

Ordinance No. 123349

Council Bill No. 116900
[116900]

AN ORDINANCE relating to the City Light Department, authorizing the acquisition of real property commonly known as 1126 North 98th Street and 1133 North 100th Street in Seattle, Washington, for electric system purposes; amending the 2010 Adopted Budget by transferring existing appropriations between budget control levels; adding a new project and revising project allocations for certain projects in the 2010-2015 CIP; authorizing the acceptance of the deed; and ratifying and confirming certain prior acts.

CF No. _____

Date Introduced:	<u>June 28, 2010</u>		
Date 1st Referred:	<u>June 28, 2010</u>	To:	Energy, Technology, and Civil Rights
Date Re - Referred:		To: (committee)	
Date Re - Referred:		To: (committee)	
Date of Final Passage:	<u>7-12-10</u>	Full Council Vote:	<u>9-0</u>
Date Presented to Mayor:	<u>7-13-10</u>	Date Approved:	<u>July 16, 2010</u>
Date Returned to City Clerk:	<u>July 16, 2010</u>	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoes by Mayor:		Date Veto Published:	
Date Passed Over Veto:		Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Bruce A. Hewitt

Councilmember

Committee Action:

7/7/10 PASS BH, RC

7-12-10 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: _____
(Initial/Date)

Law Department

Law Dept. Review OMP Review City Clerk Review Electronic Copy Loaded Indexed

ORDINANCE 123349

AN ORDINANCE relating to the City Light Department, authorizing the acquisition of real property commonly known as 1126 North 98th Street and 1133 North 100th Street in Seattle, Washington, for electric system purposes; amending the 2010 Adopted Budget by transferring existing appropriations between budget control levels; adding a new project and revising project allocations for certain projects in the 2010-2015 CIP; authorizing the acceptance of the deed; and ratifying and confirming certain prior acts.

WHEREAS, City Light's North Service Center is badly overcrowded and cannot be expanded to the north, south, or east due to the presence of residential neighborhoods; and

WHEREAS, the University of Washington has offered two parcels of land adjoining City Light's North Service Center to the west for sale, and City Light wishes to purchase this property on a willing seller basis; and

WHEREAS, City Light has offered the University of Washington Two Million Nine Hundred Five Thousand and No/100 Dollars (\$2,905,000) to purchase this property, subject to approval by the Seattle City Council, and the University has accepted this offer, subject to approval by the University's Board of Regents; and

WHEREAS, City Light has identified certain projects in the 2010-2015 Adopted Capital Improvement Program which can be deferred to pay for this property and make the necessary improvements; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Superintendent of the City Light Department (the "Superintendent"), or his designee, is authorized, on behalf of the City of Seattle to acquire real property commonly known as 1126 North 98th Street and 1133 North 100th Street in Seattle, Washington, for a purchase price not to exceed Two Million Nine Hundred Five Thousand and No/100 Dollars (\$2,905,000), substantially in accordance with the terms of the Real Estate Purchase and Sale



Agreement (the “Agreement”) attached hereto as Attachment 1. The legal description of the real property to be acquired (the “Property”) is:

That portion of the southwest quarter of the northeast quarter of Section 31, Township 26 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the intersection of the northerly margin of North 98th Street with the easterly margin of Aurora Avenue;
thence easterly, along the northerly margin of said 98th Street, 288 feet to the TRUE POINT OF BEGINNING of the tract herein described;
thence continuing along said northerly margin 150.5 feet;
thence northerly, parallel to the easterly margin of said Aurora Avenue, 135 feet;
thence westerly, parallel to the northerly margin of said 98th Street, 150.5 feet to a point which is north 00°36'05" west of the TRUE POINT OF BEGINNING;
thence south 00°36'05" east 135 feet to the TRUE POINT OF BEGINNING;

ALSO, that portion of the southwest quarter of the northeast quarter of Section 31, Township 26 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the intersection of the northerly margin of North 98th Street with the easterly margin of Aurora Avenue;
thence easterly, along the northerly margin of said 98th Street, 288 feet;
thence northerly, parallel to the easterly margin of said Aurora Avenue, 135 feet to the TRUE POINT OF BEGINNING of the tract herein described;
thence easterly, parallel to the northerly margin of said 98th Street, 150 feet;
thence northerly, parallel to the easterly margin of said Aurora Avenue, 135 feet to the southerly boundary of North 100th Street;
thence westerly along said southern boundary, 150 feet;
thence southerly, parallel to the easterly margin of said Aurora Avenue, 135 feet to the TRUE POINT OF BEGINNING;

Section 2. The Superintendent or his designee is authorized to execute such documents as he deems necessary or desirable including, without limitation, such consents, approvals, extensions of time and other minor amendments of the Agreement as he shall deem appropriate to carry out the intent of this ordinance and to incur necessary costs and expenses to accomplish



acquisition of the Property consistent with this ordinance. Upon delivery of the Bargain and Sale Deed for the Property, the Superintendent or his designee is authorized to accept the deed on behalf of the City by attaching to the deed his written acceptance thereof, and to record the same. The property shall be accepted for electric system purposes and placed under the jurisdiction of the City Light Department.

