



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**June 23, 2003**

**Ordinance 14687**

**Proposed No.** 2003-0281.2

**Sponsors** Gossett, Phillips and Edmonds

1 AN ORDINANCE authorizing the county executive to  
2 purchase the property known as the "Branch Villa Health  
3 Care Center," located in Council District 10, from the U.S.  
4 Department of Housing and Urban Development (HUD),  
5 and sell said property to Opportunities Industrialization  
6 Center of Washington (OIC) a Washington State non-profit  
7 corporation.

8  
9

10 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

11 **SECTION 1. Findings.**

12 A. The Branch Villa Health Care Center, located in the central area of Seattle at  
13 2611 South Dearborn Street, has been providing culturally competent nursing home care  
14 to the community for more than 30 years.

15 B. The United States Department of Housing and Urban development (HUD) is  
16 the mortgagee of the property known as the Branch Villa Health Care Center (Branch

17 Villa Property). HUD is in the process of foreclosing on the current legal owners for  
18 failure to comply with the FHA note and mortgage agreement.

19 C. The Opportunities Industrialization Center of Washington (OIC), a non-profit  
20 organization with headquarters in Yakima, Washington, proposes to purchase the Branch  
21 Villa Property in order to continue providing culturally relevant nursing home care to its  
22 residents.

23 D. OIC has obtained a license to operate the facility from the Washington State  
24 Department of Social and Health Services, and has entered into a lease agreement for the  
25 property with Branch Villa Health Care Properties Inc., Branch Villa Properties LLC and  
26 Andrew Branch, the current owners of the Branch Villa Property. Under its operation,  
27 OIC has re-named the facility the Leon Sullivan Health Care Center.

28 E. HUD regulations under the Multifamily Property Disposition Reform Act do  
29 not allow HUD to negotiate a non-competitive sale price on properties in foreclosure with  
30 non-profit organizations, such as OIC. The same regulations do allow HUD to negotiate  
31 a non-competitive sale price on properties in foreclosure with local governments, such as  
32 King County.

33 F. HUD allows a local government to conduct a simultaneous closing selling a  
34 property to a non-profit organization on the same day that the property is purchased from  
35 HUD.

36 G. To ensure continuity of care for the Branch Villa nursing home residents and  
37 to ensure the continued existence of culturally appropriate and culturally responsive care  
38 for such a fragile population in this region, King County proposes to purchase the Branch  
39 Villa Property, including real and personal property, through a negotiated sale with HUD,

40 at the request of and for the sole purpose of transferring the property to OIC, at no cost or  
41 liability to King County.

42 H. Pursuant to King County Code 4.56.100, the County may negotiate the sale of  
43 real and personal property when it has been determined that unique circumstances make a  
44 negotiated direct sale in the best interests of the public.

45 I. The findings in this section constitute unique circumstances; therefore, it is in  
46 the best interests of the public that King County facilitate a simultaneous purchase of the  
47 Branch Villa Property from HUD for the sole purpose of immediate sale to OIC.

48 SECTION 2. The county executive is hereby authorized to facilitate transfer of  
49 the Branch Villa Property from HUD to OIC by purchasing the Branch Villa Property  
50 from HUD and immediately transferring the Branch Villa Property to OIC by executing  
51 purchase and sale agreements with HUD and OIC in substantially the forms set forth in  
52 Exhibits A and B to this ordinance, provided that prior to the execution of any such  
53 agreement, OIC shall provide the county executive satisfactory evidence that OIC has  
54 sufficient funds available in cash or its equivalent to pay the purchase price and all other  
55 costs of the transactions, which the agreements allocate to OIC. Attachments may be  
56 amended to add the sales price.

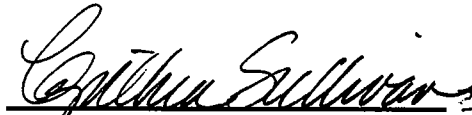
57 SECTION 3. The appropriate county officials, agents and representatives are  
58 hereby authorized and directed to do everything necessary and desirable to accomplish  
59 the transfer of the Branch Villa Property from HUD to OIC, including but not limited to

60 execution of such ancillary documents as may be required or requested as part of the  
61 transfer.  
62

Ordinance 14687 was introduced on 6/16/2003 and passed by the Metropolitan King County Council on 6/23/2003, by the following vote:

Yes: 13 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. Pelz, Mr. McKenna, Mr. Constantine, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons and Ms. Patterson  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Cynthia Sullivan, Chair

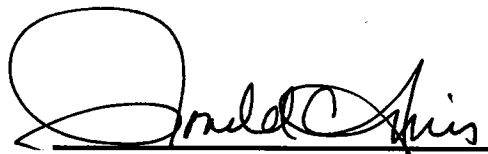
ATTEST:

  
\_\_\_\_\_

Anne Noris, Clerk of the Council

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KING COUNTY COUNCIL CLERK

APPROVED this 23 day of June, 2003.

