032
Telephone: (253) 856-5113
Email: bhiggins@KentWA.gov

4. Agreement to Record.

The County shall cause this Restrictive Covenant to be recorded in the real property records of King County, Washington. The County shall pay all fees and charges incurred in connection with such recording and shall provide the City with a copy of the recorded document.

5. Time of the Essence.

Time is of the essence of this Restrictive Covenant and of every provision thereof.

6. Severability.

If any provision of this Restrictive Covenant shall be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

7. Amendments.

This Restrictive Covenant shall be amended only by a written instrument executed by the Parties hereto or their respective successors in title, and duly recorded in the real property records of King County, Washington.

8. Governing Law.

Any and all claims relating to this Restrictive Covenant shall be governed by and construed in accordance with the substantive and procedural laws of the State of Washington without giving effect to its conflicts of law rules or choice of law provisions. The sole and exclusive venue for any legal action arising from or related to this Restrictive Covenant shall be in the Superior Court of King County, Washington, and the Parties hereby agree to the personal

jurisdiction of such court.

9. Reliance.

The Parties hereby recognize and agree that the representations and covenants set forth herein may be relied upon by each other.

10. No Conflict with Other Documents.

The Parties warrant that they have not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Restrictive Covenant are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

11. Captions.

The titles and headings of the sections of this Restrictive Covenant have been inserted for convenience of reference only and are not to be considered a part hereof. They shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

12. No Third Party Beneficiaries.

This Restrictive Covenant is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based on any provision of this Restrictive Covenant.

EXECUTED on the last date set forth below.

**GRANTOR
KING COUNTY**

BY: _____
Lisa K. Pearson
Director, Facilities Management Division

DATE: _____

Approved as to Form:

By _____
Kristin A. Relyea
Senior Deputy Prosecuting Attorney

**GRANTEE
THE CITY OF KENT**

BY: Dana Ralph
NAME: Dana Ralph
TITLE: Mayor

DATE: 3/12/26

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Lisa K. Pearson is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Director, Facilities Management Division of KING COUNTY, a home-rule charter county and political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Printed name

Notary Public in and for the
State of Washington
Residing at _____

My appointment expires _____

NOTARY BLOCK FOR THE CITY OF KENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Dana Ralph is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Mayor of CITY OF KENT, a municipal corporation of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 3/12/2026

Melissa D. Gray
Melissa D. Gray
Printed name

Notary Public in and for the
State of Washington
Residing at Graham, Wa

My appointment expires 09/21/2029



ATTACHMENT 1

Legal Description

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

After Recording Return to:

Real Estate Services Section
Facilities Management Division
Department of Executive Services
King County Chinook Building
401 Fifth Avenue, Room 930
Seattle, Washington 98104-2337

Grantor: KING COUNTY, a home-rule charter county and political subdivision of the State of Washington

Grantee: CITY OF KENT, a municipal corporation of the State of Washington

Abbreviated Legal Description: PORTION OF LOT 2 KING CO SHORT PLAT NO 674032 RECORDING NO 7708030801 LYING NORTH OF LINE PARALLEL TO & 949 FT SOUTH OF N LINE OF NE QTR STR 21-22-05 (BEING A PORTION OF E HALF NW QTR NE QTR STR 21-22-05) EXC S 110 FT OF E 135 FT THEREOF

Assessor’s Parcel No.: 212205-9183

RESTRICTIVE COVENANT FOR PARK USE AND OPEN SPACE

This Restrictive Covenant for Park Use and Open Space (the “Restrictive Covenant”) is made and entered by and between **KING COUNTY**, a home-rule charter county and political subdivision of the State of Washington (the “County”) and the **CITY OF KENT**, a municipal corporation of the State of Washington (the “City”). County and City are also referred to herein individually as a “Party,” or collectively as “Parties.” This Restrictive Covenant shall be effective as of the last date it has been executed by both Parties.

RECITALS

A. The City is acquiring from the County and the County is conveying to the City, for and in consideration of the terms and conditions of that certain Real Estate Purchase and Sale Agreement, dated July 29, 2025 (“Purchase and Sale Agreement”) and the First Amendment to the Real Estate Purchase and Sale Agreement, dated for reference purposes February 9, 2026 (“First Amendment”), that certain real property located in the City of Kent, King County, State of Washington, known as King County Tax Parcel Number 212205-9183, and legally described in Attachment 1, attached hereto and by this reference incorporated herein (“the Property”).

B. On May 22, 1997, the County purchased the Property with the condition that it remain in use as a City park and open space.

C. The Property has been exclusively used as a park and open space since its purchase.

D. The County’s agreement to convey the Property to the City is conditioned upon the City’s covenant to use the Property solely as a park and open space.

AGREEMENT

NOW, THEREFORE, the Parties agree, covenant, and declare that the Property is subject to the following restrictive covenant, which covenant shall run with the land and burden the Property for the sole benefit of the County. The Parties agree that the County and its successors in interest shall have standing to enforce these covenants.

The Parties further agree and declare that the covenants and conditions contained herein shall bind and the benefits shall inure to, respectively, the City and its successors and assigns and all subsequent owners or tenants of those portions of the Property subject to this Restrictive Covenant, and to the County and its successors and assigns, subject to modification thereof as specifically provided below. Each and every contract, deed, or other instrument hereafter executed conveying any portion or interest in the Property subject to this Restrictive Covenant shall contain an express provision making such conveyance subject to the covenants and conditions of this Restrictive Covenant, provided however, that any such contract, deed, or other instrument shall conclusively be held to have been executed, delivered, and accepted subject to such covenants and conditions, regardless of whether or not such covenants and conditions are set forth or incorporated by reference in such contract, deed, or other instrument.

All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Covenant and to sustain the validity hereof.

1. Covenants and Restrictions.

The Property shall be used as a City park and open space.

2. Duration.

The Property shall be subject to this Restrictive Covenant in perpetuity.

3. Remedies.

County, its successors, designees, or assigns shall have the following remedies against City, its successors, designees, or assigns for violation of this Restrictive Covenant:

3.1 Default. If City fails to observe or perform any of the terms, conditions, obligations, restrictions, easements, covenants, representations, or warranties of this Restrictive Covenant, and if such noncompliance is not corrected as provided herein, then such noncompliance shall be considered an event of default and the following shall occur:

3.1.1 Notice. Before County pursues a remedy against City for breach of this Restrictive Covenant, County shall provide written notice specifying the default to City. City shall thereafter have a 30-day period to cure such default (or if such default is not capable of cure within 30 days, such additional period as is reasonably necessary for City to complete such cure, provided that City commences curing the default within 30 days of receiving notice from the County and thereafter diligently pursues curing the default to completion).

3.1.2 County's remedies. County shall be entitled to all remedies in law, or in equity against City, including without limitation the right to: 1) compel specific performance by City of its obligations under this Restrictive Covenant; 2) to restrain by injunction the actual or threatened commission or attempt of a breach of this Restrictive Covenant or to obtain a judgment or order specifically prohibiting a violation or breach of this Restrictive Covenant.

3.2 No Waiver. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of the County to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation or any other breach or violation thereof at any later time.

4. Notice.

Any notice or other communication required or permitted to be given under any of the provisions of this Restrictive Covenant shall be in writing and shall be effective (1) upon receipt when personally delivered, to the recipient at the recipient's address set forth below; (2) on the third day following the date mailed by certified or registered mail, postage pre-paid, return receipt requested; (3) one business day after deposit with a recognized overnight courier or delivery service; or (4) when electronically transmitted to the email address set forth below. A Party disputing delivery or receipt of email notice shall have the burden of proving that the email notice was not delivered or received or both. All notices shall be given in writing to the Parties at the following respective addresses, or to such other place as may hereafter be designated by either Party in writing:

If to King County:

King County Real Estate Services
401 Fifth Ave. Suite 930
Seattle, WA 98104
Telephone: (206) 263-0226
Email: atran@kingcounty.gov

If to City of Kent:

Parks Planning and Development
220 4th Ave S
Kent, WA 98032
Telephone: (253) 856-5113
Email: bhiggins@KentWA.gov

4. Agreement to Record.

The County shall cause this Restrictive Covenant to be recorded in the real property records of King County, Washington. The County shall pay all fees and charges incurred in connection with such recording and shall provide the City with a copy of the recorded document.

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Time is of the essence of this Restrictive Covenant and of every provision thereof.

6. Severability.

If any provision of this Restrictive Covenant shall be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

7. Amendments.

This Restrictive Covenant shall be amended only by a written instrument executed by the Parties hereto or their respective successors in title, and duly recorded in the real property records of King County, Washington.

8. Governing Law.

Any and all claims relating to this Restrictive Covenant shall be governed by and construed in accordance with the substantive and procedural laws of the State of Washington without giving effect to its conflicts of law rules or choice of law provisions. The sole and exclusive venue for any legal action arising from or related to this Restrictive Covenant shall be in the Superior Court of King County, Washington, and the Parties hereby agree to the personal

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Lisa K. Pearson is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Director, Facilities Management Division of KING COUNTY, a home-rule charter county and political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Printed name

Notary Public in and for the
State of Washington
Residing at _____

My appointment expires _____

NOTARY BLOCK FOR THE CITY OF KENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Dana Ralph is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Mayor of CITY OF KENT, a municipal corporation of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 4/14/2026

Kimberley A. Komoto
Kimberley A. Komoto
Printed name

Notary Public in and for the
State of Washington
Residing at Kent

My appointment expires 6/8/26



ATTACHMENT 1

Legal Description

PARCEL A:

THAT PORTION OF LOT 2, KING COUNTY SHORT PLAT NO. 674032 RECORDED UNDER RECORDING NUMBER 7708030801, SAID SHORT PLAT BEING A PORTION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON LYING NORTH OF A LINE PARALLEL TO AND 949 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION;

EXCEPT THE SOUTH 100 FEET OF THE EAST 135 FT THEREOF.

PARCEL B:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS MORE PARTICULARLY SET FORTH IN KING COUNTY SHORT PLAT NO. 674032, RECORDED UNDER RECORDING NUMBER 7708030801.

**Executive Girmay Zahilay**

Chinook Building, CNK-EX-0800
401 Fifth Avenue, Suite 800
Seattle, WA 98104-2391

April 1, 2026

The Honorable Sarah Perry
Chair, King County Council
Room 1200
COURTHOUSE

Dear Councilmember Perry:

This letter transmits a proposed Ordinance that, if enacted, will enable King County to sell parcel 212205-9183 located within Clark Lake Park, Washington, to the City of Kent in satisfaction of a long-term obligation arising out of an interlocal agreement between King County and the City of Kent.

In August 1990, the Washington Interagency Committee for Outdoor Recreation (IAC) awarded the County a one million dollar grant to purchase Clark Lake Park. As part of the grant, the IAC required that Clark Lake Park be used “forever for outdoor recreation purposes.” The City of Kent expanded its boundary to include Clark Lake Park in January 1996, then signed an interlocal agreement in May 1996 to widen the road serving as the northern border of Clark Lake Park. As part of the interlocal agreement, the City of Kent agreed to reimburse King County for “one-half of the costs” of any necessary property acquisition to complete the road widening project. King County purchased parcel 212205-9183 in May 1997 to replace a small portion of Clark Lake Park needed to expand the road. King County purchased parcel 212205-9183 with the condition that it “remain in use” as a “City park and open space.” The IAC approved the purchase of the replacement parcel in exchange for the conversion of a small section of Clark Lake Park.

The City of Kent did not reimburse King County for its share of the acquisition costs, and King County did not convey parcel 212205-9183 to the City of Kent as originally contemplated and the IAC approved. Through this sale, the City of Kent and King County seek to carry out the original intent and ensure that King County receives full and fair value for the replacement parcel. The City of Kent and King County have agreed to use the 1997 property values of the converted and replacement parcels because that is what was originally intended under the interlocal agreement and what the IAC approved.

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Pursuant to King County Code 4.56.140 and Revised Code of Washington, 39.33.020 this proposed intergovernmental transfer of real property requires public notice, a press release, and a public hearing.

The Honorable Sarah Perry
April 1, 2026
Page 2

The public notice is required to be published in an area newspaper at least ten days but no more than twenty-five days prior to the hearing. A hearing notice and a press release are attached.

Thank you for your consideration of this proposed Ordinance.

If your staff have questions, contact Lisa Pearson, Director, Facilities Management Division at 206-263-9238.

Sincerely,



for

Girmay Zahilay
King County Executive

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy King County Executive, Office of the Executive
Jasmin Weaver, Chief of Staff, Office of the Executive
Hyeok Kim, Chief Operating Officer, Office of the Executive
Sierra Howlett Browne, Director of Government Relations, Office of the Executive
Garrett Holbrook, Council Relations Manager, Office of the Executive
Lorraine Patterson-Harris, County Administrative Officer, Department of Executive Services (DES)
Lisa Pearson, Director, Facilities Management Division (FMD), DES
Julie Ockerman, Manager, Real Estate Services, FMD, DES

KING COUNTY FISCAL NOTE - Property Leases and Sales

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:				Transaction Duration:	N/A
Title:	Clark Lake - Parcel No. 212205-9183, King County			Fair Market Value:	\$ 114,350
Affected Agency/Agencies:	King County			Legal Transaction Type:	Sale
Note Prepared By:	Sandy Ou / Amanda Tran	Date Prepared:	1/9/2026	Fiscal Transaction Type:	Stand Alone
Note Reviewed By:		Date Reviewed:			
Description of Request:	Clark Lake Sale				

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
---	----	---	----

Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is estimated to be as indicated below:

Revenue to: ^{2,3,5}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2026	2026 / 2027	2028 / 2029	2030 / 2031	Sum of Outyear Impacts ²
King County/FMD/RES	A440000	FMD	10		34187 - Sale of Real Property	\$ -	\$ 114,350	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 114,350	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2026	2026 / 2027	2028 / 2029	2030 / 2031	Sum of Outyear Impacts ²
King County/FMD/RES	A440000	FMD	10		RES Labor Cost	\$ -	\$ 23,092	\$ -	\$ -	\$ -
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 23,092	\$ -	\$ -	\$ -
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 23,092	\$ -	\$ -	\$ -

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the budget appropriation of King County is estimated to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2026 / 2027 Appropriation Change	Total 6-Year CIP Outyear Planning Level Costs
					0	\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
TOTAL						\$ -	\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because ...

- If the expenditure impact equals or exceeds five percent of the fund expenditures, a copy of the most recent applicable appropriation unit financial plan is attached to this transmittal.
- The sum of outyear impacts is provided for capital projects and agreements. This sum for revenue and expenditures includes all revenues/expenditures for the duration of the lease/other agreement or life of the capital investment.
- This transaction does not require the use of fund balance or reallocated grant funding.
- The transaction is backed by new revenue. The new revenue does not include grant revenue. The new revenue has not been received. The new revenue will be received by ...
- A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
 - The negotiated sale price of \$114,350.00 was calculated based on the reimbursement process in the previous interlocal agreement with Kent. The amount was reached by deducting the appraised value of the converted parcel (\$40,580) from the purchase price of the replacement parcel (\$269,280) and dividing it in half.

Bonni FATS
ATTACHMENT 5
5/9/96

**AN INTERLOCAL AGREEMENT
BETWEEN KING COUNTY AND THE CITY OF KENT
RELATING TO THE SE 240TH STREET 196TH/200TH STREET AND SE
277TH CORRIDOR IMPROVEMENTS**

This Agreement is hereby made and entered into between King County, a home rule charter county, a political subdivision of the State of Washington (hereinafter called the "County"), and the City of Kent, a municipal corporation of the State of Washington (hereinafter called the "City").

WHEREAS, the Countywide Planning Policies, adopted and approved by the Metropolitan King County Council and ratified by cities within the County, include policies calling for collaboration between the County and the cities that have designated potential annexation areas within the Urban Growth Area, established pursuant to the Growth Management Act, in order to provide urban services and facilities within the potential annexation areas; and

WHEREAS, King County has responded to the rapid erosion of the County Road Fund's tax base resulting from annexations and incorporations by adopting a policy that allows the King County Department of Public Works, Roads & Engineering Division, to continue to design and construct safety and operational improvements within potential annexation areas without financial participation by the affected city, but requires a cost-sharing agreement with the affected city prior to awarding a construction contract on major growth-oriented roadway capacity improvements; and

WHEREAS, the City of Kent has recently received approval from the Boundary Review Board to annex an area that is approximately 5.2 square miles in size, lying east of the City of Kent on the Soos Creek Plateau (the "Meridian Annexation"); and

WHEREAS, the boundaries of the Meridian Annexation, as proposed by the City and approved by the Boundary Review Board, abut -- but do not include -- the rights-of-way (ROW) for three County arterials with major growth-oriented roadway capacity improvements programmed for various stages of work in the County's adopted 1995-2000 Roads Capital Improvement Program (CIP); these arterials are SE 240th Street, 132nd Avenue SE, and SE 256th Street; and

WHEREAS, these three arterials will remain in the City of Kent's potential annexation area upon the effective date of the Meridian Annexation; and

WHEREAS, at this time, the City is interested in participating in only one of the County's road widening projects on the border arterials -- the SE 240th project (CIP No. 500187), which would widen the existing two-lane road to five lanes between 116th Avenue SE and approximately 500 feet east of 132nd Avenue SE, ; and

Jb\240thila

WHEREAS, the County has previously appropriated funds for the segment of the City's 196th/200th Street Project that lies within unincorporated area and the County Council has previously placed restrictions on making these funds available to the City;

NOW THEREFORE, pursuant to RCW 39.34, the County and City hereby agree:

1. PURPOSE. The purpose of this Agreement is to delineate the respective roles of the City and County in completing the design and construction of a major road widening project on SE 240th Street; and to clarify financial responsibilities for a portion of the City's 196th/200th Corridor improvement. The County has expended funds in designing and obtaining ROW for CIP Project No. 500187. The County and City agree, at this time, to proceed only with the portion of the County's CIP Project No. 500187 that will widen SE 240th Street to five lanes from 116th Avenue SE to 900 feet east of 132nd Avenue SE (the "Project"). The three-lane portion of CIP Project No. 500187 will be delayed indefinitely, unless the County Council determines that three-lane road improvements in Potential Annexation Areas are not subject to the new cost-sharing policy.