Section 3. Project allocations in the 2010-2015 Adopted Capital Improvement Program, as amended by ordinance, are modified as follows:

Item	Fund	Budget Control Level	Change	Project Name	Allocation (in \$000s)
3.1	City Light Fund (41000)	Power Supply and Energy Delivery – CIP (SCL250)	\$0	North Service Center Expansion (9220)*	(((\$0)) \$ <u>2,935</u> *
3.2	City Light Fund (41000)	Customer Services and Energy Delivery – CIP (SCL350)	\$0	Transmission Reliability (7104)	(((\$3,284)) \$ <u>3,049</u>
3.3	City Light Fund (41000)	Customer Services and Energy Delivery – CIP (SCL350)	\$0	North Substation Transformer Replacements (7777)	(((\$2,778)) \$ <u>78</u>
Overall Net Change for 3.1 – 3.3			\$0		\$0

* See new project creation section.

Section 4. The North Service Center Expansion project, as described in Attachment 2 to this ordinance, is established in the 2010-2015 Adopted Capital Improvement Program.

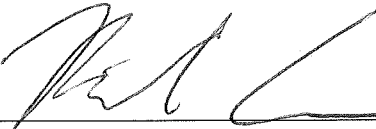
Section 5. The appropriations for the following items in the 2010 Annual Budget are modified as follows:

Item	Fund	Department	Budget Control Level	Amount
5.1	City Light Fund (41000)	Seattle City Light	Power Supply and Energy Delivery – CIP (SCL250)	\$2,935,000
	City Light Fund (41000)	Seattle City Light	Customer Services and Energy Delivery – CIP (SCL350)	(\$2,935,000)

Section 6. Any act consistent with the authority of this ordinance, and taken after
passage of this ordinance, is hereby ratified and confirmed.

Section 7. This ordinance shall take effect and be in force 30 days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 12th day of July, 2010, and signed by me in open session in authentication of its passage this 12th day of July, 2010.



President _____ of the City Council

Approved by me this 16 day of July, 2010.



Michael McGinn, Mayor

Filed by me this 16th day of July, 2010.



City Clerk

(Seal)

Attachment 1: Real Estate Purchase and Sale Agreement

Attachment 2: North Service Center Expansion Project – CIP Project Page



REAL ESTATE PURCHASE AND SALE AGREEMENT

By and between

**THE BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON,
an institution of higher education and an agency of the State of Washington
("Seller")**

And

**THE CITY OF SEATTLE, a Washington municipal corporation
acting by and through its CITY LIGHT DEPARTMENT
("Buyer")**

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REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made by and between The Board of Regents of the University of Washington, a state institution of higher education and an agency of the State of Washington ("Seller") and The City of Seattle, a Washington municipal corporation acting by and through its City Light Department ("Buyer"). This Agreement is effective on the date last signed by an authorized representative of both parties (the "Effective Date"), and is made with reference to the following facts:

- A. Seller is the owner of the Property as hereinafter defined.
- B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement, and the mutual covenants contained herein, Buyer and Seller agree as follows:

AGREEMENT

1. **Property Description.** Seller shall sell and convey to Buyer, and Buyer shall purchase and acquire from Seller, upon and subject to the terms and conditions set forth in this Agreement, the following:

1.1 **Land.** That certain land (the "Land") legally described on Exhibit A attached hereto and by this reference incorporated herein and all rights, privileges and easements appurtenant thereto.

1.2 **Improvements.** All improvements, buildings and fixtures located on the Land, including, without limitation, all fixtures, window coverings, carpeting, awnings, storm windows, doors and screens, built-in appliances and building service equipment used in connection with the ownership, use and operation of the Land such as heating and air conditioning systems and facilities used to provide any utility services, ventilation, garbage disposal or other services thereto (all of which are hereinafter collectively referred to as the "Improvements").

1.3 **Property.** The Land and Improvements are collectively referred to herein as the "Property."

2. **Purchase Price.**

2.1 **Purchase Price.** The Purchase Price of the Property shall be Two Million Nine Hundred Five Thousand and No/100 Dollars (\$2,905,000.00) (the "Purchase Price") subject to adjustments, if any, as provided in Section 10 below. The Purchase Price is payable in cash or immediately available funds at Closing (as defined below).



2.2 Escrow Agent. Pacific Northwest Title Company of Washington, Inc. ("Escrow Agent") has been designated as escrow agent hereunder by mutual agreement of Seller and Buyer.