  
\_\_\_\_\_  
Ron Sims, County Executive

**Attachments** A. Real Estate Purchase and Sale Agreement, B. U.S. Department of Housing and Urban Development - Property Disposition Program Contract of Sale - Cash Sale

## REAL ESTATE PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** (“Agreement”) is made and entered into as of \_\_\_\_\_, 2003, by and between **KING COUNTY**, a municipal corporation and political subdivision of the State of Washington (the “Seller”) and **OPPORTUNITIES INDUSTRIALIZATION CENTER OF WASHINGTON**, a Washington not-for-profit corporation (the “Buyer”).

### RECITALS

- A. Seller has purchased certain real property located in Seattle, County of King, State of Washington, commonly identified as the **Branch Villa Health Care Center**, the legal description of which is attached hereto as **EXHIBIT A** (the “Property”).
- B. Seller has purchased the Property from the U.S. Department of Housing and Urban Development (HUD) at the request of and for the sole purpose of transferring the Property to the Buyer at no cost or liability to the Seller.
- C. Seller is desirous of selling the Property and Buyer is desirous of purchasing the Property.

### AGREEMENT

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

1. **PURCHASE AND SALE.** Subject to and upon the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy, assume and accept from Seller on the Closing Date, the following assets and properties:
  - (a) All of Seller’s right, title and interest in the Property, as described in **EXHIBIT A**;
  - (b) All of Seller’s right, title and interest in improvements and structures located on the Property, if any;
  - (c) All of Seller’s right, title and interest in and to tangible personal property, if any, attached, located on, appurtenant to, or used in connection with the Property (“Personal Property”);
  - (d) All of Seller’s tenements, hereditaments, easements and rights appurtenant to the Property including, but not limited to, all of the Seller’s right, title, and interest in and to streets,

alleys or other public ways adjacent to the Property, easements for public utilities, all sewers and service drainage easements, all rights of connection to the sewers, and all rights of ingress and egress, and all leases, licenses, government approvals and permits affecting the Property.

2. **PURCHASE PRICE.** The purchase price of the Property is \_\_\_\_\_  
(\$ \_\_\_\_\_) to be paid as follows:

(a) Fifty Thousand Dollars (\$50,000) to be deposited on demand (and made payable to) the U.S. Department of Housing and Urban Development;

(b) The balance to be paid on the Closing Date in cash or other immediately available funds.

3. **CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION.**

(a) The sale shall be effective upon the Closing Date;

(b) Buyer shall pay all closing costs and expenses, including the fairly allocable expenses of Seller (hereinafter the "County Expenses") incurred in negotiating and acquiring the Property from the U.S. Department of Housing and Urban Development and Seller's costs in selling the Property to Buyer. The parties acknowledge that the County Expenses incurred as of June 10, 2003 were estimated to be thirty three hundred dollars (\$3,300.00);

(c) Transfer of title to, and possession of the Property, subject to the leases and tenancies herein referred, shall become effective as of the Closing Date.

4. **PRORATIONS AND SECURITY DEPOSITS.**

(a) There shall be no proration of income or expenses;

(b) Buyer agrees to assume all responsibility and liability under state and local law with respect to the collection, application and return of security deposits.

5. **FORM OF CONVEYANCE, OBJECTIONS TO TITLE AND RIGHTS OF RESCISSION.**

(a) The Property shall be conveyed to the Buyer by quit claim deed in the form attached hereto as **EXHIBIT B**. Title to the Property shall be good and marketable, subject to existing tenancies, easements, zoning, covenants, restrictions and reservations of record. Seller shall not warrant those items deemed acceptable to Buyer pursuant to subsection (e), below;

(b) Buyer shall obtain a current ALTA form of commitment for an owner's standard policy of title insurance (the "Title Commitment") issued by Pacific Northwest Title Company of Washington, Inc. (the "Title Company"), describing the Property, listing Buyer as the 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. The parties acknowledge that Buyer's policy shall be issued at a "binder rate," which rate also covers the standard owner's policy issued with regard to Seller's acquisition of the Property and which policy lists Seller as the named insured and shows as the policy amount the total Purchase Price for the Property.