2. PROJECT MANAGEMENT AND COORDINATION. The County will be the lead agency for the completion of design, ROW acquisition and construction of the Project. Prior to finalizing the plans and specifications for the Project, the County will:

- a. Adjust the eastern terminus of the Project to tie into the existing two-lane section at approximately 900 feet easterly of 132nd Avenue SE, if made necessary by the deferral of the three-lane segment; and
- b. Allow the City's Public Works Department to review the plans and specifications for potential cost savings that might result from substituting City road design standards for County standards. The County Road Engineer will determine whether to substitute City standards, as proposed by the City's Public Works Director.

2.1 Property Acquisition for Shared Border Section. The County shall be responsible for the acquisition of all property necessary for the Shared Border Section, including property along 116th Avenue Southeast, 120th Avenue Southeast, as well as along Southeast 240th Street. The City agrees to cooperate, as necessary, in the County's efforts to acquire property that lies within the City's corporate limits; the City agrees to use its land use authority to require dedication of the property required for the Shared Border Section by any affected property owners with pending land use actions. The City authorizes the County to exercise eminent domain, as necessary, to acquire property for the Shared Border Section that lies within the corporate limits of the City. Any County expenditures for property acquisition for the Shared Border Section will be shared by the

City and County pursuant to the method described in Sections 3.3 and 3.4 of this Agreement.

2.2 Right of Entry. The City grants the County right of entry into the corporate limits of the City for the purpose of performing any and all tasks necessary to complete the Project.

3. COST-SHARING. Prior to the effective date of the County's capacity project cost-sharing policy (January 1, 1996), the County has appropriated a total of \$2,440,070 for CIP Project No. 500187 (the "Existing Appropriations"). These funds will be expended by the County on activities related to completing the Project, without any reimbursement from the City.

3.1 Additional Appropriation. An estimated \$7,204,510 additional appropriation is need to complete ROW acquisition and construction of the Project. A portion of this cost (\$4,970,664) is associated with the segment of the Project that lies on the northern border of the Meridian Annexation, from 116th Avenue SE to about 127th Avenue SE, (the "Shared Border Section"). The remainder of the estimated additional appropriation is for the balance of the Project that extends to 900 feet east of 132nd Avenue SE.

3.2 TIA Grant. The County has acquired a Transportation Improvement Account (TIA) grant for CIP Project No. 500187. The City and County agree to cooperate in requesting approval of the Transportation Improvement Board (TIB) to use the unexpended balance of the grant on the Project, in recognition of the fact that the three-lane section of CIP Project No. 500187 will be deferred indefinitely.

3.3 Shared Border Section Costs. The City agrees to pay the County one-half of the costs associated with the Shared Border Section of the Project, between 116th Avenue SE and 127th Avenue SE, after deducting moneys received from Existing Appropriations and the TIA grant. These costs will be reimbursed on the basis of monthly progress billings prepared by the County, commencing upon the depletion of the Existing Appropriations.

3.4 City's Liabilities Upon Annexation. The City also agrees to reimburse the County for the undepreciated value of the County's investment in the balance of the Project (net of Existing Appropriations and grants) at whatever point in the future the City annexes territory surrounding the Project. This includes territory to the north of SE 240th Street along the Shared Border Section of the Project, or to the north and/or south of the segment that extends to 900 feet east of 132nd Avenue SE. This reimbursement will be made as follows:

3.4.1 Annuity Established. Within thirty (30) days of completing construction of the Project, King County will establish and transmit to the City an annuity to depreciate the value of the County's investment over an assumed 20-year useful life of the Project, with a nominal interest rate of 4%. "Annuity Year" shall mean a 12 month period. Annuity Year 1 shall commence on the first day of the first month following completion of construction of the Project, as certified to the City by the County Road Engineer. Each succeeding Annuity Year shall commence on the anniversary of the commencement of Annuity Year 1. The initial value to be depreciated will be the total Project expenditures made by the County, less those funds appropriated prior to 1996 and less any federal or state grant funding received by the County for the Project. [Attached is an illustrative estimated annuity schedule for the Project.]

3.4.2 Payment Options. Upon annexation of the surrounding territory, the City will have the option of making annual payments, pursuant to the annuity schedule, of the undepreciated value of the Project, or to make a lump sum payment. The City's obligation for making annual payments or a lump sum shall begin in the month of the Annuity Year in which the annexation takes effect. If the City elects to make annual payments, the City shall pay all moneys due for the remaining months of that Annuity Year, and for all remaining Annuity Years when due (see Section 3.4.3). If the City elects the lump sum option, the City lump sum will be adjusted, as necessary, for a partial Annuity Year based upon the effective date of the annexation. If the annexation takes effect before the Project construction is complete, the City's obligation begins in the first month of Annuity Year 1.

3.4.3 Payment Schedule. Within thirty (30) days of the effective date of a future annexation by the City of the territory surrounding the Project, the City will notify the County which payment option it chooses. Within thirty (30) days of receipt of this notice, the County will transmit to the City an invoice and payment schedule. The City will make payment within thirty (30) days of receipt of the invoice.

3.4.4 Partial Annexation. If a future annexation by the City includes a portion -- but not all -- of the territory surrounding the Project, the City will be obligated only for a pro rata allocation of the Project annuity. This pro rata allocation will be based on the portion of the total lineal feet of the Project that is included in the annexation area.

3.5 Mitigation Fees. The City shall not impose mitigation fees for this project on developments in unincorporated King County unless a reciprocal impact fee agreement with the County is executed and implemented.

4. CORPORATE BOUNDARY

The corporate boundary of the City adjacent to the Shared Border Section, as approved by the Boundary Review Board, is the south margin of Southeast 240th Street. Widening of the Shared Border Section will require right-of-way acquisition and will result in a southerly shift of the south margin of Southeast 240th Street by about 20 feet ("Relocated South Margin"). Pursuant to RCW 35A.21.210 the City and County agree that upon completion of the Shared Border Section of the Project, as certified in writing to the City by the County Road Engineer, the corporate boundary of the City shall coincide with the Relocated South Margin of Southeast 240th Street.

5 196TH/200TH STREET CORRIDOR

5.1 King County Contribution. The City's 196th/200th Street major widening project includes a segment in the unincorporated area bounded by the cities of Sea-Tac, Tukwila and Kent. The King County Council has previously appropriated County Road Fund moneys for this segment of the City's project, a portion of which have been made available to the City through a May 1993 Interagency Agreement for the design of the improvement and for construction of the intersection at Orillia Road.

5.1.1 Sea-Tac/Tukwila Annexations. Both the cities of Sea-Tac and Tukwila have previously expressed interest in annexing the area that includes this segment of the City's 196th/200th Street Project. Notwithstanding the 1992 County Council budget proviso for this project and the 1995 Roads Capacity Project Budget Proviso, no pre-annexation agreement with either city will be required prior to amending the May 1993 Interagency Agreement to authorize transfer of the County's appropriated funds for the construction phase of this project.

5.2 Sea-Tac/Tukwila Corridor Contributions. Although no prior pre-annexation agreement with either Sea-Tac or Tukwila will be required as a condition of releasing the County Road Fund dollars appropriated for the City's 196th/200th Project, the County will use its best efforts to secure a cost-sharing agreement with the affected city, seeking a commitment to repay the undepreciated value of the County Road Fund investment in the project, similar to methodology used for the SE 240th Street cost-sharing described in Section 3.4 of this Agreement. Any funds reimbursed to the County by Sea-Tac or Tukwila for the County Road Fund's share of the City's 196th/200th Project will be used by the County for other improvements in the 196th/200th Corridor.

5.3 Property Acquisition. As stipulated in the "Interagency Agreement for the South 196th/200th Street Project," executed in July 1993, the City shall be responsible for the

acquisition of all property necessary for the South 196th/200th Street Project, including property in the unincorporated area. Notwithstanding Section 2.7 of the July 1993 Interagency Agreement on this project, the County authorizes the City to exercise eminent domain, as necessary, to acquire parcels in the unincorporated area that require condemnation. Allocation of property acquisition costs between the City and County will be governed by Section 3 of the July 1993 Interagency Agreement. The County agrees to cooperate, as necessary, in the City's efforts to acquire property that lies within the unincorporated area.

6. SE 277th Corridor. King County recently completed its preliminary environmental review of the Southeast extension of the SE 272/277th Corridor Project. However, nearly one-half of this portion of that Project now lies within the City of Kent. At this time, the City has indicated it is not willing to enter into a joint financing agreement for the construction of that project, as would be required by the County's Capacity Proviso. For this and other reasons, when adopting its 1996-2001 Roads CIP, the King County Council deferred indefinitely any funding for preparing an EIS for the Southeast extension portion of this project. As a result, King County will not pursue further project development activity on this portion of the 272/277th Corridor Project unless a prior agreement with the City is reached regarding joint funding for the project.

7. RELATIONSHIP TO EXISTING LAWS AND STATUTES. This Agreement is in no way intended to modify or supersede existing laws and statutes and shall be construed in a manner which is consistent therewith. In meeting the commitments encompassed in this Agreement, all parties will comply with the requirements of the annexation statutes, Open Meetings Act, State Environmental Policy Act, Growth Management Act, the King County Countywide Planning Policies, the King County Comprehensive Plan and any other applicable laws and regulations.

8. POTENTIAL POLICY CHANGE. If the County's annexation policy regarding major roadway capacity improvements is amended in a manner that is more favorable to cities in King County with respect to requiring cost-sharing agreements for such projects, then the parties shall reopen negotiations with respect to the cost-sharing provisions of this Agreement. Additionally, if the County's road capacity improvement annexation policy is repealed or so substantially altered that its effect is essentially void, then the portions of this Agreement requiring City payments in the event of future annexations, shall also be void.

9. ADMINISTRATION

9.1 Project Team. The provisions of this Agreement will be managed by a Project Team composed of the King County Executive or designee and the Mayor of Kent or designee, with additional staff to be determined by each party.

9.2 Administrative Procedures. The Project Team will meet as necessary to ensure that the provisions of this Agreement are fulfilled and will develop written procedures and records as required to accomplish the work of this Agreement.

9.3 Conflict Resolution. The Project Team will use consensus to reach agreements. In the event consensus cannot be reached on an issue, the parties will first seek the assistance of a neutral mediator, selected jointly. If the issue still cannot be resolved, the issue will be forwarded to the legislative authorities of the City and County for resolution.

10. VENUE AND APPLICABLE LAW

In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the parties hereto agree that any such action shall be initiated in the King County Superior Court of the State of Washington. The parties hereto agree that all questions shall be resolved by application of Washington law and that the parties to such action shall have the right of appeal from such decisions of the King County Superior Court in accordance with the laws of the State of Washington.

11. TERMINATION

This Agreement is effective upon approval by the governing bodies of the City and County and upon signature of the parties. The Agreement shall continue to be in effect from year to year unless terminated upon written agreement by both parties.

12. AUDITS AND INSPECTIONS

The records and documents with respect to all matters covered by this Agreement shall be subject to inspection, review or audit by the County or the City during the terms of this Agreement and three (3) years after termination.

13. NON-WAIVER OF BREACH

The failure of either party to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more

instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

14. MODIFICATION

No waiver, alteration, or modification of any of the provisions of this agreement shall be binding unless in writing and signed by a duly authorized representative of the City and the County.

15. ENTIRE AGREEMENT

This written agreement supersedes all prior verbal statements of any officer or other representative of the City and the County, and those statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this agreement. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement.

16. INVALID PROVISIONS

If any provision of this Agreement shall be held invalid, the remainder of the Agreement shall not be affected hereby if such remainder would then continue to serve the purposes and objectives of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date last written below.

KING COUNTY

By *Tom Laake*
its EXECUTIVE
Date: 5-9-96

CITY OF KENT

By *JAM Kull*
its Mayor
Date: 3-18-96

Attest: *Gwendy Jacobson*

Approved as to form:

Approved as to form:

By *[Signature]*
Deputy Prosecuting Attorney

By *[Signature]*
Kent City Attorney *Asst. City Attorney*

jb240thila

SE 240th Street

	Shared Border - Kent	Shared Border - King County	Remainder - KC - 5 lane	Remainder - KC - 3 lane	Total
Project Cost					10,602,000
Current Appropriation					(2,440,070)
Adjusted Total					<u>8,161,930</u>
Share Percentage	30.45%	30.45%	27.37%	11.73%	100.00%
Unappropriated Balance	2,485,332	2,485,332	2,233,846	957,421	8,161,930
Total	2,485,332	2,485,332	2,233,846	957,421	8,161,930
TIA Grant \$	(727,364)	(727,364)	(653,763)	-	(2,108,491)
KC MPS \$					2,055,020
Balance	1,757,970	1,757,968	1,580,083	957,421	2,055,020
KC Contribution	1,757,970	-	-	-	1,757,970
Kent Contribution	-	-	-	-	-
Capacity Project Mortgage Principal - Full Project	-	1,757,968	1,580,083	957,421	4,295,472
Net Balance	-	-	-	-	-
5 lane Project Principal	-	1,757,968	1,580,083	-	3,338,051

KC
2,440,070
2,440,070

(385,050)
2,055,020
2,055,020

Revised: 8/16/95

- Note 1: All amounts are in 1995 \$
- Note 2: Project cost updated for 1996-2001 CIP, split reflects 5 lane versus 3 lane segments.
- Note 3: Cost is shared 50/50 on shared boundary.
- Note 4: Life to Date MPS Revenue for SE 240th Project collected from 1/1/91 thru 6/30/95
- Note 5: Annual adjustment would be made to principal to reflect MPS revenue collected for SE 240th only with annual MPS program.
- Note 6: Completing the three lane segment as a separate element may result in additional minor adjustments.

Payment Schedule

Concept: King County assumes responsibility for "payment" until annexation;
 Kent assumes responsibility for "payment" or "Project Balance" upon annexation.

Shared Border \$ 1,757,968
 Remainder KC \$ 1,580,083
 Total \$ 3,338,051
 Imputed Interest 4.0%
 Term of "Payback" 20

Annuitiy Year	"Payment"	"Interest"	Project Balance
Year 1	\$ 245,620	133,522	3,225,953
Year 2	\$ 245,620	129,038	3,109,372
Year 3	\$ 245,620	124,375	2,988,127
Year 4	\$ 245,620	119,525	2,862,033
Year 5	\$ 245,620	114,481	2,730,894
Year 6	\$ 245,620	109,236	2,594,510
Year 7	\$ 245,620	103,780	2,452,671
Year 8	\$ 245,620	98,107	2,305,158
Year 9	\$ 245,620	92,206	2,151,745
Year 10	\$ 245,620	86,070	1,992,195
Year 11	\$ 245,620	79,688	1,826,263
Year 12	\$ 245,620	73,051	1,653,694
Year 13	\$ 245,620	66,148	1,474,222
Year 14	\$ 245,620	58,969	1,287,572
Year 15	\$ 245,620	51,503	1,093,455
Year 16	\$ 245,620	43,738	891,574
Year 17	\$ 245,620	35,663	681,617
Year 18	\$ 245,620	27,265	463,262
Year 19	\$ 245,620	18,530	236,173
Year 20	\$ 245,620	9,447	0

1. Annuitiy Year 1 commences on the first day of the first month following completion of construction of the project and extends for 12 months.
2. Annuitiy Year is the twelve month period beginning on the anniversary of Year 1.