2.3 Deposit. Within three (3) days following the Effective Date of this Agreement, Buyer shall deliver to Escrow Agent a cash deposit in the amount of One Hundred Forty-Five Thousand Two Hundred Fifty and No/100 Dollars (\$145,250.00) (the "Deposit"). The Deposit paid to Escrow Agent shall be invested by Escrow Agent in an interest-bearing trust account. All interest on the Deposit shall be for the benefit of whichever party is entitled to the Deposit at Closing (as defined below) or other termination of this Agreement. In the event Buyer terminates its obligations under this Agreement on or before expiration of the Due Diligence Period (as defined in Section 5 below), or terminates this Agreement as provided for in Section 6.5 below, Escrow Agent shall return the Deposit (including all interest accrued thereon) to Buyer, this Agreement shall terminate and except as otherwise expressly provided herein, neither party hereto shall have any further rights, under this Agreement.

2.4 Payment of Purchase Price. On the Closing Date (as defined below), Buyer shall deposit with Escrow Agent the Purchase Price, less the Deposit (and interest accrued thereon) and less any other amounts to be credited against the Purchase Price.

2.5 DEPOSIT AS LIQUIDATED DAMAGES. IF BUYER FAILS TO COMPLETE THE SALE OF THE PROPERTY AS CONTEMPLATED UNDER THIS AGREEMENT WITHOUT LEGAL EXCUSE, THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) SHALL BE PAID TO AND RETAINED BY SELLER AS AGREED LIQUIDATED DAMAGES AND AS THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO SELLER FOR SUCH DEFAULT. THE PARTIES ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR SIGNATURES BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT (PLUS INTEREST ACCRUED THEREOF) HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF A DEFAULT ON THE PART OF BUYER. IN ADDITION, BUYER SHALL PAY ALL TITLE, SURVEY AND ESCROW CANCELLATION CHARGES.

SELLER

THE BOARD OF REGENTS OF THE UNIVERSITY OF
WASHINGTON, a state institution of higher education and an
agency of the State of Washington

By _____
Name: _____
Title _____



BUYER

THE CITY OF SEATTLE, a Washington municipal corporation
acting through its City Light Department

By _____
Name: _____
Title: _____

3. **Title to Property.** At Closing, Seller shall convey to Buyer marketable and insurable fee simple title to the Real Property by Bargain and Sale Deed in the form attached and incorporated hereto as Exhibit B (the “Deed”) free and clear of all defects or encumbrances except the Permitted Exceptions as defined in Section 5.3 below.

4. **Inspection and Evaluation of the Property; “AS IS Sale”.**

4.1 **Due Diligence Period.** Buyer shall have a period ending thirty (30) calendar days following the Effective Date in which to conduct its review of the Property (the “Due Diligence Period”). Buyer shall deliver written notice to Seller and Escrow Agent on or before the expiration of the Due Diligence Period that it has either (a) elected to terminate this Agreement, whereupon this Agreement shall terminate, the Deposit will be returned to Buyer, together with all interest earned thereon, and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement, or (b) Buyer has elected to proceed with the purchase of the Property, in which event the Deposit shall be nonrefundable to Buyer except as otherwise expressly provided in this Agreement, or upon breach of this Agreement by Seller. If Buyer fails to deliver written notice to Seller and Escrow Agent prior to the expiration of the Due Diligence Period, Buyer shall be deemed to have disapproved the Property as being unsuitable for its intended purposes and shall be deemed to have elected to terminate this Agreement.

4.2 **Property Inspection.** Buyer’s obligations under this Agreement are expressly subject to Buyer’s inspection and approval, in its sole and absolute discretion, of the physical condition of the Property and the suitability of the Property for Buyer’s intended purposes. Seller shall give Buyer and its agents, consultants, and contractors the right to enter upon the Property or any part thereof during the Due Diligence Period after reasonable prior notice and during normal business hours, for the purpose of determining the physical condition of the Property and the suitability of the Property for Buyer’s intended purposes, including, without limitation, the conducting of soil tests (including borings), toxic and hazardous waste studies, surveys, wetlands delineation, engineering, traffic and access studies, structural studies and review of zoning, fire, safety and other compliance matters, all at Buyer’s sole cost and expense. With respect to any inspection that will require excavations, boring, drilling, removal or demolition of any portion of the Property or any other invasive activities on the Property (generally, “Invasive Testing”), Buyer shall submit a written plan describing such Invasive Testing in reasonable detail (the “Invasive Testing Plan”), to Seller for Seller’s written approval, which approval shall not be unreasonably withheld or delayed. Within five (5) Business Days of its receipt of the Invasive Testing Plan, Seller shall inform Buyer in writing of its decision to approve or disapprove of the Invasive Testing Plan. If Seller rejects the Invasive Testing Plan,