(c) Any title evidence or survey desired by Buyer shall be obtained at the sole expense of the Buyer;

(d) If any defect in title renders the Property unmarketable prior to the date Seller obtains title to the Property or if litigation is pending challenging the foreclosure sale and/or the foreclosure sale is enjoined and Seller does not cure the defect, settle the litigation or cause the injunction to be removed within a reasonable time, or Seller notifies Buyer in writing that it is unable or unwilling to cure the defect, settle the litigation or remove the injunction;

i. Buyer shall have the right to terminate this Agreement by delivering to Seller written notice prior to the closing on the foreclosure sale; and

ii. Seller reserves the right to rescind this Agreement and Seller shall be released from all obligations and liability to Buyer.

iii. Notwithstanding such termination or rescission, Buyer will be responsible for payment of any and all costs arising under this Agreement, to the extent that such costs are not cancelled or refunded.

(e) The Property shall not be deemed unmarketable solely by reason of the existence of:

i. covenants, conditions and restrictions of record;

ii. private, public and utility easements, roads and highways;

iii. party wall rights and agreements;

iv. pending local building code violation proceedings;

v. existing leases and tenancies; and

vi. special taxes or assessments.

(f) Title to all personal property, if any shall be conveyed by a Bill of Sale and Assignment duly executed by Seller in the form attached hereto as **EXHIBIT C**.

## 6. AS-IS SALE; REPRESENTATIONS OF SELLER.

(a) Seller does not represent or warrant the number and occupancy of revenue producing units, if any, or any factor bearing upon the value of the Property. It is Buyer's responsibility to assess the actual condition of the Property. Buyer acknowledges that it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Property, and that, as of the date hereof, Seller has provided Buyer with copies of all reports in Seller's possession that have been requested by Buyer. Upon the Closing Date, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations. Buyer acknowledges and agrees that, Seller shall have no liability for, and that Buyer shall have no recourse against the Seller for, any defect or deficiency of any kind whatsoever in the Property, without regard to whether such defect or deficiency was discovered or discoverable by the Buyer or Seller. Further, Buyer agrees to waive any and all rights of contribution or indemnity against Seller that it may have or obtain in the future with regard to any matter addressed by this paragraph and Buyer agrees to defend, protect and indemnify Seller against any cost, expense, including reasonable attorneys' fees, or liability arising out of or in any way related to any matter addressed by this transaction, it being acknowledged by the parties that Buyer is the real party in interest in the transfer of the Property to Seller by foreclosure sale and that such protection is offered as an inducement to Seller to act as an intermediary herein.

(b) Buyer acknowledges that the purchase price set forth in Section 2 of this Agreement is based upon Buyer's valuation of the Property and not upon any representations by Seller. Buyer's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of Seller under this Agreement nor be a basis for termination of this Agreement;

(c) Seller acknowledges and represents only that it is a municipal corporation and subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted and that the execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a municipal corporation, (ii) has been or will be on or before the closing date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party or which is presently in effect and applicable to Seller. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.



## 7. REPRESENTATIONS AND WARRANTIES OF BUYER.

Buyer represents and warrants as follows:

(a) Buyer is a Washington not-for-profit corporation, 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;

(b) The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a Washington not-for-profit corporation, (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the corporation, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Buyer is a party or which is presently in effect and applicable to Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof;

(c) There is no pending or, to the best of Buyer's knowledge, threatened lawsuit or material claim against or relating to Buyer that shall impede or materially affect Buyer's ability to perform the terms of this Agreement;

(d) To the best of Buyer's knowledge, after taking such inquiry as a reasonable person would take under the circumstances, no representation or warranty by Buyer in this Agreement or in any instrument, document, certificate or statement furnished to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact;

(e) 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 upon an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

**8. TIME IS OF THE ESSENCE.** Time is of the essence in the performance of this Agreement. The sale shall be closed on the day HUD Acquires title to the Property, at Seller's offices, or at such other place as may be agreed on by the parties in writing.