1/24/96

principal 1,810,709
 rate 0.04800 4.80%
 term 20

	PAYMENT	INTEREST	PRINCIPAL	BALANCE
	142,842.26			1,810,709.00
1	142,842.26	86,914.03	55,928.23	1,754,780.77
2	142,842.26	84,229.48	58,612.78	1,696,167.99
3	142,842.26	81,416.06	61,426.20	1,634,741.79
4	142,842.26	78,467.61	64,374.65	1,570,367.14
5	142,842.26	75,377.62	67,464.64	1,502,902.50
6	142,842.26	72,139.32	70,702.94	1,432,199.56
7	142,842.26	68,745.58	74,096.68	1,358,102.88
8	142,842.26	65,188.94	77,653.32	1,280,449.56
9	142,842.26	61,461.58	81,380.68	1,199,068.88
10	142,842.26	57,555.31	85,286.95	1,113,781.92
11	142,842.26	53,461.53	89,380.73	1,024,401.19
12	142,842.26	49,171.26	93,671.00	930,730.19
13	142,842.26	44,675.05	98,167.21	832,562.98
14	142,842.26	39,963.02	102,879.24	729,683.74
15	142,842.26	35,024.82	107,817.44	621,866.30
16	142,842.26	29,849.58	112,992.68	508,873.63
17	142,842.26	24,425.93	118,416.33	390,457.30
18	142,842.26	18,741.95	124,100.31	266,356.99
19	142,842.26	12,785.14	130,057.12	136,299.87
20	142,842.26	6,542.39	136,299.87	0.00
	2,856,845	1,046,136	1,810,709	



King County
Department of Transportation
821 Second Avenue
Seattle, WA 98104-1598

April 11, 1996

TO: Gary Locke, King County Executive

FM: Paul Toliver, Director, King County Department of Transportation

RE: Interlocal Agreement Between King County and the City of Kent
Regarding the SE 240th Street and South 196th/200th Corridor Improvements

Enclosed for your signature are three originals of an interlocal agreement between King County and the City of Kent regarding the SE 240th Street and South 196th/200th Corridor Improvements. The King County Council approved Motion 9811 on March 11, 1996 authorizing you to enter into this agreement.

This is the first agreement prepared and approved in response to a policy which requires negotiating cost sharing arrangements prior to awarding construction contracts for major growth-oriented roadway capacity improvements in city designated potential annexation areas located in the Urban Growth Area. The agreement provides for a cost sharing arrangement with the City of Kent for construction of improvements that is to be undertaken by the County on SE 240th Street (CIP No. 500187) which borders the City's recent Meridian Annexation Area. The agreement also addresses the use of previously authorized County funds to support the City of Kent's 196th/200th Street major widening project.

If you have any questions, please contact Jesse Krail, County Road Engineer, Manager of the Road Services Division, at extension 6-6590.

PT:lb

Enclosure

**RESOLUTION 97-06
Clark Lake Park -- IAC #91-230
Conversion Request**

WHEREAS, the City of Kent (King County) with IAC funding assistance acquired 16 acres at Clark Lake Park (IAC #91-230AW); and

WHEREAS, the City of Kent requests IAC approval to convert 1.24 acres of this site to non-outdoor recreation use; and

WHEREAS, the City of Kent proposes 3.56 acres of replacement properties that meet the eligibility criteria set forth in IAC Participation Manual #7 *Procedures for Funded Projects*, Section 07.19A *Acquisition Projects Converted*; and will result in replacement park land for public use,

NOW, THEREFORE, BE IT RESOLVED, by the IAC that the conversion request by the City of Kent for the Clark Lake Park project is approved, and

BE IT FURTHER RESOLVED, that the Director is hereby authorized to execute the necessary amendments associated with this conversion.

Resolution moved by: *Ralph Mackey*

Resolution seconded by: *Mary Ann Huntington*

Adopted / Defeated (circle one)



Metropolitan King County Council Staff Report

Committee:	Budget and Fiscal Management Committee		
Agenda Item:	8	Analyst:	April Sanders
Proposed No.:	2026-0083	Meeting Date:	July 8, 2026

OVERVIEW

TOPIC: A proposed ordinance amending the Department of Community and Human Services' (DCHS) Interim Loan Program to allow for an extended loan term and additional flexibility.

LEGISLATION SUMMARY

The proposed ordinance would amend the DCHS Interim Loan Program to allow extended loan terms and more flexible area median income requirements. Catholic Housing Services (CHS) holds an \$8.1 million interim loan for the Aurora Oaks site in Shoreline, due June 29, 2026. CHS notified DCHS it cannot repay the loan or complete permanent supportive housing on schedule due to federal, state, and local funding uncertainties. CHS has proposed a redevelopment plan for 100 units serving households at 50–60% AMI, including partial demolition and new construction, but the project requires further development to secure funding. Moving forward on this project would require two changes to the Interim Loan Program: 1) an extended loan term and 2) raising the permissible AMI to 60%.

The Executive's report resulting from Proviso P3 on the Housing and Community Development fund analyzed options to maintain the Oaks Enhanced Shelter, which is currently operating on site and recommends extending CHS's loan, requiring this proposed ordinance. Without this ordinance, CHS could default, potentially triggering foreclosure or County acquisition, disrupting shelter operations, and risking \$8.1 million in committed Homeless Housing funds. The loan extension provides a temporary solution for the Oaks Enhanced Shelter, keeping the shelter open while advancing CHS's long-term affordable housing redevelopment.

KEY ISSUES FROM THE ANALYSIS

- A. **Proviso Focus.** The resulting proviso focused on the CHS loan and not the continued operations of the Aurora Oaks Enhanced Shelter.

- B. [Project Feasibility](#).** An extension of CHS's interim loan may not result in a completed project, since the financial constraints on housing projects remain.
- C. [CHS Interim Loan if the proposed ordinance is not adopted](#).** If the proposed ordinance is not adopted, the CHS property would technically fall into default.

AMENDMENTS

- **Striking Amendment S1** would make technical and clarifying changes to the proposed ordinance, and add findings.
- **Amendment 1 to S1** would allow the Executive to decrease or waive interest rates.

BACKGROUND & TIMING CONSIDERATIONS [↑ BACK TO TOP](#)

Interim Loan Program. The interim loan program allows for the use of homeless housing and services program moneys (largely document recording fees) and Mental Illness and Drug Dependency housing services moneys in the Housing and Community Development fund (HCD) to offer loans to experienced housing developers on a short-term, interim basis in order to acquire property for affordable and homeless housing. King County Code (KCC) limits the total loan program to \$15 million at any given time.

KCC 24.22.020 states that the interim loan program is intended to add to the stock of housing for low-income and special needs residents by utilizing fund balance from HCD. The program is available to experienced housing developers to acquire property for affordable and homeless housing for households at or below 50% area median income. Loans must be repaid within 5 years.

King County Code identifies additional requirements, including that a single borrower may only hold one interim loan at any given time and the borrower must provide annual organizational financial audits with no findings that would indicate concerns about the borrower's financial operations. Additionally, the project sponsor must provide satisfactory assurances of project feasibility such that permanent funding for the project is highly likely to be secured.

Table 1 shows the utilization of the interim loan program since inception. The CHS Aurora Oaks project is the only outstanding loan at this time.

Table 1. Interim Loan Program Utilization

Sponsor/Project	Interim Loan Amount	Borrowed Date	Repayment Date	Status
CHS Aurora	\$8,100,000	6/30/21	6/29/26	Plan to extend loan

Sponsor/Project	Interim Loan Amount	Borrowed Date	Repayment Date	Status
Oaks				
Lifewire Hope Starts Here	\$4,000,000	11/10/20	11/10/24	Repaid
Compass Housing Alliance Ronald Commons	\$600,000	10/15/13	10/31/17	Repaid
LIHI Renton Commons	\$420,000	4/29/16	8/18/16	Repaid
Imagine Housing Athene	\$1,184,400	4/27/12	8/18/16	Repaid
Imagine Housing Athene	\$815,600	10/14/14	8/24/16	Repaid
MultiService Center William J Wood Veterans	\$274,870	12/18/12	5/12/15	Repaid

Catholic Housing Services (CHS) Interim Loan and the Aurora Oaks Enhanced Shelter.

King County provided an interim loan of \$8.1 million to CHS in June 2021. It is a five-year loan at 3% simple interest due upon maturity of the loan. The loan amount plus interest is estimated at \$9.3 million due on June 29, 2026.

The project was to acquire a 2.6-acre site in Shoreline at the former Oaks at Forest Bay Skilled Nursing Facility site to redevelop as permanent supportive housing or an alternate housing strategy.

Currently, Lake City Partners Ending Homelessness operates the 60-bed Aurora Oaks Enhanced Shelter under an agreement with CHS. Ultimately, CHS intends to redevelop the site as permanent supportive housing serving households at or below 50% area median income (AMI), prioritizing at least 25% of units for homeless households. This intent is memorialized in the loan agreement.

As the maturity date for the loan approached, CHS notified DCHS in early 2025 that it could not fulfill the loan obligations and would be unable to both develop the permanent supportive housing by 2026 or repay the loan. CHS cited federal volatility to Continuum of

Care homeless housing funding and limited state and local moneys to support homeless housing.

In 2025, DCHS encouraged CHS to submit a proposal to the Housing Finance Program RFP for a redevelopment plan of the site. CHS's application proposed 100 units of housing at 50% and 60% AMI with a mix of units ranging from studios to four bedrooms. The redevelopment would include the demolition of the existing building and the new building would occupy roughly one-third of the site.

Executive staff state that this proposal needs further development before it will be competitive for State and County funds and, if the interim loan ordinance is amended to allow units at 60% AMI, DCHS will encourage CHS to apply in the 2026 affordable housing RFP.

Aurora Oaks Enhanced Shelter Proviso. The 2026-2027 Biennial Budget Ordinance¹ imposed Proviso P3 on the Housing and Community Development fund, restricting \$300,000 until the Executive transmits a report describing the next steps required for the Aurora Oaks Enhanced Shelter to maintain operations as a shelter. Full text of the proviso is below.

"P3 PROVIDED FURTHER THAT:

Of this appropriation, \$300,000 shall not be expended or encumbered until the executive transmits a report to the council describing the next steps required for the Aurora Oaks Enhanced Shelter to maintain operations as a shelter.

The report shall include, but not be limited to:

A. A description of the options that the county could consider to address the maturity of the loan by Catholic Housing Services and maintain operations of the Aurora Oaks Enhanced Shelter as a shelter;

B. Identification of potential funding sources for the county to obtain the property located at 16357 Aurora Avenue North, Shoreline, Property Tax Parcel number 329370-0010; and

C. Identification of the timeline and next steps that the department of community and human services intends to take to ensure continued operations of Aurora Oaks Enhanced Shelter as a shelter in North King County.

¹ Ordinance 20023.

<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7680373&GUID=B4E9E09C-A982-4A8C-A0DA-6CC195D69EE0&Options=Advanced&Search=>

The executive shall electronically file the report required by this proviso by March 30, 2026, with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the budget and fiscal management committee or its successor."

Options to Maintain Operations of the Aurora Oaks Enhanced Shelter. The Executive transmitted the resulting report entitled "Report Describing Next Steps Required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter" on April 8, 2026, with accompanying Proposed Ordinance 2026-0083.

The report analyzed three options for the continued operation of Aurora Oaks Enhanced Shelter:

Option 1: Amend K.C.C. 24.22 to allow an extension of CHS's loan (*recommended by the Executive*)

Option 2: Foreclose on the CHS interim loan

Option 3: Purchase the Aurora Oaks site from CHS

The report provides advantages and disadvantages to each option, but recommends Option 1, which would allow the shelter to continue onsite until CHS is ready to begin development.

The report notes that operating funding for Aurora Oaks Enhanced Shelter is contracted annually through the King County Regional Homelessness Authority (KCRHA). While operating funding is secured through 2026, and likely 2027, funding beyond that is not guaranteed.

Potential funding sources for County acquisition of the property. The report analyzes two potential funding sources for County acquisition of the property. The first funding source considered was Health through Housing (HtH) proceeds. While these moneys could go towards acquiring the site, state statute would require that the site be used for permanent housing and not shelter. Additionally, DCHS paused HtH acquisitions in late 2025 due to declining revenues and increasing capital and program commitments.

The second funding source considered was Transit Oriented Development (TOD) dollars. While DCHS has \$10 million available for a TOD project in Shoreline or Kenmore, those dollars would need to be awarded to a third party, so they could not support the County's acquisition of the property. Similarly, the award would need to result in permanent housing.

Timing Concerns. CHS's loan was due on June 29, 2026, and King County Code currently does not allow for any flexibility for an extension. Currently, the loan is past due.

ANALYSIS

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Key Issue A. Proviso Focus. The intent of Proviso P3 was to determine options to allow the Aurora Oaks Enhanced Shelter to maintain operations as a shelter. The selected option in the report (amending the interim loan program) focuses primarily on the CHS loan and how to address the fact that the loan was due at the end of June. While this would allow the Aurora Oaks Enhanced Shelter to continue operations for the time being, it is not a permanent solution as the final CHS project would likely preclude the continued use of the property as a shelter, as interim loan program dollars are required to go towards the development of affordable or homeless housing, and not shelters.

The report states that CHS does intend to continue their agreement with the shelter operator, assuming the shelter maintains its operating funding through the King County Regional Homelessness Authority.

Executive staff state that, to their knowledge, Lake City Partners does not have a future site identified for an Enhanced Shelter. Further, Lake City Partners would like to continue operating at this site for a couple more years, until site redevelopment begins and they have started fundraising to secure \$50,000 for repairs that will allow it to continue operations.

Key Issue B. Project Feasibility. When asked whether the Executive believes the project is financially feasible and whether the extended loan would likely result in a completed project, Executive staff stated that it is feasible if permitted to do a partial redevelopment of the site. However, this is dependent on the financial forecast of public funding and the relative priorities.

Council staff have requested the likelihood of interim loan repayment if the changes in the proposed ordinance are adopted and the CHS interim loan is extended for an additional 3 to 5 years.

Key Issue C. CHS Interim Loan if the proposed ordinance is not adopted. If the proposed ordinance is not adopted and CHS is unable to repay the interim loan, the property would technically fall into default and DCHS would need to determine whether to initiate foreclosure proceedings. Executive staff state that it is likely that DCHS and CHS would seek a remedy in lieu of a foreclosure, which would likely result in King County via the Facilities Management Division (FMD) becoming owners of the property and CHS forgoing development rights. Below are the risks associated with that option, as presented by Executive staff:

1. "A CHS foreclosure or default will negatively impact CHS's financial position and create concern among their other lenders, potentially negatively impacting CHS's ability to maintain existing funding for current PSH operations. Foreclosure should be avoided.
2. DCHS would lose the \$8.1M of document recording fee (DRF) revenues from its Homeless Housing and Service fund that are already committed to future use serving existing permanent supportive housing (PSH) buildings. This loss could potentially result in 236 PSH residents becoming homeless again. If FMD/DCHS sold the site to a market rate developer, it could potentially recoup the County's investment but would lose an opportunity to develop a significant number of affordable units.

FMD would own and operate the site since DCHS is not a custodial agency. DCHS does not know whether FMD would require capital improvements before the shelter could continue operating onsite, or any additional requirements FMD would impose. In addition, DCHS has no funds to pay FMD to manage or maintain the site, make any additional capital investments, or administer a use agreement. These costs could increase the costs for the shelter operator or for KCRHA to maintain the shelter."

AMENDMENTS

[↑ BACK TO TOP](#)

The following amendments are publicly available as of July 2, 2026, and attached to this staff report. Additional amendments may be released prior to the committee meeting.

Amendment	Sponsor	Effect Statement
S1 Striking amendment	Dembowski	Would make technical and clarifying changes to the proposed ordinance.
1 to S1 Interest	Dembowski	Amendment 1 would allow the Executive to decrease or waive interest charged.

INVITED

- Jelani Jackson, Acting Director, Housing and Community Development Division, Department of Community and Human Services
- Kristin Pula, Chief of Capital Programs, Housing and Community Development Division, Department of Community and Human Services

ATTACHMENTS

1. Proposed Ordinance 2026-0083

2. Striking Amendment S1
3. Amendment 1 to Striking Amendment S1
4. Transmittal Letter
5. Fiscal Note
6. Report Describing Next Steps Required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter, dated March 2026
7. CHS Aurora Project Summary



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2026-0083.1

Sponsors Dembowski

1 AN ORDINANCE amending an interim loan program to
2 facilitate acquisition of property for low-income housing,
3 allowing for the executive to extend loan terms and grant
4 further flexibility to county partners; and amending
5 Ordinance 16693, Section 3, as amended, and K.C.C.
6 24.22.020, Ordinance 16693, Section 4, and K.C.C.
7 24.22.030, and Ordinance 16693, Section 5, and K.C.C.
8 24.22.040.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. Ordinance 16693, Section 3, as amended, and K.C.C. 24.22.020 are
11 hereby amended to read as follows:

12 The interim loan program will add to the stock of housing for low-income and
13 special needs residents of King County by facilitating acquisition of low-income housing
14 using homeless housing and services program moneys and mental illness and drug
15 dependency housing services moneys in the housing and community development fund.
16 These funding sources are collected and awarded to projects annually but are spent down
17 in a manner that creates a fund balance that is carried over from year to year. The interim
18 loan program will allow the county to loan moneys from these low-cost fund balances to
19 experienced housing developers on a short-term, interim basis to acquire property for
20 affordable ~~and~~ or homeless housing for households at or below ~~((fifty)) sixty~~ percent of

21 area median income for King County. Interim loans will be awarded only when the
22 project sponsor can provide satisfactory assurances of project feasibility such that
23 permanent funding for the project is highly likely to be secured and the interim loan
24 amount will be repaid within a reasonable ~~((period of))~~ time, not to exceed five years;
25 however, the executive may extend the initial loan term by up to an additional five years.
26 No more than fifteen million dollars shall be made available for interim loans at any time.