Seller shall specify the reasons and shall work with Buyer to modify the Invasive Testing Plan in a manner that permits Buyer to complete inspections as are necessary to determine whether the Property is suitable for Buyer's intended purposes. Buyer may not proceed with any Invasive Testing until Seller has approved the Invasive Testing Plan in writing and Buyer shall conduct all Invasive Testing in compliance with the Invasive Testing Plan as approved by Seller. Seller shall have the right to accompany Buyer or its agents, contractors or consultants, on all such inspections, studies and tests and to request and receive, at Seller's cost and expense, split samples of any materials collected for analysis by Buyer. Buyer and its agents, contractors and consultants shall comply with Seller's reasonable safety requirements and shall conduct all inspections, studies and tests at reasonable times agreed upon by Seller and Buyer. Buyer shall repair any damage to the Property caused by Buyer, its employees, agents, contractors or consultants during such inspections, studies and tests and shall restore the Property to the condition it was in immediately prior to Buyer's activities on the Property. Buyer shall protect, defend, indemnify and hold Seller and the Property harmless from any claims, liabilities, costs, expenses or liens (including, but not limited to, any claims for personal injury or property damage) arising out of or resulting from its inspection of the Property. This indemnification and restoration obligation shall survive Closing or any termination of this Agreement. If Buyer does not approve the physical condition of the Property, Buyer shall notify Seller and Escrow Agent in writing prior to the expiration of the Due Diligence Period, whereupon this Agreement shall terminate, the Deposit (together with accrued interest) shall be returned to the Buyer and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement. If Buyer fails to deliver written notice to Seller and Escrow Agent prior to the expiration of the Due Diligence Period, Buyer shall be deemed to have disapproved the physical condition of the Property, this Agreement shall terminate, the Deposit (together with accrued interest) shall be returned to the Buyer and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement.

4.3 "AS IS SALE". Buyer acknowledges and agrees that Buyer will be concluding the purchase of the Property based upon Buyer's inspection, investigation of the Property and its suitability for Buyer's intended purpose. Buyer further acknowledges and agrees, that, except as expressly provided in this Agreement, Seller does not make any representations or warranties of any kind, either express or implied, with respect to the Property, including, but not limited to, the size, quality, character, use or condition of the Property, compliance with applicable statutes, laws, codes ordinances, regulations or requirements, zoning, subdivision, building, fire, safety, health or environmental matters. SELLER SPECIFICALLY DISCLAIMS ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO BUYER AND EXCEPT WITH RESPECT TO THE WARRANTIES OF TITLE SET FORTH IN THE DEED TO BE DELIVERED BY SELLER TO BUYER AT CLOSING SELLER MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF ANY PORTION OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO (A) ANY IMPLIED OR EXPRESS WARRANTY OR MERCHANTABILITY, (B) ANY IMPLIED OR EXPRESS



WARRANTY OF FITNESS OR SUITABILITY FOR A PARTICULAR PURPOSE, (C) THE PRESENCE OR ABSENCE OF HAZARDOUS SUBSTANCES ON THE PROPERTY, (D) THE FINANCIAL CONDITION, SIZE, QUALITY, CHARACTER OR VALUE OF THE PROPERTY, OR (E) THE COMPLIANCE OR LACK THEREOF OF THE LAND OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS, IT BEING THE EXPRESS INTENTION OF SELLER AND BUYER THAT, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 4.4 OF THIS AGREEMENT OR THE DEED DELIVERED BY SELLER TO BUYER AT CLOSING, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO BUYER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS," "WHERE IS," WITH ALL FAULTS. BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL PROPERTY AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF ITS CONSULTANTS IN PURCHASING THE PROPERTY. PRIOR TO CLOSING, BUYER SHALL HAVE CONDUCTED SUCH INDEPENDENT INSPECTION OF THE PROPERTY AND RELATED MATTERS AS BUYER DEEMS NECESSARY INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE PROPERTY. SELLER HAS NO OBLIGATION TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS TO THE PROPERTY.

4.4 Environmental Condition of the Property. Notwithstanding anything in Section 4.3 to the contrary, for a period of twenty four (24) months following the Closing Date Seller agrees to reimburse Buyer for its reasonable and necessary costs (costs in excess of construction and other costs which Buyer would have incurred regardless of the presence of Hazardous Substances) actually incurred by Buyer to remediate the Property to the extent resulting from any release of Hazardous Substances (a) from any underground heating oil tank currently existing or previously located on the Property in the vicinity of the boiler, or (b) caused by Seller or its agents or employees during Seller's ownership of the Property, in an amount up to, but not to exceed, Seventy-Five Thousand Dollars (\$75,000); provided, however, that nothing contained herein shall obligate Seller to reimburse Buyer for: (i) any remediation costs resulting from any migration of Hazardous Substances onto the Property from adjoining properties or the public streets adjoining the Property or the presence of Hazardous Substances that may currently exist on the Property except as provided in (a) or (b) above, or (ii) any costs incurred as a result of the negligent act or omission of Buyer or its agents, employees, contractors or subcontractors following its discovery or attempted remediation of any Hazardous Substances located on the Property. Buyer shall promptly notify Seller of the discovery of any Hazardous Substances located on the Property for which Buyer intends to seek reimbursement pursuant to this Section 4.4. Seller shall reimburse Buyer for costs reimbursable by Seller pursuant to this Section 4.4 within sixty (60) days after receipt by Seller of such request, together with copies of invoices or other evidence reasonably satisfactory to Seller substantiating costs to be reimbursed by Seller. Seller's reimbursement obligation pursuant to this Section 4.4 shall automatically terminate upon the earlier of (a) the date which is twenty-four (24) months after the Closing Date, or (b) Seller has reimbursed Buyer Seventy-Five Thousand Dollars (\$75,000) towards such remediation costs. Except as set forth in this Section 4.4, Buyer shall be solely responsible for the costs of any remediation resulting from the discovery of Hazardous Substances on the



Property following the Closing Date. This Section 4.4 shall survive the Closing of the transaction contemplated by this Agreement.