**9. EXTENSIONS.** No extensions will be granted.

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

**11. AGREEMENT BINDING - RESTRICTIONS ON ASSIGNMENT OF AGREEMENT.**

(a) This Agreement shall be binding upon Buyer, its respective heirs, executors, administrators, successors and assigns.

(b) This Agreement cannot be assigned to another party or entity.

**12. LIMITATION OF LIABILITY.** Notwithstanding any other provisions of this Agreement, Seller's liability for damage to the Property or for any breach of this Agreement shall not exceed the amount of funds paid by Buyer to Seller hereunder.

**13. RIGHTS OF RESCISSION.** In the event of damage to the Property, and if Buyer determines that such damage is so extensive that Buyer is unwilling to restore the Property, Buyer may rescind this Agreement, provided that such rescission occurs prior to Closing Date on the foreclosure sale involving Seller and U.S. Department of Housing and Urban Development and provided further that Buyer pays for all costs and expenses arising by reason of such rescission.

**14. RESERVED.**

**15. ACKNOWLEDGMENT OF TERMS AND CONDITIONS OF SALE.** Buyer affirms that it has full knowledge of the terms, conditions, and requirements contained in this Agreement.

**16. COMPLETE AGREEMENT.** This Agreement supersedes all prior agreements and understandings related to the subject matter hereof, and may be changed, waived, discharged, or terminated only by a written document signed by the party against whom such change, waiver, discharge or termination is sought, except as otherwise provided herein.

**17. GENDER AND NUMBER.** Whenever the sense of this Agreement so requires, the use of (1) the singular shall be deemed to include the plural, (2) the masculine gender shall be deemed to include the feminine or neuter gender, and (3) the neuter gender shall be deemed to include the masculine or feminine gender.

**18. SEVERABILITY.** If for any reason one or more of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision never had been included in this Agreement.

**19. NOTICE.** 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 (2) 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 any parties may specify by notice to all other parties and given as provided herein:

**If to Buyer:**

Mr. Henry Beauchamp  
 OIC of Washington  
 815 Fruitvale Boulevard  
 Yakima, Washington 98902

*With a copy to:*

Carla DewBerry Esq.  
 Bennett Bigelow & Leedom  
 999 Third Avenue, Suite 2150  
 Seattle, Washington 98104

**If to Seller:**

Manager Property Services  
  
 King County Administration Building  
 500 Fourth Avenue, Room 500  
 Seattle, Washington 98104

*With a copy to:*

King County Prosecuting Attorney  
 Attn: Robert I. Stier  
 900 King County Administration Bldg.  
 500 Fourth Ave  
 Seattle, WA 98104

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

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

**21. PARAGRAPH HEADINGS.** The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope of the paragraphs hereof.

**22. MISCELLANEOUS PROVISIONS.**

(a) When the consent or approval of either party is required under the terms of this Agreement, such consent or approval must be in writing;

(b) Buyer agrees that any restrictions to be placed in the Deed referred to in this Agreement will run with the land;

(c) Whenever a number of days is referred to in this Agreement, days shall mean calendar days. If any period of time expires on a non-Federal business day, Buyer or Seller shall have until the close of business of the next Federal business day to take whatever action is to be taken within the time period;

(d) This Agreement is subject to Seller obtaining title to the property described in **EXHIBIT A**. This Agreement is also subject to enactment by the King County Council of an ordinance authorizing sale of the Property to Buyer.

Executed as of the date and year first above written:

**SELLER:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:  
By \_\_\_\_\_  
Deputy Prosecuting Attorney

**BUYER:**

Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF WASHINGTON  
COUNTY OF KING

}

ss.

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

GIVEN UNDER MY HAND AND OFFICIAL SEAL this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Printed Name \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

STATE OF WASHINGTON  
COUNTY OF KING

}

ss.

THIS IS TO CERTIFY that on this \_\_\_\_\_ day of June, 2003, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn, personally appeared Henry Beauchamp, to me known to be the Executive Director of Opportunities Industrialization Center of Washington, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that is authorized to execute said instrument.