27 SECTION 2. Ordinance 16693, Section 4, and K.C.C. 24.22.030 are hereby
28 amended to read as follows:

29 A. The department may make interim loans only when the borrower demonstrates
30 that the moneys will be used for eligible purposes, and provides reasonable ~~((insurance))~~
31 assurance that permanent funding will be available on acceptable terms for repayment of
32 the moneys before the loan maturity date and that appropriate security is provided by the
33 borrower to ensure guarantee repayment.

34 B. A single borrower may hold a maximum of one outstanding interim loan.

35 C. Moneys shall be made available only to acquire real property for the
36 development of affordable (and) or homeless housing for households at or below ~~((fifty))~~
37 sixty percent of area median income for King County. Priority shall be afforded to
38 projects proposing development of permanent housing that designates at least twenty-five
39 percent of the units for homeless households at or below thirty percent of area median
40 income for King County, though this shall not be a requirement for participation in the
41 program. The projects shall submit preliminary plans for providing an appropriate level
42 of supportive services for the targeted homeless population to be served.

43 D. The borrower must meet each the following criteria:

44 1. The borrower has developed and operated publicly funded capital projects in
45 King County;

46 2. The borrower provides annual independent organizational financial audits
47 with no findings of material weaknesses or qualification that would indicate concerns
48 about the financial operations of the borrower;

49 3. The borrower is in good standing with local public funders and is current with
50 annual report submissions;

51 4. The borrower's publicly funded properties are well maintained, are performing
52 to industry standards and are in compliance with public funder regulatory and loan
53 agreement terms and requirements for replacement or operating reserve accounts, or both;

54 5. All borrower projects are current with any debt service including public funder
55 loan payments, taxes and insurance;

56 6. The borrower's development track record demonstrates that projects were
57 completed within acceptable timelines and within budget; and

58 7. The borrower demonstrates the ability to secure permanent funding and pay off
59 the interim loan within five years.

60 E. Proposed use of the property to be acquired shall be compatible with the
61 applicable comprehensive plan.

62 F. The borrower shall provide a current appraisal of the property.

63 SECTION 3. Ordinance 16693, Section 5, and K.C.C. 24.22.040 are hereby
64 amended to read as follows:

65 A. Interim loans shall be subject to all applicable funding source restrictions and
66 to all of the department of community and human services' capital housing funding
67 conditions and policies.

68 B. The interest rate on interim loans shall be three percent simple interest, with
69 accrued interest deferred and paid in full at the time repayment is due.

70 C. The maximum term for full repayment of an interim loan shall be five years;
71 however, the executive may extend the initial loan term by up to an additional five years.

72 D. Up to one hundred percent loan-to-value ratio may be allowed upon showing
73 that the county's interest in repayment is sufficiently assured.

74 E. All interim loans shall be secured with a lien on the property acquired.

75 F. An affordability covenant agreement shall be placed in first lien position.

76 G. The borrower shall begin the process to secure permanent financing from
77 public and private funders, as applicable, within one year from the time the interim loan
78 is made.

79 H. The borrower shall provide title insurance, liability and property insurance for
80 the property.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Sarah Perry, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Girmay Zahilay, County Executive

Attachments: None

6/12/2026

Technical and clarifying

[A. Sanders]

Sponsor: Dembowski

Proposed No.: 2026-0083

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2026-0083, VERSION**

2 **1**

3 On page 1, beginning on line 9, strike everything through page 4, line 80, and insert:

4 "BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

5 **SECTION 1. Findings:**

6 A. Various market conditions, including uncertainty surrounding federal
7 Continuum of Care funding and limited state and local resources available to support
8 homeless housing, have increased the time required for affordable housing developers to
9 secure sufficient financing to complete affordable housing projects.

10 B. Those market conditions have adversely affected the ability of affordable
11 housing developers to satisfy the requirements and repayment timelines of their interim
12 loans.

13 C. The absence of an option to extend the terms of interim loans would have
14 detrimental impacts on the program and could hinder the successful completion of
15 affordable housing projects.

16 **SECTION 2.** Ordinance 16693, Section 3, as amended, and K.C.C. 24.22.020 are
17 hereby amended to read as follows:

18 The interim loan program will add to the stock of housing for low-income and
19 special needs residents of King County by facilitating acquisition of low-income housing
20 using homeless housing and services program moneys and mental illness and drug
21 dependency housing services moneys in the housing and community development fund.
22 These funding sources are collected and awarded to projects annually but are spent down
23 in a manner that creates a fund balance that is carried over from year to year. The interim
24 loan program will allow the county to loan moneys from these low-cost fund balances to
25 experienced housing developers on a short-term, interim basis to acquire property for
26 affordable ~~((and))~~ or homeless housing for households at or below ~~((fifty))~~ sixty percent
27 of area median income for King County. Interim loans will be awarded only when the
28 project sponsor can provide satisfactory assurances of project feasibility such that
29 permanent funding for the project is highly likely to be secured and the interim loan
30 amount will be repaid within a reasonable ~~((period of))~~ time, not to exceed five years;
31 however, the executive may extend the initial loan term by up to an additional five years
32 upon a determination by the director of the department of community and human services
33 that there is sufficient consideration for the extension. No more than fifteen million
34 dollars shall be made available for interim loans at any time.

35 SECTION 3. Ordinance 16693, Section 4, and K.C.C. 24.22.030 are hereby
36 amended to read as follows:

37 A. The department may make interim loans only when the borrower demonstrates
38 that the moneys will be used for eligible purposes, and provides reasonable ~~((insurance))~~
39 assurance that permanent funding will be available on acceptable terms for repayment of

40 the moneys before the loan maturity date and that appropriate security is provided by the
41 borrower to ensure guarantee repayment.

42 B. A single borrower may hold a maximum of one outstanding interim loan.

43 C. Moneys shall be made available only to acquire real property for the
44 development of affordable (~~(and)~~) or homeless housing for households at or below
45 ~~((fifty))~~ sixty percent of area median income for King County. Priority shall be
46 ~~((afforded))~~ given to projects proposing development of permanent housing that
47 designates at least twenty-five percent of the units for homeless households at or below
48 thirty percent of area median income for King County. The projects shall submit
49 preliminary plans for providing an appropriate level of supportive services for the
50 targeted homeless population to be served.

51 D. The borrower (~~((must))~~) provides information to the department establishing
52 that the borrower meets each of the following criteria:

53 1. The borrower has previously developed and operated publicly funded capital
54 projects in King County;

55 2. All of (~~((F))~~)the borrower's (~~((provides))~~) annual independent organizational
56 financial audits (~~((with))~~) have no findings of material weaknesses or qualifications that
57 would indicate concerns about the financial operations of the borrower;

58 3. The borrower is in good standing with local public funders and is current with
59 annual report submissions;

60 4. The borrower's publicly funded properties are well maintained, are
61 performing to industry standards and are in compliance with public funder regulatory and

62 loan agreement terms and requirements for replacement or operating reserve accounts, or
63 both;

64 5. All borrower projects are current with any debt service including public
65 funder loan payments, taxes and insurance;

66 6. The borrower's development track record demonstrates that projects were
67 completed within acceptable timelines and within budget; and

68 7. The borrower demonstrates the ability to secure permanent funding and pay
69 off the interim loan within five years.

70 E. Proposed use of the property to be acquired shall be compatible with the
71 applicable comprehensive plan.

72 F. The borrower shall provide a current appraisal of the property.

73 SECTION 4. Ordinance 16693, Section 5, and K.C.C. 24.22.040 are hereby
74 amended to read as follows:

75 A. Interim loans shall be subject to all applicable funding source restrictions and
76 to all of the department of community and human services' capital housing funding
77 conditions and policies.

78 B. The interest rate on interim loans shall be three percent simple interest, with
79 accrued interest deferred and paid in full at the time repayment is due.

80 C. The maximum term for full repayment of an interim loan shall be five years;
81 however, the executive may extend the initial loan term by up to an additional five years
82 upon a determination by the director of the department of community and human services
83 that there is sufficient consideration for the extension.

84 D. Up to one hundred percent loan-to-value ratio may be allowed upon showing
85 that the county's interest in repayment is sufficiently assured.

86 E. All interim loans shall be secured with a lien on the property acquired.

87 F. An affordability covenant agreement shall be placed in first lien position.

88 G. The borrower shall begin the process to secure permanent financing from
89 public and private funders, as applicable, within one year from the time the interim loan,
90 and any extension, is made.

91 H. The borrower shall provide title insurance, liability and property insurance for
92 the property."

93 **EFFECT prepared by A. Sanders: *Would make technical and clarifying amendments***
94 ***to the proposed ordinance.***

7/1/2026

1
to S1

Waive interest

[A. Sanders]

Sponsor: Dembowski

Proposed No.: 2026-0083

1 **AMENDMENT TO STRIKING AMENDMENT S1 TO PROPOSED ORDINANCE**

2 **2026-0083, VERSION 1**

3 On page 4, beginning on line 79, after "is due" insert "however, the executive may
4 decrease or waive the interest rate upon a determination there is sufficient consideration
5 for the decrease or waiver of the interest rate"

6 **EFFECT prepared by *A. Sanders: Would allow the Executive to decrease or waive***
7 ***interest rates.***



Executive Girmay Zahilay

Chinook Building, CNK-EX-0800
 401 Fifth Avenue, Suite 800
 Seattle, WA 98104-2391

March 25, 2026

The Honorable Sarah Perry
 Chair, King County Council
 Room 1200
 COURTHOUSE

Dear Councilmember Perry:

This letter transmits a proposed Ordinance that if approved, would amend King County Code (KCC) section 24.22, which governs the County's Interim Loan Program administered by the Department of Community and Human Services (DCHS), to provide the Executive with authority to extend the initial interim loan term by up to five years and modify the permissible permanent uses. This proposed Ordinance is transmitted concurrently with the Report Describing Next Steps Required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter in response to Ordinance 20023, Section 109, Proviso P3.

King County provided an \$8.1 million interim loan to Catholic Housing Services (CHS) in June 2021 to acquire a 2.6-acre site in Shoreline formerly known as the Oaks at Forest Bay Skilled Nursing Facility. The purposes of the loan were:

- to give CHS time to plan and secure funding to redevelop the site as PSH or an alternate housing strategy, and
- to allow Lake City Partners Ending Homelessness to operate the property as the 60-bed Aurora Oaks Enhanced Shelter until CHS started redevelopment

CHS's loan is structured as a five-year loan, the longest term currently permissible under KCC 24.22, at three percent simple interest deferred until maturity. CHS' loan is due on June 29, 2026, at an estimated repayment amount of \$9.3 million. The loan agreement calls for CHS to redevelop the site as permanent supportive housing (PSH), serving all households at or below 50 percent area median income (AMI), and to prioritize at least 25 percent of units for homeless households.

CHS notified DCHS in early 2025 that it would not be able to meet the loan obligations of developing PSH onsite by 2026, or to repay the loan on time due to federal threats to Continuum of Care (CoC) homeless housing funding, as well as constrained state and local funds to support homeless housing. CHS has proposed redeveloping the site in two to three phases, starting with a 100-unit workforce housing project that would serve people up to 60 percent AMI rather than its previous plan to serve homeless households.

The Honorable Sarah Perry

March 25, 2025

Page 2

KCC 24.22 does not allow an interim loan term longer than five years, and requires all households served in the redevelopment to be 50 percent AMI or lower. These restrictions currently prevent CHS from developing a feasible project and threaten the operations of the enhanced shelter. I am proposing changes to KCC 24.22 to grant me the authority to extend initial interim loan terms up to an additional five years and to increase the AMI level of permanent uses of sites supported by interim loans from 50 to 60 percent AMI.

These legislative changes would enable me to grant CHS a loan extension, allowing the interim loan program to continue to support CHS as their redevelopment project plans are modified, and make it possible for the Aurora Oaks Enhanced Shelter to continue operating in the meantime. In addition, these changes increase the likelihood that this large site will be redeveloped to provide hundreds of new affordable housing units and that CHS' loan will be fully repaid, enabling the County to maintain its commitments to PSH homeless housing in future years.

Thank you for your consideration of this proposed Ordinance. Passage of this legislation will allow the 60-bed enhanced shelter to continue serving the Shoreline community and provide more time for CHS to secure funding to turn the site into needed permanent affordable housing.

If your staff have any questions, please contact Susan McLaughlin, Acting Director, Department of Community and Human Services, at 206-477-9309.

Sincerely,



Girmay Zahilay
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff
 Melani Hay, Clerk of the Council
 Karan Gill, Deputy Executive, Office of the Executive
 Jasmin Weaver, Chief of Staff, Office of the Executive
 Hyeok Kim, Chief Operating Officer, Office of the Executive
 Sierra Howlett Browne, Director of Government Relations, Office of the Executive
 Garrett Holbrook, Council Relations Manager, Office of the Executive
 Susan McLaughlin, Acting Director, Department of Community and Human Services

2026-2027 FISCAL NOTE

Ordinance/Motion: : Ordinance
 Title: Interim Loan Ordinance
 Affected Agency and/or Agencies: DCHS
 Note Prepared By: Florence Nabagenyi
 Date Prepared: 03/03/2026
 Note Reviewed By: Kevin Lo
 Date Reviewed: 03/03/2026

Description of request:

Amending an interim loan program to facilitate acquisition of property for low-income housing, allowing for the executive to extend loan terms and grant further flexibility to county partners; and amending Ordinance 16693, Section 3, and K.C.C. 24.22.020 as amended, Ordinance 16693, Section 4, and K.C.C. 24.22.030, and Ordinance 16693, Section 5, and K.C.C. 24.22.040.

Revenue to:

Agency	Fund Code	Revenue Source	2026-2027	2028-2029	2030-2031
Housing and Community Development	2460	DRF	0	0	0
TOTAL			0	0	0

Expenditures from:

Agency	Fund Code	Department	2026-2027	2028-2029	2030-2031
Housing and Community Development	2460	DCHS	0	0	0
TOTAL			0	0	0

Expenditures by Categories

	2026-2027	2028-2029	2030-2031
Subcontract Other (53180)	0	0	0
TOTAL	0	0	0

Does this legislation require a budget supplemental? No

Notes and Assumptions:

Report Describing Next Steps Required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter

March 2026



King County

I. Summary

King County Council, through Ordinance 20023, Section 109, Proviso P3, calls for the executive to transmit a report to the council describing options to maintain the Aurora Oaks Enhanced Shelter as a shelter while the proposed redevelopment of the site experiences delays.¹

The Aurora Oaks Enhanced Shelter (shelter) operates at its Shoreline property through an agreement with Catholic Housing Services (CHS). CHS purchased the site from King County Housing Authority in 2021 using an \$8.1 million interim loan from the King County Department of Community and Human Services (DCHS).^{2,3} According to the loan agreement, CHS intended to redevelop the site into permanent supportive housing (PSH) and repay the loan plus interest by June 29, 2026. Due to threats of federal funding cuts for PSH housing, as well state and local PSH funding constraints, CHS is not able to develop PSH housing on the site in the near term or meet the loan repayment schedule.^{4,5}

CHS submitted a preliminary alternate redevelopment proposal, which is permitted within the loan agreement, to DCHS' Housing Finance Program (HFP) in its 2025 funding round. However, the agency needs a loan extension and changes to the permissible permanent uses to continue developing its plan.

DCHS has identified that the best near-term option to allow continued operation of the shelter after June 2026 is amendment of King County Code (KCC) 24.22, to provide the Executive with the authority to extend the initial interim loan term by up to five years and modify the permissible permanent uses. This proposed amendment is transmitted concurrent with this report.⁶ If approved by the Council, these changes will allow CHS the time it needs to develop a financially feasible and sustainable redevelopment plan and allow the shelter to continue operating until the site is ready for redevelopment.

See Appendix A for the full text of Ordinance 20023, Section 109, Proviso P3.

II. Background

DCHS provided an \$8.1 million interim loan to CHS in June 2021 to acquire a 2.6-acre site in Shoreline formerly known as the Oaks at Forest Bay Skilled Nursing Facility. The purposes of the loan were:

- to give CHS time to plan and secure funding to redevelop the site as PSH or an alternate housing strategy, and
- to allow Lake City Partners Ending Homelessness to operate the property as the 60-bed Aurora Oaks Enhanced Shelter until CHS started redevelopment.

CHS' loan is structured as a five-year loan, the longest term currently permissible under KCC 24.22, at three percent simple interest deferred until maturity.⁷ CHS's loan is due on June 29, 2026, at an estimated repayment amount of \$9.3 million. The loan agreement calls for CHS to redevelop the site as PSH, serving all households at or below 50 percent area median income (AMI), and to prioritize at least 25 percent of units for homeless households.