5. Title and Survey Matters.

5.1 Title Commitment. Seller shall obtain at Seller's cost and deliver to Buyer, a preliminary commitment for title insurance issued by Pacific Northwest Title Insurance Company of Washington, Inc. (the "Title Company") describing the Property, showing all matters pertaining to the Property and showing as the policy amount the total Purchase Price. At the same time, the Title Company shall also deliver to Seller and Buyer true, correct and legible copies of all documents referred to in such title commitment as conditions or exceptions to title to the Land (the "Title Documents"). The title insurance policy commitment and the Title Documents are collectively referred to herein as the "Title Commitment".

5.2 Buyer's Approval. Buyer shall advise Seller in writing within thirty (30) days after: (1) the Effective Date; or (2) the date Buyer has received a copy of the Title Commitment, whichever is later, as to what exceptions to title will be accepted by Buyer. If Buyer fails to notify Seller within said time period, Buyer shall be deemed to have approved the condition of title to the Property, and all exceptions disclosed by the Title Commitment or a survey of the Property shall be deemed Permitted Exceptions. In the event Buyer objects to the condition of title to the Property within the time period set forth above, Seller shall have ten (10) Business Days after receipt of Buyer's objections to give Buyer written notice that: (i) Seller will make reasonable efforts to remove exceptions from title and provide Buyer with evidence reasonably satisfactory to Buyer that such exception will be removed on or before Closing, or (ii) Seller elects not to remove such exceptions. If Seller gives Buyer notice pursuant to clause (ii) above, Buyer shall have ten (10) Business Days to elect to proceed with the purchase and take title to the Property subject to such exceptions (which exceptions shall then constitute Permitted Exceptions) or to terminate this Agreement. If Buyer fails to give Seller written notice of its election within said time period, Buyer shall be deemed to have approved the condition of title to the Property.

5.3 Owner's Title Policy. At Closing Seller shall cause the Title Company to issue Buyer, an Owner's Extended Coverage Title Insurance Policy (ALTA Form 2006) (the "Title Policy"). The Title Policy shall be issued in the amount of the Purchase Price and shall insure fee simple title to the Property in Buyer, subject only to Permitted Exceptions, and shall contain such endorsements as Buyer may request in the reasonable exercise of its discretion during the Due Diligence Period. Notwithstanding anything to the contrary contained herein, the following matters shall be deemed to be Permitted Exceptions:

(a) The lien of all special assessments not yet due and payable as of the date of Closing subject to adjustment as herein provided;

(b) Local and state laws, ordinances, or governmental regulations, including, but not limited to, building and zoning laws, ordinances and regulations affecting the Property;

(c) Rights, reservations, covenants, easements, conditions and restrictions presently of record, including reserved oil and other mineral rights; and

(d) Encroachments and other matters that would be disclosed by an accurate survey, an examination of the public records and/or inspection of the Property.

Buyer shall have the right, at its sole cost and expense, to obtain an owner's extended coverage policy of title insurance, but the inability of the Title Company to issue extended coverage shall not constitute an event of default by Seller hereunder.

5.4 Survey. Buyer may, at its expense, obtain a current ALTA/ASCM survey (the "Survey") of the Property prepared by a licensed or registered surveyor, which survey shall be satisfactory to Buyer and to the Title Company.

6. Buyer's Conditions Precedent to Closing. Buyer's obligation to purchase the Property under this Agreement is subject to the fulfillment of each of the following conditions, which conditions may be waived by Buyer in whole or in part:

6.1 Representations and Warranties. All representations and warranties of Seller contained herein shall be true, accurate and complete at the time of the Closing as if made again at such time.

6.2 Performance by Seller. Seller shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance).

6.3 Title. Buyer shall have approved the condition of title to the Property pursuant to the provisions of Section 5.2 of this Agreement, Seller is in a position to deliver title to the Property free and clear of all liens, encumbrances and other defects other than Permitted Exceptions (as defined in Section 5.3 of this Agreement) and the Title Company is prepared to issue the Title Policy in the form required under Section 5.3 of this Agreement.

6.4 Government Approvals. As provided in Article IV, Section 14 of the City Charter of The City of Seattle, Buyer's authorization to execute this Agreement and purchase the Property is expressly subject to prior approval by the Seattle City Council by ordinance. The Closing Date of this Agreement shall be after the effective date of the authorizing ordinance adopted by the Seattle City Council. Buyer shall notify Seller of the date the legislation becomes effective.