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

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Exhibit A

PARCEL A:

That portion of the northwest quarter of the southeast quarter of Section 4, Township 24 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the northeast corner of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;

thence east along the south margin of Dearborn Street, 120 feet;

thence south parallel with the east boundary of said Block 1, to the north line of the plat of Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;

thence west along said north line, and its westerly production to an intersection with the southerly production of the east line of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;

thence north along the east line of Block 1 of said plat, and its southerly production, to the point of beginning;

EXCEPT any portion thereof presently paved and in use, and/or dedicated, for the public right-of-way known as South Charles Street;

AND EXCEPT that portion conveyed to the City of Seattle for street purposes by instrument recorded under King County Recording Number 8910030346;

PARCEL B:

That portion of the northwest quarter of the southeast quarter of Section 4, Township 24 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the northeast corner of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;

thence east along the south margin of South Dearborn Street to the west margin of Martin Luther King Jr. Way, as presently established;

thence southerly along said west margin to the easterly production of the north line of the plat of Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;

thence west, along the said easterly production, and continuing along the north line, and its westerly production, of said plat to an intersection with the southerly production of the east line of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;

thence north, along the east line of Block 1 of said plat and its southerly production to the point of beginning;

EXCEPT the west 120 feet thereof;

AND EXCEPT any portion thereof presently paved and in use, and/or dedicated, for the public right-of-way known as South Charles Street.

PARCEL C:

Lots 1, 2, 3 and 4, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;  
EXCEPT portion of said Lots 3 and 4 described as follows:

Beginning at the southeast corner of said Lot 4;  
thence north along east line of said Lots 4 and 3 a distance of 44.20 feet to the north line of a concrete bulkhead;  
thence west along said north line and said north line extended, 5 feet;  
thence south 6.20 feet;  
thence west, parallel to the south line of said Lot 3 a distance of 110.40 feet, to a fence;  
thence south along said fence, 32 feet to the south line of said Lot 4;  
thence east, along south line of said Lot 4, a distance of 111.7 feet to the point of beginning;  
EXCEPT those portions conveyed to the City of Seattle for street purposes by instrument recorded under King County Recording Number 8910030346;

PARCEL D:

That portion of Lots 3 and 4, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington, described as follows:

Beginning at the southeast corner of said Lot 4;  
thence north along the east line thereof 44.20 feet to the north side of a concrete bulkhead;  
thence west along the north line of said bulkhead and said line extended, a distance of 5 feet;  
thence south 6.20 feet;  
thence west parallel with the south line of said Lot 3, a distance of 110.40 feet to a fence;  
thence south along said fence 38 feet to the south line of said Lot 4;  
thence east along same 111.7 feet to the point of beginning.

PARCEL E:

The north 24 feet of Lot 5, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, Page 69, in King County, Washington.

EXHIBIT B

FILED FOR RECORD AT REQUEST

AFTER RECORDING RETURN TO:  
King County Property Services Division  
500 Fourth Avenue, Room 500A  
Seattle, WA 98104

Reference No:

Grantor: King County  
Grantee: Opportunities Industrialization Center of Washington  
Legal Des: Ptn NW ¼ SE1/4, S4, T24N, R4E, W.M.  
Tax ID No: 042404-9024, 9062; 327480-0430, 0445, 0450

QUIT CLAIM DEED

The GRANTOR, King County, a political subdivision of the State of Washington for and in consideration of mutual benefits, conveys and quit claims to Opportunities Industrialization Center of Washington, a non-profit corporation, the following described real estate, situated in the County of King, State of Washington, together with all right, title, and interest conveyed to the Grantor therein by Special Warranty Deed by the Secretary of Housing and Urban Development;

Exhibit A  
Legal description attached hereto and made a part hereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

Grantor: King County

By \_\_\_\_\_

Title \_\_\_\_\_

STATE OF WASHINGTON     )  
  )SS  
COUNTY OF KING         )

I certify that \_\_\_\_\_ signed this instrument, on oath stated that he was authorized by the King County Executive to execute the instrument, and acknowledged it as the \_\_\_\_\_ of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at: \_\_\_\_\_  
My appointment expires: \_\_\_\_\_



**EXHIBIT C.**  
**Bill of Sale and Assignment.**

**BILL OF SALE AND ASSIGNMENT**

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THIS BILL OF SALE is made as of this \_\_\_\_ day of \_\_\_\_\_, 2003, by KING COUNTY ("Seller"), in favor of **OPPORTUNITIES INDUSTRIALIZATION CENTER OF WASHINGTON**, a Washington not-for-profit corporation ("Buyer"), with reference to the following facts.

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 to, located on, appurtenant to, or used in connection with the real property legally described on the attached Exhibit A.