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

In early 2025 CHS notified DCHS that it would not be able to meet the loan obligations of developing PSH onsite by 2026, or to repay the loan on time, due to the lack of available PSH funding for capital, operations, and supportive services.⁸ CHS has instead proposed redeveloping the site in two or three phases, starting with a 100-unit workforce housing project that would serve people up to 60 percent AMI rather than its previous plan to serve homeless households. DCHS proposes amending KCC 24.22 to allow a loan extension and support the first phase of development CHS indicates would be feasible in the current market and funding environment. CHS needs more time to determine what development would be feasible after the first phase.

The City of Shoreline has a strong interest in maintaining the current shelter use in the near term while CHS is still determining its development plans.⁹ DCHS supports this interim use and intends to work with CHS on a feasible and sustainable redevelopment plan.

III. Report Requirements

This section describes options, funding analyses, and recommendations to ensure continued operation of the Aurora Oaks Enhanced Shelter after June 2026.

A. Description of the options that the County could consider to address the maturity of the loan by Catholic Housing Services and maintain operations of the Aurora Oaks Enhanced Shelter as a shelter

The Executive has identified three options to address CHS's June loan maturity and allow ongoing shelter operations:

- 1) King County amends KCC 24.22 to provide the Executive with the authority to extend Interim Loan terms. The Executive can then extend CHS's loan term to allow more time for redevelopment. **The Executive recommends this option.**
- 2) King County acquires the Oaks site by foreclosing on CHS's loan. If this option were pursued, King County would lose the \$8.1 million loan principal repayment that is already committed to PSH operating and services contracts for homeless housing in future years. Therefore, **the Executive does not recommend this option.**
- 3) King County purchases the site from CHS. Financing and eligibility for this option are uncertain and DCHS and the Facilities Management Division (FMD) will not know until the end of 2026 whether this option is viable. Due to this uncertainty, **the Executive does not recommend this option.**

This subsection further describes and explores each of the three options above.

Option 1 (Recommended): Council amends KCC 24.22 and Executive extends CHS' loan term.

Given the June loan maturity date and CHS's inability to meet its loan obligations, the County's best option to allow continued operations of the Aurora Oaks Enhanced Shelter past June is to amend KCC 24.22 to:

- provide the Executive authority to extend initial interim loan terms by up to an additional five years, and

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

- increase the AMI level for permanent uses of sites the interim loan program supports from 50 percent to 60 percent AMI. This change will allow CHS' redevelopment to serve households up to 60 percent AMI.

These legislative changes would enable the interim loan program to continue to support CHS even as its redevelopment project plans are modified, and to enable the Aurora Oaks Enhanced Shelter's continued operation in the meantime. In addition, the changes would provide increased flexibility for the interim loan program overall to support a wider range of affordable housing projects going forward, while still preferring support for projects that support people experiencing homelessness, and to support projects for longer periods of time when needed.

Advantages of amending the KCC 24.22 and extending CHS's loan term:

- Provides CHS additional time to further develop its proposal for a two- or three-phased development, including whether additional federal, state, and local funding will be available to support PSH development in a second or third phase. More time is needed to develop a feasible redevelopment and operations plan.
- Allows the property to serve 60 percent AMI would enable CHS to begin redeveloping the site as a 100 percent workforce housing project serving households up to 60 percent AMI. The first phase of CHS' project would not serve any homeless households, but subsequent phases might. CHS will determine in the next two to three years, based on available federal, state, and local funding, whether serving some homeless households in later phases is feasible.
- Allows the shelter to continue to operate onsite until CHS is ready to redevelop the site. If their loan is extended, CHS intends to continue their agreement with the shelter operator, assuming the shelter maintains its operating funding.¹⁰ The shelter's operating funds are contracted annually through the King County Regional Homelessness Authority (KCRHA). Its funds are secure for 2026 and likely for 2027.¹¹ Funding beyond that will depend on overall funding available for the homeless response system.
- Allows more time for CHS to secure construction and permanent financing, including from public funders. CHS requested \$12.5 million from King County in the 2025 housing capital request for proposals to redevelop the site, and this figure could rise because the preliminary proposal showed a gap of \$6 million and interest rates remain high. Due to declining lodging tax revenue projections, the County would not be able to meet CHS' full financing need immediately. DCHS currently has \$10 million designated for transit-oriented development (TOD) sites in Shoreline or Kenmore, authorized by Ordinance 19861.¹² These funds could potentially support redevelopment of the Oaks site, if a proposal meets TOD and Housing Finance Program (HFP) due diligence criteria through a competitive funding round.¹³ If King County extends CHS' interim loan, DCHS intends to make these \$10 million available in its annual housing finance procurement for eligible TOD projects in Shoreline and Kenmore instead of continuing to hold these funds for a joint RFP with King County Metro for its Shoreline site. CHS would be eligible to apply for these TOD funds.

- Increases the likelihood that the County will be repaid the \$8.1 million that it loaned to CHS via an interim loan from HCD's Homeless Housing and Services Fund (HHSF). The HHSF is committed to future operating and services support for existing PSH buildings. If King County extends CHS' loan, it would increase the likelihood that CHS can develop a feasible redevelopment plan and secure financing that will repay this loan that is critical to keeping formerly homeless people housed.

Risks to extending CHS's Interim Loan:

- Delays repayment of the County's \$8.1 million loan principal, which is currently due June 29, 2026. However, at the time of this report, CHS has no way to repay the loan on this timeline, a loan extension will instead make repayment more likely in the future. DCHS has confirmed that extension of the loan repayment timeline by three to five years will avoid any negative impact on existing PSH contract commitments.

Option 2 (Not Recommended): County Forecloses on CHS' Loan

DCHS could foreclose on CHS and take the property. This option is risky because it will involve legal procedures that will negatively impact CHS and forfeit the County's \$8.1 million loan.

Advantage of foreclosing on the loan:

- King County FMD would own the site and could allow continued operations of the shelter, provided the shelter had sustained operating funds.

Disadvantages of foreclosing on the loan:

- A CHS foreclosure or default would negatively impact CHS' financial position and limit or prevent their ability to maintain existing funding for current PSH operations or secure funding to develop new sites. If lenders or other funders see a default, they can pull existing operating and services commitments to the agency. A CHS default could put housing and services for approximately 1,000 people in CHS buildings around King County at risk.¹⁴ This outcome should be avoided.
- DCHS would lose \$8.1 million of document recording fee (DRF) revenue from its Homeless Housing and Services Fund (HHSF), that are already committed to future use serving permanent supportive housing buildings.¹⁵ This loss would undermine the County's commitments to operating and services contracts for homeless PSH housing, which could potentially result in 236 PSH residents becoming homeless again.¹⁶ A funding loss of this magnitude is untenable at a time when tens of millions of dollars in annual federal U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) funding for PSH operations and services in King County is potentially at risk.^{17,18}
- Since DCHS is not a custodial agency, King County's FMD would own the site and be responsible for maintaining the property, including ensuring safe and habitable standards for operating the shelter. As of the drafting of this report, it is not known whether FMD would determine that the shelter needs capital investments before it could continue operating safely, or what additional requirements FMD would impose as part of County ownership of the site. FMD would execute a use agreement with the shelter operator. The King County

Regional Homelessness Authority (KCRHA) would continue to hold the contract for shelter operations.

- DCHS does not have funds to pay FMD to manage the site, make any capital improvements needed, or administer a use agreement. Costs associated with these activities could increase the cost to the shelter operator or to KCRHA to maintain the shelter.

Option 3 (Not Recommended): County purchase of the Aurora Oaks site

Finally, King County could purchase the Aurora Oaks property from CHS. In this scenario, CHS would repay the County's interim loan, assuming the appraised value is higher than the loan repayment amount, and DCHS would relieve CHS from its obligation to redevelop the site. Due to current federal and local funding uncertainties, DCHS cannot determine until at least the end of 2026 whether it has sufficient funding of the right type required to pursue this option. As a result, the County cannot make this commitment before the June 2026 end of the interim loan term.

For this reason, DCHS therefore recommends amending KCC 24.22 and extending CHS' current loan. This solution will provide CHS with more time to identify its overall redevelopment plan and financing. This approach will be necessary at least until DCHS knows more about the federal CoC funds and its other capital needs, which are described further in the next subsection.

B. Potential funding sources for County acquisition of the property located at 16357 Aurora Avenue North, Shoreline

All of Health through Housing's and Housing Finance Program's current capital sources require the development of housing, not shelter, and require serving specific populations. In addition, DCHS's capital sources are severely constrained and may be further impacted by potential federal cuts.

The two capital funding streams that DCHS analyzed as potential sources for County acquisition of the Oaks site are Health Through Housing funds and TOD funds. At this time, neither source is a legally viable source for purchasing the shelter site. As a result, and as discussed in this section, neither is recommended for use for the Oaks site.

Potential Fund Source 1 (Not Recommended): Health Through Housing Funds (HTH)

The state's authorizing legislation for the funding stream known in King County as Health Through Housing allows the County to acquire sites for affordable housing, including emergency, transitional, and supportive housing.¹⁹ It requires serving people at or below 60 percent AMI with a behavioral health disability and who are homeless or at risk of being homeless.²⁰ However, County code further restricts the use of these funds to serving those at or below 30 percent AMI.²¹ HTH housing facilities cannot impose a time limit for residents' length of stay.²²

Advantages of Using HTH funds:

- The state's authorizing legislation allows the County to use funds to acquire sites.²³

Constraints on Using HTH funds:

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

- While the County can acquire sites using HTH funds, the authorizing legislation requires the use of acquired sites to be permanent housing, not shelter.²⁴
- The current Oaks Enhanced Shelter may not conform to the King County Code requirements governing HTH regarding the 30 percent AMI income level and type of housing required. The current shelter operator may need to alter its model and services to meet the Revised Code of Washington (RCW) and KCC requirements before King County could acquire it.^{25,26} DCHS is not a party to CHS' contract with the shelter operator, so it would need time to fully assess the shelter operations to determine if it meets HTH requirements, such as whether there is a time limit for a stay, whether it meets KCC requirements, and whether residents would be displaced.
- If the shelter could conform to RCW and KCC requirements with some modifications, and HTH had the funding to purchase it and immediately divest it to the shelter, the shelter operator would have to want to own the site. At this time, DCHS does not know whether the shelter operator has any interest in owning the site and being responsible for capital upkeep. In addition, if HTH purchased the site and divested it to the shelter operator, the region would risk losing a large site for future affordable housing.
- As described in a letter transmitted to the Council on October 29, 2025, DCHS has paused HTH acquisitions in favor of supporting operations-only sites due to declining HTH revenue projections, rising capital needs and other costs, and program capital commitments:²⁷
 - Based on the July 2025 financial forecast, projected HTH revenues have declined \$19.6 million for the six-year period 2025 through 2030.^{28,29}
 - FMD is conducting a capital needs assessment of the entire HTH portfolio by the end of 2026, which is expected to address substantive capital rehabilitation needs across existing HTH facilities. Until this is completed, HTH is unable to consider any capital purchases. Using any HTH reserves to purchase additional buildings prior to a full understanding of future HTH facility needs risks the County's ability to provide safe, habitable housing across the entire HTH portfolio.
 - All HTH capital funds are committed to future capital needs of HTH buildings. HTH is required to pay for capital improvements of sites it buys in perpetuity.
 - In 2025, unanticipated capital expenses resulted in capital costs exceeding initial estimates for each project by 20 to 134 percent. This trend informed the current HTH strategy to pause acquisitions to ensure it maintains safe housing across the HTH portfolio over the long term.
 - All HTH operating funds are committed to future operations of HTH sites. According to the HTH Implementation Plan, HTH is required to support the operating and services needs of sites it purchases even if it has divested those sites to provider ownership.³⁰ In addition, DCHS has identified any currently available HTH operating funds as a potential source to backfill CoC gaps if needed to sustain existing PSH operations. (DCHS does not expect to have information about potential federal CoC cuts until at least the end of 2026.) If HTH purchases the Oaks, it would not be able to stabilize existing PSH projects that may be subject to a loss of CoC revenue, potentially impacting housing for up to 2,144 CoC-supported residents.

- DCHS intends to add operations-only HTH sites to grow the portfolio cost-effectively while reducing King County’s overall financial exposure for initial and ongoing capital costs. Pursuing this strategy will ensure that the HTH initiative is able to better provide long-term, dependable financial support for the full operations of all HTH units.
- Purchasing the Oaks site would require an appraisal and FMD’s assessment of whether the site needs capital improvements before continuing to operate as a shelter. DCHS’ understanding is that the building is in poor condition. This means that the appraisal may not cover the full loan payoff amount of \$9.3 million or the principal payment of \$8.1 million. It is unlikely CHS would be able to make up any shortfall, causing a deficit in the County’s HHSF dollars that are committed to future PSH homeless housing contracts.

Potential Fund Source 2 (Possible for Third Party): Transit Oriented Development Funds (TOD)

DCHS has awarded or committed \$284 million, or 98 percent, of the total \$288 million TOD funds Council appropriated between 2016 and 2025. Of the total amount of TOD funds, \$255 million has been awarded to projects; \$32 million has been committed to specific projects, area geographies, or preservation projects; and almost \$1 million is available for equitable development TOD projects. Committed funds include allocations to specific projects or geographic areas that DCHS will award when projects meet underwriting criteria. Of the committed funds, \$10 million is available for TOD sites in Shoreline or Kenmore, as authorized by Ordinance 19861.³¹ These funds can support a nonprofit or housing authority to develop housing, but it cannot be used by the County to acquire sites.

DCHS has been planning to issue these funds in King County Metro’s RFP for its Shoreline site in early 2027. However, if the County extends CHS’ interim loan, DCHS intends to make the TOD funds available in its annual competitive RFP for any TOD eligible sites in Shoreline or Kenmore. DCHS would make the \$10 million in TOD funds available because it has very little TOD funding left to award and lodging tax revenue projections are declining and not expected to provide any capacity for additional TOD bonds for several years.³² CHS could apply for these funds for the Oaks site.

Notably, this funding strategy would not constitute acquisition by the County, but instead would dedicate TOD funds to support a redevelopment strategy by CHS or another developer.

Advantages of TOD funds:

- DCHS has \$10 million available to support capital development and permanent financing at TOD-eligible sites in Shoreline and Kenmore.

Disadvantages of TOD funds:

- The County must award TOD funds to a third party. TOD authorizing legislation does not allow the County to directly acquire sites. State statute says that TOD funds must be used for contracts, loans, or grants to nonprofit organizations or public housing authorities for affordable workforce housing within one-half mile of a transit station.^{33,34}

- While TOD funds can support repayment of acquisition costs, there are legal questions as to whether funds can be used for initial acquisition. TOD awards need to result in permanent housing, so DCHS typically awards funds after underwriting and due diligence shows that the project supports development of permanent housing. DCHS could award its \$10 million for Shoreline or Kenmore to CHS or another developer once they present a feasible plan that meets due diligence criteria through a competitive procurement process.
- If DCHS makes the funds available for other properties instead and awards funding to the Oaks site, it will not have funds for the Metro Shoreline opportunity described above. DCHS plans to make the funds available more broadly so that eligible projects that are ready and meet underwriting criteria will have access to County funding when needed.
- TOD funds are nearly exhausted and there is no revenue capacity for additional bonds. As described above, only two percent of DCHS' authorized \$288 million TOD bonds remain uncommitted. The Housing Finance Program (HFP) anticipates awarding the remaining uncommitted funds by the end of 2026. In addition, King County's July 2025 OEFA shows that lodging tax revenue projections have declined from the 2024 forecast, providing no capacity for additional TOD bonds and just enough revenue to cover existing TOD debt service.³⁵ The County's budget office anticipates TOD revenues to fall below prior projections for the next several years, making it harder to support new TOD development. *See Appendix B , Lodging Tax Revenue Projections July 2025.*
- DCHS's existing \$10 million TOD funds for Shoreline or Kenmore could go most of the way in supporting CHS's Oaks site redevelopment, if the project meets underwriting and due diligence criteria. However, it is likely the County will need a few more years before it would be able to provide enough funding to support the full site redevelopment need, which is currently estimated by CHS at \$12.5 million or more.

TOD fund constraints affirm that DCHS's best option for continuing shelter operations is to extend CHS's Interim Loan to provide more time for CHS to develop their plan and secure redevelopment funding.

C. Timeline and next steps that the Department of Community and Human Services intends to take to ensure continued operations of Aurora Oaks Enhanced Shelter as a shelter in North King County

Past Actions:

- February 2026: DCHS engaged CHS about DCHS's intent to seek loan extension and not put CHS into default.
- March 2026: Concurrently with this report, the Executive is transmitting a proposed ordinance amending KCC 24.22 governing DCHS' Interim Loan Program.

Immediate Next Actions:

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

- Second Quarter 2026: Upon adoption of the proposed ordinance, DCHS will propose to the Executive to extend CHS’s loan term for three years, to June 2029.³⁶
- Second Quarter 2026: With the Executive’s approval of a loan extension, DCHS will confirm the terms and conditions of the loan extension with CHS, including continued shelter operations.
- June 2026: DCHS will amend CHS’s loan term and contract before June 29, 2026, the date of loan maturity.