6.5 Buyer's Right to Terminate. The foregoing conditions contained in this Section 6 are intended solely for the benefit of Buyer. If any of the foregoing conditions are not satisfied, Buyer shall have the right at its sole discretion either to waive the condition in question and proceed with the purchase or, in the alternative, to terminate this Agreement, whereupon this Agreement shall terminate, Escrow Agent shall return the Deposit (together with all interest

accrued thereon) to Buyer and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement.

7. **Seller's Conditions Precedent to Closing.** Seller's obligation to sell the Property to Buyer under this Agreement is subject to the fulfillment of each of the following conditions, which conditions may be waived by Seller in whole or in part:

7.1 **Representations and Warranties.** All representations and warranties of Buyer contained herein shall be true, accurate and complete at the time of the Closing as if made again at such time.

7.2 **Performance by Buyer.** Buyer shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance).

7.3 **Government Approvals.** Seller's authorization to sell the Property is expressly subject to approval by the Board of Regents of the University of Washington (the "Board of Regents"). Prior to expiration of the Due Diligence Period (as defined in Section 4.1 of this Agreement) Seller shall have obtained the approval of the Board of Regents. Seller shall use good faith efforts to obtain such approval. Seller shall notify Buyer prior to the expiration of the Due Diligence Period of the status of such approval. If the Board of Regents' approval is still pending at the expiration of the Due Diligence Period, Buyer may elect, in its sole discretion, to terminate this Agreement, in which case the Deposit and all interest accrued thereon will be returned to Buyer. Alternatively, at Buyer's written request, Seller will extend the Due Diligence Period for such time as is necessary to request approval of the Board of Regents.

7.4 **Seller's Right to Terminate.** The foregoing conditions contained in this Section 7 are intended solely for the benefit of Seller. If any of the foregoing conditions are not satisfied, Seller shall have the right at its sole discretion either to waive the condition in question and proceed with the purchase or, in the alternative, to terminate this Agreement, whereupon this Agreement shall terminate, Escrow Agent shall return the Deposit (together with all interest accrued thereon) to Buyer and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement.

8. **Representations and Warranties.** In order to induce each other to enter into this Agreement and the transaction contemplated hereby, Seller and Buyer make the following representations and warranties as of the date of this Agreement and again as of the Closing Date:

8.1 **Seller's Representations.** Seller represents and warrants to Buyer as follows:

8.1.1 **Authority.** Seller is an institution of higher education and an agency of the State of Washington. This Agreement has been duly authorized, executed and delivered by Seller, and, assuming it has been duly authorized, executed and delivered by Buyer,



this Agreement is a valid and binding obligation of Seller. No other authorization or approvals, whether of governmental bodies or otherwise will be necessary for Seller to perform its obligations under this Agreement, although Seller's sale of the Property is subject to approval by the Board of Regents of the University of Washington as more particularly described in Section 7.3. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereunder will constitute a breach of any evidence of indebtedness or other financing agreement to which Seller is a party or by which Seller is bound.

8.1.2 Title. Seller has no knowledge of any other matters which would adversely affect title to the Property except as disclosed in the Title Commitment.

8.1.3 No Litigation. There is no litigation pending, or to the best of Seller's knowledge, threatened, against the Property.

8.1.4 No Condemnation. There is no condemnation proceeding pending against the Property.

8.2 Buyer's Representations. Buyer represents and warrants to Seller as follows:

8.2.1 Authority. Buyer is a municipal corporation duly organized and validly existing under the laws of the State of Washington. This Agreement has been duly authorized, executed and delivered by duly authorized officers of Buyer and assuming it has been duly authorized, executed and delivered by Seller, this Agreement is a valid and binding obligation of Buyer. The purchase of the Property has been authorized by the Seattle City Council and no other authorizations or approvals are necessary for Buyer to enter into this Agreement. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereunder will constitute a breach of any evidence of indebtedness or other financing agreement to which Buyer is a party or by which Buyer is bound.

8.2.2 No Litigation. To Buyer's knowledge, there is no action, suit, proceeding or investigation pending, or threatened in writing, before any agency, court or other governmental authority which would adversely affect Buyer's ability to purchase the Property.

9. Seller's Covenants Pending Closing. Seller covenants and agrees with Buyer as follows:

9.1 Performance of Obligations. From the date of this Agreement until the Closing or termination of this Agreement, Seller shall manage and operate the Property in a manner consistent with Seller's past practices. Seller agrees to (a) maintain the Property in its current condition and state of repair (normal wear and tear and casualty loss excepted); (b) maintain any existing commercial third party insurance currently in effect with respect to the Property; and (c) perform all of its material obligations under any licenses and permits that may be applicable to the Property.