Seller represents and warrants that it is the sole owner of, and has good title to, such personal property, and has full right and authority to transfer and deliver the same, and will defend the sale hereby against each and every person claiming otherwise.

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

SELLER:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT D.**  
**Certificate of Non-Foreign Status.**

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

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Transferor's United States employer identification number is 91-6001327; and
3. Transferor's office address is King County Facilities Management Division, Asset Development and Management Section, Room 500 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

**TRANSFEROR:**

**KING COUNTY**

By \_\_\_\_\_  
Title \_\_\_\_\_

14687

2003-281

Attachment B

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - PROPERTY DISPOSITION PROGRAM  
CONTRACT OF SALE - CASH SALE

THIS CONTRACT, made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is between the SECRETARY OF HOUSING AND URBAN DEVELOPMENT, ("Grantor"), and King County, ("Grantee").

## WITNESSETH THAT

1. **PURCHASE AND SALE** - In consideration of the covenants and agreements of the respective parties, as hereinafter set forth, Grantor agrees to sell and Grantee agrees to purchase all of Grantor's right, title and interest in and to the real estate; BRANCH VILLA HEALTH CARE CENTER, FHA Number: 127-22001, situated in Seattle, County of King, State of Washington, and more particularly described in the attached Exhibit A entitled "Legal Description," together with all improvements thereon and appurtenances thereto and the articles of equipment and other personal property owned by Grantor and used in connection therewith, hereinafter referred to as the "Property".
2. **PURCHASE PRICE**
  - (a) The purchase price of the Property is Two Million Five Hundred Thousand (\$2,500,000) dollars to be paid at Closing.
  - (b) Upon the execution of this contract of sale, Grantee shall be required to pay an earnest money deposit in the amount of \$50,000, in the form of a money order, cashier's or other bank check payable to "The Secretary of Housing and Urban Development." A financial organization submitting a bid on its own behalf must have the earnest money deposit drawn on a separate financial organization. Interest will not be paid on earnest money deposits.
  - (c) The balance of the purchase price, \$2,450,000, shall be paid at Closing by money order, certified, cashier's or other bank check acceptable to HUD.
3. **CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION**
  - (a) The sale shall be effective upon Closing.
  - (b) Grantee shall pay all closing costs and expenses irrespective of local custom.
  - (c) Transfer of title to, and possession of the Property, subject to the leases and tenancies herein referred, shall become effective as of the Closing.
4. **PRORATIONS AND SECURITY DEPOSITS**
  - (a) Prorations - No prorations of income or expenses.
  - (b) Security Deposits - To be provided by previous owner. Grantee agrees to assume all responsibility and liability under state and local law with respect to the collection, application and return of security deposits.
5. **FORM OF CONVEYANCE, INSPECTION, OBJECTIONS TO TITLE AND RIGHTS OF RESCISSION**
  - (a) The Property shall be conveyed to the Grantee by special warranty deed in the form customarily used by Grantor in the jurisdiction in which the Property is located. Title to the Property shall be good and marketable subject to existing tenancies, easements, zoning, covenants, restrictions and reservations of record. However, Grantor shall not warrant those items deemed acceptable to Grantee pursuant to subsection (e) below.
  - (b) Any title evidence or survey desired by Grantee shall be obtained at the sole expense of the Grantee.
  - (c) If any defect in title renders the Property unmarketable, or if litigation is pending challenging the sale and/or the sale is enjoined and Grantor does not cure the defect, settle the litigation or cause the injunction to be removed within a reasonable time, or Grantor notifies Grantee in writing that it is unable or unwilling to cure the defect, settle the litigation or remove the injunction,
    - (i) Grantee shall have the right to terminate this Contract by delivering to Grantor written notice prior to the Closing; and
    - (ii) Grantor reserves the right to rescind this Contract and Grantor shall be released from all obligations and liability to Grantee.

**The return or tender of any earnest money deposit or extension fees shall release Grantor from all obligations and liability to Grantee.**

- (d) The Property shall not be deemed unmarketable solely by reason of the existence of:
- (i) covenants, conditions and restrictions of record;
  - (ii) private, public and utility easements, roads and highways;
  - (iii) party wall rights and agreements;
  - (iv) pending local building code violation proceedings;
  - (v) existing leases and tenancies; and
  - (vi) special taxes or assessments.
- (e) Upon confirmation of the balance of the purchase price either by acceptance of a money order, certified cashiers, or other bank check by the Grantor, Grantor shall deliver to Grantee a duly executed deed conveying Grantor's right, title and interest in the Property which Grantee immediately will present for recordation in the appropriate recorder's office.