Additional continued actions that may or may not be relevant to the Aurora Oaks site:

- December 2026: FMD plans to complete its HTH portfolio capital needs assessment and determine whether HTH has any capital capacity to purchase the Oaks site.
- December 2026: DCHS expects to assess potential CoC losses and options for backfilling CoC funds, including HTH dollars.
- Fourth Quarter 2026: DCHS could engage with Oaks Enhanced Shelter operator to understand their operating model. Based on this determination, with PAO consultation, DCHS could determine whether the Oaks Enhanced Shelter would have to change its model to be eligible for a purchase using HTH funds.
- Fall 2026 or Fall 2027: If CHS’ loan is extended, DCHS plans to offer its \$10 million in TOD funding for Shoreline or Kenmore in the annual HFP RFP for eligible project applications. CHS could compete for these funds to support their Oaks site redevelopment.

IV. Conclusion

The Executive has no interest in foreclosing on CHS’ loan. Instead, the Executive intends to:

- ensure the Aurora Oaks Enhanced Shelter can continue operating until site redevelopment is under way,;
- support redevelopment of the site to provide hundreds of new affordable housing units; and
- receive eventual full repayment of the \$8.1 million interim loan supporting this project in order to fulfill DCHS’s commitment to PSH homeless housing operations in future years.

There is a clear immediate pathway that provides the best opportunity to meet these goals. The Executive recommends amending KCC 24.22 that governs DCHS’ Interim Loan Program and extending CHS’ loan term to allow more time to plan the site redevelopment and secure funding. The Executive is transmitting a proposed Ordinance to effectuate the needed amendments concurrently with this report. A loan extension would allow the shelter to continue operating while CHS plans a feasible redevelopment.

The County’s options to purchase the site are uncertain due to constrained financial capacity and legal restrictions on fund uses. DCHS will continue to assess any opportunity to purchase the site through HTH funds. That determination is dependent on FMD completing its HTH capital needs assessment by the end of 2026 and is compounded by federal threats to PSH operating funds. Importantly, the use of HTH funds for this purpose is not recommended and creates risks for the HTH fund and for the County’s broader PSH funding commitments. DCHS’ best current financing option is to provide its \$10 million TOD funds for Shoreline or Kenmore in the annual HFP RFP for eligible TOD projects meeting underwriting and due diligence criteria. This would provide

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

opportunity for CHS to compete for County funding for their Oaks site redevelopment, though at this time \$10 million does not fully meet CHS' expected need from the County. If TOD funding is offered more broadly, DCHS would not have funding available for Metro's TOD redevelopment at the Shoreline Park and Ride.

Full Text of Ordinance 20023, Section 109, Proviso P3

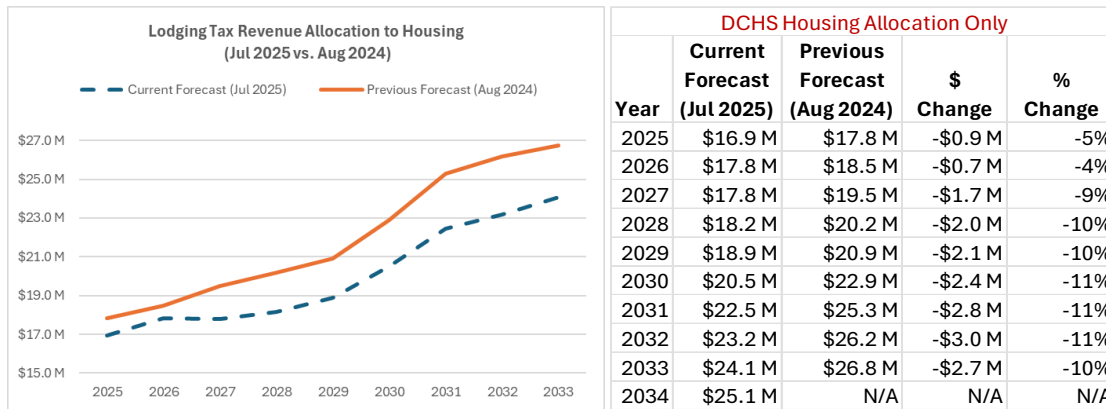
Of this appropriation, \$300,000 shall not be expended or encumbered until the executive transmits a report to the council describing the next steps required for the Aurora Oaks Enhanced Shelter to maintain operations as a shelter.

The report shall include, but not be limited to:

- A. A description of the options that the county could consider to address the maturity of the loan by Catholic Housing Services and maintain operations of the Aurora Oaks Enhanced Shelter as a shelter;
- B. Identification of potential funding sources for the county to obtain the property located at 16357 Aurora Avenue North, Shoreline, Property Tax Parcel number 329370-0010; and
- C. Identification of the timeline and next steps that the department of community and human services intends to take to ensure continued operations of Aurora Oaks Enhanced Shelter as a shelter in North King County.

The executive shall electronically file the report required by this proviso by March 30, 2026, with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the budget and fiscal management committee or its successor.

Declining Lodging Tax Revenue Projections, July 2025 OEFA



Analysis by County Budget office for Housing portion of lodging taxes, based on July 2025 OEFA projections.

End Notes

¹ Ordinance 20023, Section 109, P3.

[<https://kingcounty.legistar.com/LegislationDetail.aspx?ID=7680373&GUID=B4E9E09C-A982-4A8C-A0DA-6CC195D69EE0>]

² King County Code 24.22 *Interim Loan Program for Property Acquisition for Low-Income Housing*.

[<https://aqua.kingcounty.gov/council/clerk/code/33 Title 24.htm# Toc65058356>]

³ King County. (2025, October 2). *2024 Housing Awards Annual Snapshot Memorandum*.

[<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7688939&GUID=EB70A681-BA1D-4D5A-BBD5-A733509A4D8D&Options=Advanced&Search=>]

⁴ Joy Moses, Daniel Soucy. (2025, June 3). National Alliance to End Homelessness. *Visualizing the Impacts of the President's FY2026 Budget: Returns to Homelessness and Major Setbacks*.

[<https://endhomelessness.org/resources/research-and-analysis/visualizing-the-impacts-of-the-presidents-fy2026-budget-returns-to-homelessness-and-major-setbacks-could-be-ahead/>]

⁵ DCHS Briefing to King County Council's Health, Housing, and Human Services Committee. (2025, December 2). *Continuum of Care: Distilling the Federal Contract and Local Consequences*.

[<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7701513&GUID=6CF302A4-5F86-4AA9-A282-75BC85DB4114&Options=Advanced&Search=>]

⁶ King County Code 24.22 *Interim Loan Program for Property Acquisition for Low-Income Housing*.

[<https://aqua.kingcounty.gov/council/clerk/code/33 Title 24.htm# Toc65058356>]

⁷ King County Code 24.22 *Interim Loan Program for Property Acquisition for Low-Income Housing*.

[<https://aqua.kingcounty.gov/council/clerk/code/33 Title 24.htm# Toc65058356>]

⁸ Email correspondence from CHS to DCHS 2/11/25.

⁹ The City of Shoreline voiced their support and interest in the Aurora Oaks shelter continuing to operate during several phone calls with DCHS staff in 2025. City staff said the shelter is well run and that the community and the city support its continued operation.

¹⁰ CHS expressed this intention to DCHS through conversations in 2025.

¹¹ Aurora Oaks 2026 shelter budget confirmed by DCHS' Housing Stability Manager who partners with KCRHA. DCHS anticipates the shelter will maintain funding in 2027 because it is a well-run shelter in North King County, where there are limited shelters. At some point KCRHA will re-procure shelter funds, and at that time the shelter's funding level could change.

¹² Ordinance 19861, Section 108, ER1.

[<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=6872221&GUID=984B4D1E-D397-4497-85A8-C886918ED955&FullText=1>]

¹³ See DCHS' Housing Finance Program. [<https://kingcounty.gov/en/dept/dchs/human-social-services/housing-homeless-services/funding-opportunities/housing-finance>]

¹⁴ Based on CHS' operating buildings in King County as provided on CHS's website.

[<https://ccsww.org/services/permanent-housing/>]

¹⁵ Interim Loans are funded by HHSF funds (DRF) that are collected and awarded annually but are spent down over six years, creating a fund balance that is carried forward each year. This allows DCHS to loan part of the fund balance in interim loans.

¹⁶ Housing and Homeless Services Program estimate, January 2026

¹⁷ Joy Moses, Daniel Soucy. (2025, June 3). National Alliance to End Homelessness. *Visualizing the Impacts of the President's FY2026 Budget: Returns to Homelessness and Major Setbacks*.

[<https://endhomelessness.org/resources/research-and-analysis/visualizing-the-impacts-of-the-presidents-fy2026-budget-returns-to-homelessness-and-major-setbacks-could-be-ahead/>]

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- ¹⁸ DCHS Briefing to King County Council’s Health, Housing, and Human Services Committee. (2025, December 2). *Continuum of Care: Distilling the Federal Contract and Local Consequences*. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7701513&GUID=6CF302A4-5F86-4AA9-A282-75BC85DB4114&Options=Advanced&Search=>
- ¹⁹ RCW 82.14.530 <https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>
- ²⁰ RCW 82.14.530 <https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>
- ²¹ King County Code 24.30.010 https://aqua.kingcounty.gov/council/clerk/code/33_Title_24.htm#_Toc65058358
- ²² Initial Health Through Housing Implementation Plan, page 19. <https://mkcclegisearch.kingcounty.gov/View.ashx?M=F&ID=9959294&GUID=718EA25C-9032-448C-8C98-060B2C97B5E8>
- ²³ RCW 82.14.530 <https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>
- ²⁴ RCW 82.14.530 <https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>
- ²⁵ RCW 82.14.530 <https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>
- ²⁶ King County Code 24.30 https://aqua.kingcounty.gov/council/clerk/code/33_Title_24.htm#_Toc65058358
- ²⁷ Health Through Housing 2025 Reallocation Letter, October 29, 2025. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7718540&GUID=5BF7C132-117C-4C14-AA59-9BB0FE5560D8&Options=Advanced&Search=>
- ²⁸ County Budget Office analysis based on July 2025 OEFA shows HTH projected revenues declining each year between 2025-2030, except for a small increase in 2026. The overall six-year decline is projected as \$19.6 million (from July 2021 HTH revenue projections).
- ²⁹ King County Office of Economic and Financial Analysis. (2025, July 21). *July 2025 King County Economic and Revenue Forecast*. https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/forecasting/documents/july2025_pdf.pdf?rev=6abcfdb918314a40a3c82d9f0de6ea14&hash=7B796FB39494EB5CEA00BBB043DB3F8D
- ³⁰ King County. (2021, November). *Initial Health through Housing Implementation Plan 2022-2028*. p 31. <https://mkcclegisearch.kingcounty.gov/View.ashx?M=F&ID=9959294&GUID=718EA25C-9032-448C-8C98-060B2C97B5E8>
- ³¹ Ordinance 19861, Section 108, ER1. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=6872221&GUID=984B4D1E-D397-4497-85A8-C886918ED955&FullText=1>
- ³² King County Office of Economic and Financial Analysis. (2025, July 21). *July 2025 King County Economic and Revenue Forecast*. https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/forecasting/documents/july2025_pdf.pdf?rev=6abcfdb918314a40a3c82d9f0de6ea14&hash=7B796FB39494EB5CEA00BBB043DB3F8D
- ³³ RCW 67.28.180 <https://app.leg.wa.gov/rcw/default.aspx?cite=67.28.180>
- ³⁴ RCW 67.28.180 states [at (3)(d)]: (d) “On and after January 1, 2021, the revenues under this section *must be used* as follows: [at sub (2)(A)] *For* contracts, loans, or grants to nonprofit organizations or public housing authorities for affordable workforce housing within one-half mile of a transit station, as described under RCW 9.91.025, or for housing, facilities, or services for homeless youth.” (emphasis added) <https://app.leg.wa.gov/rcw/default.aspx?cite=67.28.180>
- ³⁵ King County Office of Economic and Financial Analysis. (2025, July 21). *July 2025 King County Economic and Revenue Forecast*. https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/forecasting/documents/july2025_pdf.pdf?rev=6abcfdb918314a40a3c82d9f0de6ea14&hash=7B796FB39494EB5CEA00BBB043DB3F8D
- ³⁶ DCHS will determine the term of loan extension through conversation with CHS. As of the drafting of this report, DCHS expects that a three-year extension will provide the time needed for CHS to develop a feasible

Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter

redevelopment plan and identify and secure funding commitments. Based on CHS' progress, if more time is needed past June 2029, DCHS and the Executive may consider that. Starting with a three-year extension would give DCHS the ability to change course after three years if the redevelopment is not progressing.

Report Describing Next Steps Required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter

March 2026



King County

I. Summary

King County Council, through Ordinance 20023, Section 109, Proviso P3, calls for the executive to transmit a report to the council describing options to maintain the Aurora Oaks Enhanced Shelter as a shelter while the proposed redevelopment of the site experiences delays.¹

The Aurora Oaks Enhanced Shelter (shelter) operates at its Shoreline property through an agreement with Catholic Housing Services (CHS). CHS purchased the site from King County Housing Authority in 2021 using an \$8.1 million interim loan from the King County Department of Community and Human Services (DCHS).^{2,3} According to the loan agreement, CHS intended to redevelop the site into permanent supportive housing (PSH) and repay the loan plus interest by June 29, 2026. Due to threats of federal funding cuts for PSH housing, as well state and local PSH funding constraints, CHS is not able to develop PSH housing on the site in the near term or meet the loan repayment schedule.^{4,5}

CHS submitted a preliminary alternate redevelopment proposal, which is permitted within the loan agreement, to DCHS' Housing Finance Program (HFP) in its 2025 funding round. However, the agency needs a loan extension and changes to the permissible permanent uses to continue developing its plan.

DCHS has identified that the best near-term option to allow continued operation of the shelter after June 2026 is amendment of King County Code (KCC) 24.22, to provide the Executive with the authority to extend the initial interim loan term by up to five years and modify the permissible permanent uses. This proposed amendment is transmitted concurrent with this report.⁶ If approved by the Council, these changes will allow CHS the time it needs to develop a financially feasible and sustainable redevelopment plan and allow the shelter to continue operating until the site is ready for redevelopment.

See Appendix A for the full text of Ordinance 20023, Section 109, Proviso P3.

II. Background

DCHS provided an \$8.1 million interim loan to CHS in June 2021 to acquire a 2.6-acre site in Shoreline formerly known as the Oaks at Forest Bay Skilled Nursing Facility. The purposes of the loan were:

- to give CHS time to plan and secure funding to redevelop the site as PSH or an alternate housing strategy, and
- to allow Lake City Partners Ending Homelessness to operate the property as the 60-bed Aurora Oaks Enhanced Shelter until CHS started redevelopment.

CHS' loan is structured as a five-year loan, the longest term currently permissible under KCC 24.22, at three percent simple interest deferred until maturity.⁷ CHS's loan is due on June 29, 2026, at an estimated repayment amount of \$9.3 million. The loan agreement calls for CHS to redevelop the site as PSH, serving all households at or below 50 percent area median income (AMI), and to prioritize at least 25 percent of units for homeless households.

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

In early 2025 CHS notified DCHS that it would not be able to meet the loan obligations of developing PSH onsite by 2026, or to repay the loan on time, due to the lack of available PSH funding for capital, operations, and supportive services.⁸ CHS has instead proposed redeveloping the site in two or three phases, starting with a 100-unit workforce housing project that would serve people up to 60 percent AMI rather than its previous plan to serve homeless households. DCHS proposes amending KCC 24.22 to allow a loan extension and support the first phase of development CHS indicates would be feasible in the current market and funding environment. CHS needs more time to determine what development would be feasible after the first phase.

The City of Shoreline has a strong interest in maintaining the current shelter use in the near term while CHS is still determining its development plans.⁹ DCHS supports this interim use and intends to work with CHS on a feasible and sustainable redevelopment plan.

III. Report Requirements

This section describes options, funding analyses, and recommendations to ensure continued operation of the Aurora Oaks Enhanced Shelter after June 2026.

A. Description of the options that the County could consider to address the maturity of the loan by Catholic Housing Services and maintain operations of the Aurora Oaks Enhanced Shelter as a shelter

The Executive has identified three options to address CHS's June loan maturity and allow ongoing shelter operations:

- 1) King County amends KCC 24.22 to provide the Executive with the authority to extend Interim Loan terms. The Executive can then extend CHS's loan term to allow more time for redevelopment. **The Executive recommends this option.**
- 2) King County acquires the Oaks site by foreclosing on CHS's loan. If this option were pursued, King County would lose the \$8.1 million loan principal repayment that is already committed to PSH operating and services contracts for homeless housing in future years. Therefore, **the Executive does not recommend this option.**
- 3) King County purchases the site from CHS. Financing and eligibility for this option are uncertain and DCHS and the Facilities Management Division (FMD) will not know until the end of 2026 whether this option is viable. Due to this uncertainty, **the Executive does not recommend this option.**

This subsection further describes and explores each of the three options above.