9.2 Liens. From the date of this Agreement until the Closing or termination of this Agreement, Seller shall not allow any lien to be filed or recorded against the Property or any part thereof except any liens that may result from the activities of Buyer in connection with the Property, nor will Seller enter into any lease, license, easement or other agreement affecting the Property that would survive Closing without Buyer's prior written consent.

10. Closing and Escrow.

10.1 Time and Place of Closing. "Closing" shall occur when the Deed conveying title to the Property to Buyer is recorded and the Purchase Price has been disbursed to Seller. The Closing shall be held at the offices of the Escrow Agent on a date chosen by Buyer that is on or before thirty (30) days after the end of the Due Diligence Period as provided by Section 4.1 herein but in any event on or before August 13, 2010 (the "Closing Date"). The Closing Date may not be otherwise extended without the written approval of Seller and Buyer. All documents shall be deemed delivered on the date the Deed is recorded. In the event the Closing does not occur on or before the Closing Date, Escrow Agent shall, unless it is notified by either party to the contrary within five (5) days after the Closing Date, return to the depositor thereto, items which may have been deposited hereunder. Any such return shall not, however, relieve either party hereto of any liability it may have for its wrongful failure to close. The Deposit (together with interest accrued thereon) shall be disbursed by Escrow Agent to the party entitled thereto in accordance with the provisions of Section 17 hereof.

10.2 Documents to be Delivered by Seller. Seller shall obtain and deliver to Escrow Agent at Closing the following documents (all of which shall be duly executed and acknowledged where required):

10.2.1 The Bargain and Sale Deed in recordable form, conveying fee title to the Property, subject only to Permitted Exceptions, together with a duly executed real estate excise tax affidavit;

10.2.2 Affidavit executed by Seller which satisfies the requirements of Section 1445 of the United States Internal Revenue Code regarding foreign investors (the "FIRPTA Affidavit"); and

10.2.3 Deliver to the Escrow Agent such resolutions, authorizations, certificates and other evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller in order to issue the Title Policy.

10.3 Delivery by Buyer. At Closing, Buyer shall obtain and deliver to Escrow Agent the following (all documents shall be duly executed and acknowledged where required):

10.3.1 Deposit with Escrow Agent the full amount of the Purchase Price, as increased or decreased by prorations and adjustments as herein provided. The Deposit



previously deposited with Escrow Agent (together with interest accrued thereon) shall be credited to Buyer against the Purchase Price at Closing;

10.3.2 The executed real estate excise tax affidavit; and

10.3.3 Deliver to Escrow Agent such resolutions, authorizations, certificates and other documents or other agreements relating to Buyer as are reasonably required in connection with closing this transaction.

10.4 Other Instruments. Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Agent or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

10.5 Prorations. All revenue and all expenses of the Property, including, but not limited to special assessments and surface water management charges, rents, water, sewer and utility charges, amounts payable under service contracts, if any, annual permits (calculated on the basis of the respective periods covered thereby) and other expenses normal to the ownership, use, operation and maintenance of the Property shall be prorated as of the Closing Date.

10.6 Taxes. Since both Seller and Buyer are exempt from payment of *ad valorem* property taxes, there will be no proration of *ad valorem* taxes between Seller and Buyer.

10.7 Payment of Closing Costs. Seller shall pay the premium for a standard coverage owner's policy of title insurance in an amount equal to the Purchase Price and any real estate excise taxes applicable to the sale. The escrow fee shall be split equally between Seller and Buyer. Buyer shall pay all recording costs, any increase in the title insurance premium attributable to extended coverage, if Buyer elects to obtain extended coverage, any endorsements it requests of the Title Company, all costs of financing, including lender's title insurance premiums, if any, and the costs of any survey. Seller and Buyer shall pay their own respective costs incurred with respect to the consummation of the purchase and sale of the Property including, without limitation, attorneys' fees and the fees and expenses of their respective consultants. Buyer and Seller WAIVE the services of the Escrow Agent in disbursing closing funds to satisfy unpaid utility charges affecting the Property pursuant to RCW 60.80.

11. Possession. Seller shall deliver possession of the Property to Buyer on or before midnight at the end of the Closing Date, subject to rights of parties under Permitted Exceptions. Seller shall remove all of its personal property from the Property prior to closing.

12. Condemnation. If at any time before the Closing Date any material portion of the Property is threatened with condemnation, or legal proceedings are commenced by a governmental agency with the power of eminent domain ("Condemnation Proceeding"), Seller shall give Buyer written notice of the commencement of such proceedings and either Seller or Buyer shall have the right to terminate this Agreement by giving written notice to the other party no later than twenty (20) days after Buyer's receipt of Seller's written notice of the



commencement of a Condemnation Proceeding, whereupon this Agreement shall terminate, the Deposit (including all interest earned thereon) shall be returned to Buyer and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement. If neither Seller nor Buyer exercises its option to terminate this Agreement within such twenty (20) day period, this Agreement shall continue in effect and there shall be no reduction in the Purchase Price. Seller shall have no obligation to repair or restore the Property in whole or in part, and Seller shall assign to Buyer at Closing, all of Seller's right, title and interest in and to any condemnation award or settlement made or to be made in connection with such Condemnation Proceeding. Seller shall promptly notify Buyer in writing of any Condemnation Proceeding affecting the Property. If the Closing does not occur for any reason, such condemnation award or settlement shall belong to and be the property of Seller, and Buyer will promptly deliver to Seller all pleadings, correspondence and other documents and data concerning such proceedings which Buyer may then have in its possession or control.