**6. AS-IS SALE; NO REPRESENTATIONS**

- (a) Grantee shall accept the Property "as is." Grantor makes no representations or warranties concerning the physical condition of the Property. In addition, Grantor does not represent or warrant the number and occupancy of revenue producing units, or any factor bearing upon the value of the Property. It is Grantee's responsibility to assess the actual condition of the Property.
- (b) Grantee acknowledges that the purchase price set forth in Section 2 of this Contract is based on Grantee's valuation of the Project and not upon any representations by Grantor. Grantee's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of Grantor under this Contract, nor be a basis for termination of this Contract.

- 7. RISK OF LOSS AND RIGHTS OF RESCISSION** - Until the Closing, Grantor assumes the risk of loss from damage to the Property by any cause including, but not limited to fire, flood, earthquake, tornado and vandalism other than willful acts of Grantee. In the event of such damage, Grantor will provide for the restoration of the Property to its condition immediately prior thereto, except that, if Grantor determines that such damage is so extensive that Grantor is unwilling to restore the Property, Grantor may rescind this Contract. If offered by Grantor and agreed to by Grantee, the cash due at Closing may be reduced by the estimated cost of restoration of the Property because of such damage, and such damage shall be added to the rehabilitation requirements provided for in the Rider entitled "Rehabilitation and Relocation."

- 8. TIME IS OF THE ESSENCE - LIQUIDATED DAMAGES** - Time is of the essence in the performance of this Contract. The sale shall be closed on the day HUD acquires title, at Grantor's offices, or at such other place as may be agreed on by the parties in writing.

- 9. EXTENSIONS** - No extensions will be granted. This is a negotiated sale with agreements in place prior to execution of contract.

**10. GRANTEE RESTRICTIONS**

- (a) No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be admitted to any share or part of this Contract, or to any benefit arising from it. However, this provision does not apply to this Contract to the extent that this Contract is made with a corporation for the corporation's general benefit.
- (b) If Grantee is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to closing, this Contract shall be terminated.
- (c) Pursuant to 24 CFR Part 27 Section 20(f), the defaulting mortgagor, or any principal, successor, affiliate, or assignee thereof, on the mortgage on the property at the time of default resulting in acquisition of the property by HUD shall not be eligible to purchase the property. A "principal" and an "affiliate" are defined as provided at 24 CFR 24.105.

11. **CONTRACT BINDING - RESTRICTIONS ON ASSIGNMENT OF CONTRACT**
  - (a) This Contract shall be binding upon Grantee, its respective heirs, Executors, administrators, successors and assigns.
  - (b) This contract cannot be assigned to another entity.
12. **LIMITATION OF LIABILITY** - Notwithstanding any other provisions of this Contract, Grantor's liability for damage to the Property or for any breach of this Contract shall not exceed the amount of funds paid by Grantee to Grantor hereunder.
13. **CONTRACT EXECUTED ON BEHALF OF BIDDER** - If this Contract is executed on behalf of a corporation, partnership or other entity not as yet legally formed, such corporation, partnership or entity must be validly organized and legally capable of performing its obligations under this Contract prior to the Closing. If the entity is unable to become legally formed and, therefore, cannot accomplish the Closing, the earnest money deposit and all extension fees will be retained by Grantor.
14. **FORMS** - All forms and instruments referred to in this Contract shall be the standard HUD forms and instruments prepared by Grantor and used by Grantor in the jurisdiction in which the Property is located and shall contain such additional covenants and conditions required by this Contract.
15. **ACKNOWLEDGMENT OF TERMS AND CONDITIONS OF SALE** - Grantee affirms that it has full knowledge of the terms, conditions, and requirements contained in this Contract.
16. **COMPLETE AGREEMENT** - This Contract supersedes all prior agreements and understandings related to the subject matter hereof, and may be changed, waived, discharged, or terminated only by a written document signed by the party against whom such change, waiver, discharge or termination is sought, except as otherwise provided herein.
17. **GENDER AND NUMBER** - Whenever the sense of this Contract so requires, the use of (1) the singular shall be deemed to include the plural, (2) the masculine gender shall be deemed to include the feminine or neuter gender, and (3) the neuter gender shall be deemed to include the masculine or feminine gender.
18. **SEVERABILITY** - If for any reason one or more of the provisions contained in this Contract shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Contract, but this Contract shall be construed as if such invalid, illegal or unenforceable provision never had been included in this Contract.
19. **NOTICE** - Any notice, request, information or other document to be given hereunder to any of the parties by any other party, shall be in writing and delivered personally or sent by an overnight or express mail service, with a return receipt, postage prepaid to the person and address set forth below. Any party may change the person or address to which notices are to be sent by giving written notice of such change to the other party in the manner herein provided for giving notice. The person, address and telephone number for the Department of Housing and Urban Development is Alvin E. Braggs, PO Box 2905, Fort Worth, Texas 76113-2905, mailing address, or 801 Cherry Street, Fort Worth, Texas 76102, for physical delivery, Phone: 817 978-5802. The person, address and telephone number for the Grantee is as provided below Grantee's signature on this Contract.
20. **EXHIBITS** - All exhibits described herein and attached hereto are fully incorporated into this Contract by this reference.
21. **PARAGRAPH HEADINGS** - The paragraph headings contained in this Contract are for convenience only and shall in no way enlarge or limit the scope of the paragraphs hereof.