Option 1 (Recommended): Council amends KCC 24.22 and Executive extends CHS' loan term.

Given the June loan maturity date and CHS's inability to meet its loan obligations, the County's best option to allow continued operations of the Aurora Oaks Enhanced Shelter past June is to amend KCC 24.22 to:

- provide the Executive authority to extend initial interim loan terms by up to an additional five years, and

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

- increase the AMI level for permanent uses of sites the interim loan program supports from 50 percent to 60 percent AMI. This change will allow CHS' redevelopment to serve households up to 60 percent AMI.

These legislative changes would enable the interim loan program to continue to support CHS even as its redevelopment project plans are modified, and to enable the Aurora Oaks Enhanced Shelter's continued operation in the meantime. In addition, the changes would provide increased flexibility for the interim loan program overall to support a wider range of affordable housing projects going forward, while still preferring support for projects that support people experiencing homelessness, and to support projects for longer periods of time when needed.

Advantages of amending the KCC 24.22 and extending CHS's loan term:

- Provides CHS additional time to further develop its proposal for a two- or three-phased development, including whether additional federal, state, and local funding will be available to support PSH development in a second or third phase. More time is needed to develop a feasible redevelopment and operations plan.
- Allows the property to serve 60 percent AMI would enable CHS to begin redeveloping the site as a 100 percent workforce housing project serving households up to 60 percent AMI. The first phase of CHS' project would not serve any homeless households, but subsequent phases might. CHS will determine in the next two to three years, based on available federal, state, and local funding, whether serving some homeless households in later phases is feasible.
- Allows the shelter to continue to operate onsite until CHS is ready to redevelop the site. If their loan is extended, CHS intends to continue their agreement with the shelter operator, assuming the shelter maintains its operating funding.¹⁰ The shelter's operating funds are contracted annually through the King County Regional Homelessness Authority (KCRHA). Its funds are secure for 2026 and likely for 2027.¹¹ Funding beyond that will depend on overall funding available for the homeless response system.
- Allows more time for CHS to secure construction and permanent financing, including from public funders. CHS requested \$12.5 million from King County in the 2025 housing capital request for proposals to redevelop the site, and this figure could rise because the preliminary proposal showed a gap of \$6 million and interest rates remain high. Due to declining lodging tax revenue projections, the County would not be able to meet CHS' full financing need immediately. DCHS currently has \$10 million designated for transit-oriented development (TOD) sites in Shoreline or Kenmore, authorized by Ordinance 19861.¹² These funds could potentially support redevelopment of the Oaks site, if a proposal meets TOD and Housing Finance Program (HFP) due diligence criteria through a competitive funding round.¹³ If King County extends CHS' interim loan, DCHS intends to make these \$10 million available in its annual housing finance procurement for eligible TOD projects in Shoreline and Kenmore instead of continuing to hold these funds for a joint RFP with King County Metro for its Shoreline site. CHS would be eligible to apply for these TOD funds.

- Increases the likelihood that the County will be repaid the \$8.1 million that it loaned to CHS via an interim loan from HCD's Homeless Housing and Services Fund (HHSF). The HHSF is committed to future operating and services support for existing PSH buildings. If King County extends CHS' loan, it would increase the likelihood that CHS can develop a feasible redevelopment plan and secure financing that will repay this loan that is critical to keeping formerly homeless people housed.

Risks to extending CHS's Interim Loan:

- Delays repayment of the County's \$8.1 million loan principal, which is currently due June 29, 2026. However, at the time of this report, CHS has no way to repay the loan on this timeline, a loan extension will instead make repayment more likely in the future. DCHS has confirmed that extension of the loan repayment timeline by three to five years will avoid any negative impact on existing PSH contract commitments.

Option 2 (Not Recommended): County Forecloses on CHS' Loan

DCHS could foreclose on CHS and take the property. This option is risky because it will involve legal procedures that will negatively impact CHS and forfeit the County's \$8.1 million loan.

Advantage of foreclosing on the loan:

- King County FMD would own the site and could allow continued operations of the shelter, provided the shelter had sustained operating funds.

Disadvantages of foreclosing on the loan:

- A CHS foreclosure or default would negatively impact CHS' financial position and limit or prevent their ability to maintain existing funding for current PSH operations or secure funding to develop new sites. If lenders or other funders see a default, they can pull existing operating and services commitments to the agency. A CHS default could put housing and services for approximately 1,000 people in CHS buildings around King County at risk.¹⁴ This outcome should be avoided.
- DCHS would lose \$8.1 million of document recording fee (DRF) revenue from its Homeless Housing and Services Fund (HHSF), that are already committed to future use serving permanent supportive housing buildings.¹⁵ This loss would undermine the County's commitments to operating and services contracts for homeless PSH housing, which could potentially result in 236 PSH residents becoming homeless again.¹⁶ A funding loss of this magnitude is untenable at a time when tens of millions of dollars in annual federal U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) funding for PSH operations and services in King County is potentially at risk.^{17,18}
- Since DCHS is not a custodial agency, King County's FMD would own the site and be responsible for maintaining the property, including ensuring safe and habitable standards for operating the shelter. As of the drafting of this report, it is not known whether FMD would determine that the shelter needs capital investments before it could continue operating safely, or what additional requirements FMD would impose as part of County ownership of the site. FMD would execute a use agreement with the shelter operator. The King County

Regional Homelessness Authority (KCRHA) would continue to hold the contract for shelter operations.

- DCHS does not have funds to pay FMD to manage the site, make any capital improvements needed, or administer a use agreement. Costs associated with these activities could increase the cost to the shelter operator or to KCRHA to maintain the shelter.

Option 3 (Not Recommended): County purchase of the Aurora Oaks site

Finally, King County could purchase the Aurora Oaks property from CHS. In this scenario, CHS would repay the County's interim loan, assuming the appraised value is higher than the loan repayment amount, and DCHS would relieve CHS from its obligation to redevelop the site. Due to current federal and local funding uncertainties, DCHS cannot determine until at least the end of 2026 whether it has sufficient funding of the right type required to pursue this option. As a result, the County cannot make this commitment before the June 2026 end of the interim loan term.

For this reason, DCHS therefore recommends amending KCC 24.22 and extending CHS' current loan. This solution will provide CHS with more time to identify its overall redevelopment plan and financing. This approach will be necessary at least until DCHS knows more about the federal CoC funds and its other capital needs, which are described further in the next subsection.

B. Potential funding sources for County acquisition of the property located at 16357 Aurora Avenue North, Shoreline

All of Health through Housing's and Housing Finance Program's current capital sources require the development of housing, not shelter, and require serving specific populations. In addition, DCHS's capital sources are severely constrained and may be further impacted by potential federal cuts.

The two capital funding streams that DCHS analyzed as potential sources for County acquisition of the Oaks site are Health Through Housing funds and TOD funds. At this time, neither source is a legally viable source for purchasing the shelter site. As a result, and as discussed in this section, neither is recommended for use for the Oaks site.

Potential Fund Source 1 (Not Recommended): Health Through Housing Funds (HTH)

The state's authorizing legislation for the funding stream known in King County as Health Through Housing allows the County to acquire sites for affordable housing, including emergency, transitional, and supportive housing.¹⁹ It requires serving people at or below 60 percent AMI with a behavioral health disability and who are homeless or at risk of being homeless.²⁰ However, County code further restricts the use of these funds to serving those at or below 30 percent AMI.²¹ HTH housing facilities cannot impose a time limit for residents' length of stay.²²

Advantages of Using HTH funds:

- The state's authorizing legislation allows the County to use funds to acquire sites.²³

Constraints on Using HTH funds:

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

- While the County can acquire sites using HTH funds, the authorizing legislation requires the use of acquired sites to be permanent housing, not shelter.²⁴
- The current Oaks Enhanced Shelter may not conform to the King County Code requirements governing HTH regarding the 30 percent AMI income level and type of housing required. The current shelter operator may need to alter its model and services to meet the Revised Code of Washington (RCW) and KCC requirements before King County could acquire it.^{25,26} DCHS is not a party to CHS' contract with the shelter operator, so it would need time to fully assess the shelter operations to determine if it meets HTH requirements, such as whether there is a time limit for a stay, whether it meets KCC requirements, and whether residents would be displaced.
- If the shelter could conform to RCW and KCC requirements with some modifications, and HTH had the funding to purchase it and immediately divest it to the shelter, the shelter operator would have to want to own the site. At this time, DCHS does not know whether the shelter operator has any interest in owning the site and being responsible for capital upkeep. In addition, if HTH purchased the site and divested it to the shelter operator, the region would risk losing a large site for future affordable housing.
- As described in a letter transmitted to the Council on October 29, 2025, DCHS has paused HTH acquisitions in favor of supporting operations-only sites due to declining HTH revenue projections, rising capital needs and other costs, and program capital commitments:²⁷
 - Based on the July 2025 financial forecast, projected HTH revenues have declined \$19.6 million for the six-year period 2025 through 2030.^{28,29}
 - FMD is conducting a capital needs assessment of the entire HTH portfolio by the end of 2026, which is expected to address substantive capital rehabilitation needs across existing HTH facilities. Until this is completed, HTH is unable to consider any capital purchases. Using any HTH reserves to purchase additional buildings prior to a full understanding of future HTH facility needs risks the County's ability to provide safe, habitable housing across the entire HTH portfolio.
 - All HTH capital funds are committed to future capital needs of HTH buildings. HTH is required to pay for capital improvements of sites it buys in perpetuity.
 - In 2025, unanticipated capital expenses resulted in capital costs exceeding initial estimates for each project by 20 to 134 percent. This trend informed the current HTH strategy to pause acquisitions to ensure it maintains safe housing across the HTH portfolio over the long term.
 - All HTH operating funds are committed to future operations of HTH sites. According to the HTH Implementation Plan, HTH is required to support the operating and services needs of sites it purchases even if it has divested those sites to provider ownership.³⁰ In addition, DCHS has identified any currently available HTH operating funds as a potential source to backfill CoC gaps if needed to sustain existing PSH operations. (DCHS does not expect to have information about potential federal CoC cuts until at least the end of 2026.) If HTH purchases the Oaks, it would not be able to stabilize existing PSH projects that may be subject to a loss of CoC revenue, potentially impacting housing for up to 2,144 CoC-supported residents.

- DCHS intends to add operations-only HTH sites to grow the portfolio cost-effectively while reducing King County’s overall financial exposure for initial and ongoing capital costs. Pursuing this strategy will ensure that the HTH initiative is able to better provide long-term, dependable financial support for the full operations of all HTH units.
- Purchasing the Oaks site would require an appraisal and FMD’s assessment of whether the site needs capital improvements before continuing to operate as a shelter. DCHS’ understanding is that the building is in poor condition. This means that the appraisal may not cover the full loan payoff amount of \$9.3 million or the principal payment of \$8.1 million. It is unlikely CHS would be able to make up any shortfall, causing a deficit in the County’s HHSF dollars that are committed to future PSH homeless housing contracts.

Potential Fund Source 2 (Possible for Third Party): Transit Oriented Development Funds (TOD)

DCHS has awarded or committed \$284 million, or 98 percent, of the total \$288 million TOD funds Council appropriated between 2016 and 2025. Of the total amount of TOD funds, \$255 million has been awarded to projects; \$32 million has been committed to specific projects, area geographies, or preservation projects; and almost \$1 million is available for equitable development TOD projects. Committed funds include allocations to specific projects or geographic areas that DCHS will award when projects meet underwriting criteria. Of the committed funds, \$10 million is available for TOD sites in Shoreline or Kenmore, as authorized by Ordinance 19861.³¹ These funds can support a nonprofit or housing authority to develop housing, but it cannot be used by the County to acquire sites.

DCHS has been planning to issue these funds in King County Metro’s RFP for its Shoreline site in early 2027. However, if the County extends CHS’ interim loan, DCHS intends to make the TOD funds available in its annual competitive RFP for any TOD eligible sites in Shoreline or Kenmore. DCHS would make the \$10 million in TOD funds available because it has very little TOD funding left to award and lodging tax revenue projections are declining and not expected to provide any capacity for additional TOD bonds for several years.³² CHS could apply for these funds for the Oaks site.

Notably, this funding strategy would not constitute acquisition by the County, but instead would dedicate TOD funds to support a redevelopment strategy by CHS or another developer.

Advantages of TOD funds:

- DCHS has \$10 million available to support capital development and permanent financing at TOD-eligible sites in Shoreline and Kenmore.

Disadvantages of TOD funds:

- The County must award TOD funds to a third party. TOD authorizing legislation does not allow the County to directly acquire sites. State statute says that TOD funds must be used for contracts, loans, or grants to nonprofit organizations or public housing authorities for affordable workforce housing within one-half mile of a transit station.^{33,34}

- While TOD funds can support repayment of acquisition costs, there are legal questions as to whether funds can be used for initial acquisition. TOD awards need to result in permanent housing, so DCHS typically awards funds after underwriting and due diligence shows that the project supports development of permanent housing. DCHS could award its \$10 million for Shoreline or Kenmore to CHS or another developer once they present a feasible plan that meets due diligence criteria through a competitive procurement process.
- If DCHS makes the funds available for other properties instead and awards funding to the Oaks site, it will not have funds for the Metro Shoreline opportunity described above. DCHS plans to make the funds available more broadly so that eligible projects that are ready and meet underwriting criteria will have access to County funding when needed.
- TOD funds are nearly exhausted and there is no revenue capacity for additional bonds. As described above, only two percent of DCHS' authorized \$288 million TOD bonds remain uncommitted. The Housing Finance Program (HFP) anticipates awarding the remaining uncommitted funds by the end of 2026. In addition, King County's July 2025 OEFA shows that lodging tax revenue projections have declined from the 2024 forecast, providing no capacity for additional TOD bonds and just enough revenue to cover existing TOD debt service.³⁵ The County's budget office anticipates TOD revenues to fall below prior projections for the next several years, making it harder to support new TOD development. *See Appendix B, Lodging Tax Revenue Projections July 2025.*
- DCHS's existing \$10 million TOD funds for Shoreline or Kenmore could go most of the way in supporting CHS's Oaks site redevelopment, if the project meets underwriting and due diligence criteria. However, it is likely the County will need a few more years before it would be able to provide enough funding to support the full site redevelopment need, which is currently estimated by CHS at \$12.5 million or more.

TOD fund constraints affirm that DCHS's best option for continuing shelter operations is to extend CHS's Interim Loan to provide more time for CHS to develop their plan and secure redevelopment funding.

C. Timeline and next steps that the Department of Community and Human Services intends to take to ensure continued operations of Aurora Oaks Enhanced Shelter as a shelter in North King County

Past Actions:

- February 2026: DCHS engaged CHS about DCHS's intent to seek loan extension and not put CHS into default.
- March 2026: Concurrently with this report, the Executive is transmitting a proposed ordinance amending KCC 24.22 governing DCHS' Interim Loan Program.

Immediate Next Actions:

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

- Second Quarter 2026: Upon adoption of the proposed ordinance, DCHS will propose to the Executive to extend CHS’s loan term for three years, to June 2029.³⁶
- Second Quarter 2026: With the Executive’s approval of a loan extension, DCHS will confirm the terms and conditions of the loan extension with CHS, including continued shelter operations.
- June 2026: DCHS will amend CHS’s loan term and contract before June 29, 2026, the date of loan maturity.

Additional continued actions that may or may not be relevant to the Aurora Oaks site:

- December 2026: FMD plans to complete its HTH portfolio capital needs assessment and determine whether HTH has any capital capacity to purchase the Oaks site.
- December 2026: DCHS expects to assess potential CoC losses and options for backfilling CoC funds, including HTH dollars.
- Fourth Quarter 2026: DCHS could engage with Oaks Enhanced Shelter operator to understand their operating model. Based on this determination, with PAO consultation, DCHS could determine whether the Oaks Enhanced Shelter would have to change its model to be eligible for a purchase using HTH funds.
- Fall 2026 or Fall 2027: If CHS’ loan is extended, DCHS plans to offer its \$10 million in TOD funding for Shoreline or Kenmore in the annual HFP RFP for eligible project applications. CHS could compete for these funds to support their Oaks site redevelopment.

IV. Conclusion

The Executive has no interest in foreclosing on CHS’ loan. Instead, the Executive intends to:

- ensure the Aurora Oaks Enhanced Shelter can continue operating until site redevelopment is under way,;
- support redevelopment of the site to provide hundreds of new affordable housing units; and
- receive eventual full repayment of the \$8.1 million interim loan supporting this project in order to fulfill DCHS’s commitment to PSH homeless housing operations in future years.

There is a clear immediate pathway that provides the best opportunity to meet these goals. The Executive recommends amending KCC 24.22 that governs DCHS’ Interim Loan Program and extending CHS’ loan term to allow more time to plan the site redevelopment and secure funding. The Executive is transmitting a proposed Ordinance to effectuate the needed amendments concurrently with this report. A loan extension would allow the shelter to continue operating while CHS plans a feasible redevelopment.

The County’s options to purchase the site are uncertain due to constrained financial capacity and legal restrictions on fund uses. DCHS will continue to assess any opportunity to purchase the site through HTH funds. That determination is dependent on FMD completing its HTH capital needs assessment by the end of 2026 and is compounded by federal threats to PSH operating funds. Importantly, the use of HTH funds for this purpose is not recommended and creates risks for the HTH fund and for the County’s broader PSH funding commitments. DCHS’ best current financing option is to provide its \$10 million TOD funds for Shoreline or Kenmore in the annual HFP RFP for eligible TOD projects meeting underwriting and due diligence criteria. This would provide

[Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter](#)

opportunity for CHS to compete for County funding for their Oaks site redevelopment, though at this time \$10 million does not fully meet CHS' expected need from the County. If TOD funding is offered more broadly, DCHS would not have funding available for Metro's TOD redevelopment at the Shoreline Park and Ride.

Full Text of Ordinance 20023, Section 109, Proviso P3

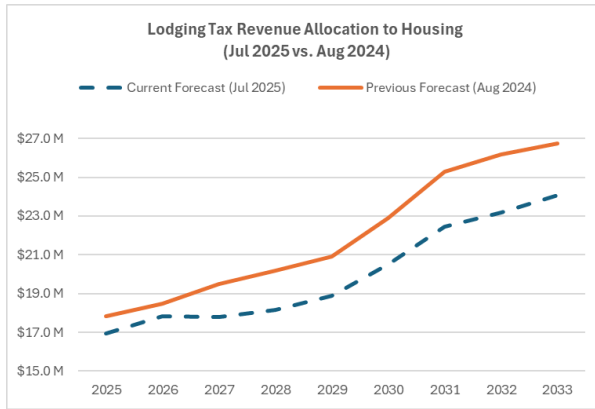
Of this appropriation, \$300,000 shall not be expended or encumbered until the executive transmits a report to the council describing the next steps required for the Aurora Oaks Enhanced Shelter to maintain operations as a shelter.

The report shall include, but not be limited to:

- A. A description of the options that the county could consider to address the maturity of the loan by Catholic Housing Services and maintain operations of the Aurora Oaks Enhanced Shelter as a shelter;
- B. Identification of potential funding sources for the county to obtain the property located at 16357 Aurora Avenue North, Shoreline, Property Tax Parcel number 329370-0010; and
- C. Identification of the timeline and next steps that the department of community and human services intends to take to ensure continued operations of Aurora Oaks Enhanced Shelter as a shelter in North King County.

The executive shall electronically file the report required by this proviso by March 30, 2026, with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the budget and fiscal management committee or its successor.

Declining Lodging Tax Revenue Projections, July 2025 OEFA



Year	Current Forecast (Jul 2025)	Previous Forecast (Aug 2024)	\$ Change	% Change
2025	\$16.9 M	\$17.8 M	-\$0.9 M	-5%
2026	\$17.8 M	\$18.5 M	-\$0.7 M	-4%
2027	\$17.8 M	\$19.5 M	-\$1.7 M	-9%
2028	\$18.2 M	\$20.2 M	-\$2.0 M	-10%
2029	\$18.9 M	\$20.9 M	-\$2.1 M	-10%
2030	\$20.5 M	\$22.9 M	-\$2.4 M	-11%
2031	\$22.5 M	\$25.3 M	-\$2.8 M	-11%
2032	\$23.2 M	\$26.2 M	-\$3.0 M	-11%
2033	\$24.1 M	\$26.8 M	-\$2.7 M	-10%
2034	\$25.1 M	N/A	N/A	N/A

Analysis by County Budget office for Housing portion of lodging taxes, based on July 2025 OEFA projections.

End Notes

¹ Ordinance 20023, Section 109, P3.

[<https://kingcounty.legistar.com/LegislationDetail.aspx?ID=7680373&GUID=B4E9E09C-A982-4A8C-A0DA-6CC195D69EE0>]

² King County Code 24.22 *Interim Loan Program for Property Acquisition for Low-Income Housing*.

[https://aqua.kingcounty.gov/council/clerk/code/33_Title_24.htm#_Toc65058356]

³ King County. (2025, October 2). *2024 Housing Awards Annual Snapshot Memorandum*.

[<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7688939&GUID=EB70A681-BA1D-4D5A-BBD5-A733509A4D8D&Options=Advanced&Search=>]

⁴ Joy Moses, Daniel Soucy. (2025, June 3). National Alliance to End Homelessness. *Visualizing the Impacts of the President's FY2026 Budget: Returns to Homelessness and Major Setbacks*.

[<https://endhomelessness.org/resources/research-and-analysis/visualizing-the-impacts-of-the-presidents-fy2026-budget-returns-to-homelessness-and-major-setbacks-could-be-ahead/>]

⁵ DCHS Briefing to King County Council's Health, Housing, and Human Services Committee. (2025, December 2). *Continuum of Care: Distilling the Federal Contract and Local Consequences*.

[<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7701513&GUID=6CF302A4-5F86-4AA9-A282-75BC85DB4114&Options=Advanced&Search=>]

⁶ King County Code 24.22 *Interim Loan Program for Property Acquisition for Low-Income Housing*.

[https://aqua.kingcounty.gov/council/clerk/code/33_Title_24.htm#_Toc65058356]

⁷ King County Code 24.22 *Interim Loan Program for Property Acquisition for Low-Income Housing*.

[https://aqua.kingcounty.gov/council/clerk/code/33_Title_24.htm#_Toc65058356]

⁸ Email correspondence from CHS to DCHS 2/11/25.

⁹ The City of Shoreline voiced their support and interest in the Aurora Oaks shelter continuing to operate during several phone calls with DCHS staff in 2025. City staff said the shelter is well run and that the community and the city support its continued operation.

¹⁰ CHS expressed this intention to DCHS through conversations in 2025.

¹¹ Aurora Oaks 2026 shelter budget confirmed by DCHS' Housing Stability Manager who partners with KCRHA. DCHS anticipates the shelter will maintain funding in 2027 because it is a well-run shelter in North King County, where there are limited shelters. At some point KCRHA will re-procure shelter funds, and at that time the shelter's funding level could change.

¹² Ordinance 19861, Section 108, ER1.

[<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=6872221&GUID=984B4D1E-D397-4497-85A8-C886918ED955&FullText=1>]

¹³ See DCHS' Housing Finance Program. [<https://kingcounty.gov/en/dept/dchs/human-social-services/housing-homeless-services/funding-opportunities/housing-finance>]

¹⁴ Based on CHS' operating buildings in King County as provided on CHS's website.

[<https://ccsww.org/services/permanent-housing/>]

¹⁵ Interim Loans are funded by HHSF funds (DRF) that are collected and awarded annually but are spent down over six years, creating a fund balance that is carried forward each year. This allows DCHS to loan part of the fund balance in interim loans.

¹⁶ Housing and Homeless Services Program estimate, January 2026

¹⁷ Joy Moses, Daniel Soucy. (2025, June 3). National Alliance to End Homelessness. *Visualizing the Impacts of the President's FY2026 Budget: Returns to Homelessness and Major Setbacks*.

[<https://endhomelessness.org/resources/research-and-analysis/visualizing-the-impacts-of-the-presidents-fy2026-budget-returns-to-homelessness-and-major-setbacks-could-be-ahead/>]

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- ¹⁸ DCHS Briefing to King County Council’s Health, Housing, and Human Services Committee. (2025, December 2). *Continuum of Care: Distilling the Federal Contract and Local Consequences*. [<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7701513&GUID=6CF302A4-5F86-4AA9-A282-75BC85DB4114&Options=Advanced&Search=>]
- ¹⁹ RCW 82.14.530 [<https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>]
- ²⁰ RCW 82.14.530 [<https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>]
- ²¹ King County Code 24.30.010 [https://aqua.kingcounty.gov/council/clerk/code/33_Title_24.htm#_Toc65058358]
- ²² Initial Health Through Housing Implementation Plan, page 19. [<https://mkcclegisearch.kingcounty.gov/View.aspx?M=F&ID=9959294&GUID=718EA25C-9032-448C-8C98-060B2C97B5E8>]
- ²³ RCW 82.14.530 [<https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>]
- ²⁴ RCW 82.14.530 [<https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>]
- ²⁵ RCW 82.14.530 [<https://app.leg.wa.gov/RCW/default.aspx?cite=82.14.530>]
- ²⁶ King County Code 24.30 [https://aqua.kingcounty.gov/council/clerk/code/33_Title_24.htm#_Toc65058358]
- ²⁷ Health Through Housing 2025 Reallocation Letter, October 29, 2025. [<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7718540&GUID=5BF7C132-117C-4C14-AA59-9BB0FE5560D8&Options=Advanced&Search=>]
- ²⁸ County Budget Office analysis based on July 2025 OEFA shows HTH projected revenues declining each year between 2025-2030, except for a small increase in 2026. The overall six-year decline is projected as \$19.6 million (from July 2021 HTH revenue projections).
- ²⁹ King County Office of Economic and Financial Analysis. (2025, July 21). *July 2025 King County Economic and Revenue Forecast*. https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/forecasting/documents/july2025_pdf.pdf?rev=6abcfdb918314a40a3c82d9f0de6ea14&hash=7B796FB39494EB5CEA00BBB043DB3F8D
- ³⁰ King County. (2021, November). *Initial Health through Housing Implementation Plan 2022-2028*. p 31. [<https://mkcclegisearch.kingcounty.gov/View.aspx?M=F&ID=9959294&GUID=718EA25C-9032-448C-8C98-060B2C97B5E8>]
- ³¹ Ordinance 19861, Section 108, ER1. [<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=6872221&GUID=984B4D1E-D397-4497-85A8-C886918ED955&FullText=1>]
- ³² King County Office of Economic and Financial Analysis. (2025, July 21). *July 2025 King County Economic and Revenue Forecast*. https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/forecasting/documents/july2025_pdf.pdf?rev=6abcfdb918314a40a3c82d9f0de6ea14&hash=7B796FB39494EB5CEA00BBB043DB3F8D
- ³³ RCW 67.28.180 [<https://app.leg.wa.gov/rcw/default.aspx?cite=67.28.180>]
- ³⁴ RCW 67.28.180 states [at (3)(d)]: (d) “On and after January 1, 2021, the revenues under this section *must be used* as follows: [at sub (2)(A)] *For* contracts, loans, or grants *to* nonprofit organizations or public housing authorities for affordable workforce housing within one-half mile of a transit station, as described under RCW 9.91.025, or for housing, facilities, or services for homeless youth.” (emphasis added) [<https://app.leg.wa.gov/rcw/default.aspx?cite=67.28.180>]
- ³⁵ King County Office of Economic and Financial Analysis. (2025, July 21). *July 2025 King County Economic and Revenue Forecast*. https://cdn.kingcounty.gov/-/media/king-county/independent/governance-and-leadership/government-oversight/forecasting/documents/july2025_pdf.pdf?rev=6abcfdb918314a40a3c82d9f0de6ea14&hash=7B796FB39494EB5CEA00BBB043DB3F8D
- ³⁶ DCHS will determine the term of loan extension through conversation with CHS. As of the drafting of this report, DCHS expects that a three-year extension will provide the time needed for CHS to develop a feasible

Report Describing Next Steps required for the Aurora Oaks Enhanced Shelter to Maintain Operations as a Shelter

redevelopment plan and identify and secure funding commitments. Based on CHS' progress, if more time is needed past June 2029, DCHS and the Executive may consider that. Starting with a three-year extension would give DCHS the ability to change course after three years if the redevelopment is not progressing.



2025 Capital Funding for Affordable Housing Projects
UW Summary

Section 1 Project and Sponsor Information

Project Name	Aurora Family Housing
Sponsor	Catholic Community Services of Westrn Washington
Project Location	16357 Aurora Ave N, Shoreline, 98133
Ownership Structure	Limited Liability Corporation (LLC)

Total Development Costs	\$	79,240,029
Requested County Funds	\$	12,500,000.00
Project Type		Rental
100% lease-up		September 1, 2029

Priority Lane Summary

Criteria	Red	Yellow	Green
Housing Model and County Priorities			
Financial Feasibility			
Household Sizes and AMI Set-asides			
Leverage			
Organizational Capacity			
Additional Considerations			
Readiness			

Section 2 Project Description

2A Housing Model

Unit Mix	30%	50%	60%	80%	CAU	Total
SRO	-	-	-	-	-	-
Studio	-	5	5	-	-	10
1 BR	-	13	12	-	-	25
2 BR	-	13	12	-	-	25
3 BR	-	15	15	-	-	30
4 BR	-	5	5	-	-	10
5+ BR	-	-	-	-	-	-
Total	-	51	49	-	-	100

Project Rent versus Market Rent			
Unit Type	Total Maximum Allowed Rent +	Total Unrestricted	% of Rent at or below market
Studio	15,125	15,250	-1%
1 BR	40,353	43,125	-6%
2 BR	48,423	55,000	-12%
3 BR	67,395	75,450	-11%
4 BR	25,060	27,750	-10%
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total	196,356	216,575	-9%

negative number is below market

Individuals expected to be housed (assumes 1/studio & 1.5 per bedroom) **317.5**
Project's Income Average **54.9%**

2B Construction Type, Site & Local Characteristics

Construction Information	
Building Type	Combo
Construction Period Start	9/1/2027
Construction Period End (Certificate of Occupancy)	4/1/2029
Construction Period Duration (Months)	19.00
Neighborhood	
Describe the neighborhood	Mixed
Walk/transit score	55
Is the project within a half mile (radius) a Transit Stop?	yes
Environmental	
Were there any environmental issues identified on the site?	No Issues
If abatement of contamination is necessary, were costs included in the Construction Budget below?	no

Development Processes	
Is zoning compatible?	yes
Net Zero features that are applicable to the project:	
Zero Energy	no
Living Building Challenge Certification	no
Green Building Elements over the minimum requirements	no
Parking Requirements	
Required Residential Parking	0.5 Stalls Per Unit
Proposed Residential Parking	1 Stalls Per Unit
Is a variance required?	No Issues
Project Activity	
Acquisition	
Rehab	
New Construction	X
Demolition/Redevelopment	
Adaptive Reuse	

Section 3 Financing & Market Analysis

3A Sources and Uses

Total Permanent	\$	79,240,029	
Residential Sour			
Sources	Proposed	Committed	Total
King County	15,548,519	-	15,548,519
State of WA HTF	12,500,000	-	12,500,000
Direct Approp/CI	10,000,000	-	10,000,000
Deferred Deelopx	5,000,000	-	5,000,000
CHIP	2,500,000	-	2,500,000
GAP Fund/Value	1,162,053	-	1,162,053
Equity	8,700,000	-	8,700,000
	23,329,457	-	23,329,457
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Residential	78,740,029	-	78,740,029

Total Uses	\$	79,240,029	
Non-residential:			
Sources	Proposed	Committed	Total
Equity	500,000	-	500,000
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Non-reside	500,000	-	500,000

2025 Capital Funding for Affordable Housing Projects UW Summary

Section 4 Project Services and Operations

4A Operating Pro Forma

Vacancy Rate	Annual Operating Expenses		Reserves Payments (Per Unit, Per Year) Replacement	Year 1 Net Operating Income	Year 1 Debt Coverage Ratio	Year 2 Debt Coverage Ratio	Year 3 Debt Coverage Ratio	Year 4 Debt Coverage Ratio	Year 5 Debt Coverage Ratio
	Total	Per Unit							
5%	859,056.68	8,241	\$ -	\$ 1,296,911	1.25	1.27	1.28	1.30	1.32

Are the project's Tenant Rents compliant with LIHTC MAX AMI Rents? **No Issues**

4B Service Model & Funding

Service and Referrals

Is the project serving chronically homeless & homeless?	no
If so, what type of housing is being provided?	no
Coordinated Entry (CE) participation for ALL homeless units?	no

Subsidies

Are subsidies being requested?	n/a
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Special Needs Information

Description	Units
Physically Disabled	0
Intellectual/Developmental Disabled	0
Behavioral Illness	0
Chronic Mental Illness	0
Behavioral Illness	0
Homeless Units	0
Total Units	0

Section 5 Underwriting Metrics per Attachment 4 Section 19

Project Metrics	Recommended Benchmark	Applicant Stated Values	Values as Calculated or Verified
Financing Terms & Capital Budget Assumptions			
LIHTC Credit pricing	Range: \$0.80-\$0.85	\$ 0.84	\$ 0.83
Construction Contingency	Floor- 10% new construction, 15% rehabilitation	10.00%	11.89%
Interest rates & Loan Terms			
Construction loan	SOFR + 200bps currently at 6.37%	6.40%	6.40%
Perm. Loan	10 year Treasury + 200bps currently at 6.85%	6.10%	6.10%
DSCR (hard debt calculation)	1.20	1.20	1.25
Operating Assumptions			
Max rents	Minimum of 10% below Market Rent	-9.34%	-9%
Operating Expenses (services e:	\$ 8,000 PUPY floor	\$ 8,241	\$ 8,241
Residential Vacancy	5.0%	5.0%	5.0%
Escalation			
Expenses	3.0%	3.0%	3.0%
Revenue	2.0%	2.0%	2.0%