# 14687

EXHIBIT A  
LEGAL DESCRIPTION

PARCEL A:

That portion of the northwest quarter of the southeast quarter of Section 4, Township 24 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the northeast corner of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;  
thence east along the south margin of Dearborn Street, 120 feet;  
thence south parallel with the east boundary of said Block 1, to the north line of the plat of Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;  
thence west along said north line, and its westerly production to an intersection with the southerly production of the east line of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;  
thence north along the east line of Block 1 of said plat, and its southerly production, to the point of beginning;  
EXCEPT any portion thereof presently paved and in use, and/or dedicated, for the public right-of-way known as South Charles Street;  
AND EXCEPT that portion conveyed to the City of Seattle for street purposes by instrument recorded under King County Recording Number 8910030346;

PARCEL B:

That portion of the northwest quarter of the southeast quarter of Section 4, Township 24 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the northeast corner of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;  
thence east along the south margin of South Dearborn Street to the west margin of Martin Luther King Jr. Way, as presently established;  
thence southerly along said west margin to the easterly production of the north line of the plat of Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;  
thence west, along the said easterly production, and continuing along the north line, and its westerly production, of said plat to an intersection with the southerly production of the east line of Block 1, New Wilfred Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 30, in King County, Washington;  
thence north, along the east line of Block 1 of said plat and its southerly production to the point of beginning;  
EXCEPT the west 120 feet thereof;  
AND EXCEPT any portion thereof presently paved and in use, and/or dedicated, for the public right-of-way known as South Charles Street.

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PARCEL C:

Lots 1, 2, 3 and 4, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington;

EXCEPT portion of said Lots 3 and 4 described as follows:

Beginning at the southeast corner of said Lot 4;  
thence north along east line of said Lots 4 and 3 a distance of 44.20 feet to the north line of a concrete bulkhead;  
thence west along said north line and said north line extended, 5 feet;  
thence south 6.20 feet;  
thence west, parallel to the south line of said Lot 3 a distance of 110.40 feet, to a fence;  
thence south along said fence, 32 feet to the south line of said Lot 4;  
thence east, along south line of said Lot 4, a distance of 111.7 feet to the point of beginning;

EXCEPT those portions conveyed to the City of Seattle for street purposes by instrument recorded under King County Recording Number 8910030346;

PARCEL D:

That portion of Lots 3 and 4, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, page 69, in King County, Washington, described as follows:

Beginning at the southeast corner of said Lot 4;  
thence north along the east line thereof 44.20 feet to the north side of a concrete bulkhead;  
thence west along the north line of said bulkhead and said line extended, a distance of 5 feet;  
thence south 6.20 feet;  
thence west parallel with the south line of said Lot 3, a distance of 110.40 feet to a fence;  
thence south along said fence 38 feet to the south line of said Lot 4;  
thence east along same 111.7 feet to the point of beginning.

PARCEL E:

The north 24 feet of Lot 5, Block 3, Hick's Addition to the City of Seattle, according to the plat thereof recorded in Volume 2 of Plats, Page 69, in King County, Washington.