13. Casualty. If at any time before the Closing Date the Property or any part thereof, is damaged or destroyed by fire or other casualty, either Seller or Buyer shall have the option to terminate this Agreement by giving written notice to the other party of its election to terminate this Agreement no later than twenty (20) days after Buyer's receipt of Seller's notice of such damage or destruction, whereupon the Deposit (including all interest earned thereon) shall be returned to Buyer, this Agreement shall terminate and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement. If the damage or destruction occurs less than twenty (20) days prior to Closing, the Closing Date shall be extended to the extent necessary to allow the full twenty (20) days for notice regarding termination. If neither Seller nor Buyer exercises its option to terminate this Agreement within such twenty (20) day period, this Agreement shall continue in effect, the Purchase Price shall not be reduced, and it is expressly agreed Seller shall have no obligation to repair or restore the Property or any portion thereof. Seller shall promptly notify Buyer in writing of any such casualty respecting the Property.

14. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "notices") shall be in writing and shall be validly given or made to the other party if delivered personally, or by overnight delivery service of recognized standing, or by United States Mail, certified, registered, or express mail with postage prepaid, or by facsimile transmission with electronic confirmation of receipt. If such notice is personally delivered or delivered by facsimile during normal business hours, it shall be conclusively deemed given at the time of such delivery. If such notice is delivered by facsimile after normal business hours or is delivered by overnight delivery service, it shall be deemed given one (1) Business Day after receipt thereof (if sent by facsimile transmission) or one (1) Business Day after the deposit thereof with such delivery service. If such notice is mailed as provided herein, notice shall be deemed given three (3) Business Days after the deposit thereof in the United States Mail. Each such notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:



To Seller: The Board of Regents of the University of Washington
University of Washington Real Estate Office
Campus Box 359446
Seattle, Washington 98195-9446
Attn: Gary Eng
Senior Asset Manager
Fax: (206) 685-1547

To Buyer: City of Seattle
c/o Seattle City Light
700 Fifth Avenue
P.O. Box 34023
Seattle, Washington 98124-4023
Attn: David L. Barber
Real Estate Manager
Fax: (206) 625-3709

Any party hereto may change its address for the purpose of receiving notices as herein provided by a written notice given in the manner aforesaid to the other party hereto.

15. [Intentionally Deleted].

16. Agency Disclosure; Brokers and Finders.

At the signing of this Agreement, neither party was represented by a real estate agent. Each party represents to the other that no broker has been involved in this transaction. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, hereby agrees to indemnify Seller against and hold Seller harmless from any and all damages, liabilities, costs, expenses and losses (including, without limitation, reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim, and Seller, if such claim is based upon any agreement alleged to have been made by Seller, hereby agrees to indemnify Buyer against and hold Buyer harmless from any and all damages, liabilities, costs, expenses and losses (including, without limitation, reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this Section 16 shall survive the termination of this Agreement or the Closing.

17. Events of Default; Remedies. As used in this Section 17, "Default" means any failure to perform an obligation under this Agreement which is not cured within the period of time, if any, provided for cure under this Agreement.

17.1 Seller's Default. In the event of a Default by Seller of any obligation under the Agreement, then provided Buyer is not in Default hereunder, Buyer's sole and exclusive remedy shall be either (a) to seek and obtain specific performance of Seller's obligations hereunder, including any payments by Seller pursuant to Section 4.4, or (b) terminate



this Agreement upon written notice to Seller and Escrow Agent whereupon Escrow Agent shall return the Deposit together with all interest earned thereon to Buyer and except as otherwise expressly provided herein, neither party hereto shall have any further rights, duties or obligations under this Agreement.

17.2 Buyer's Default. In the event of a Default by Buyer without any Default by Seller or failure of any condition to Buyer's obligations hereunder, Seller's sole and exclusive remedy shall be the retention of the Deposit held by Escrow Agent, together with all interest earned thereon, and all amounts previously paid to it hereunder, as the sole and exclusive remedy available to Seller for such default as liquidated damages and not as a forfeiture or penalty. The parties acknowledge that in the event of such Default by Buyer, Seller will have incurred substantial but unascertainable damages and that therefore the provision herein for liquidated damages is a valid one.

18. Miscellaneous.

18.1 Applicable Law. This Agreement shall in all respects be governed by and constructed in accordance with the laws of the State of Washington. In the event any action is brought to enforce any of the provisions of this Agreement, the parties agree that venue shall lie exclusively in the King County Superior Court.

18.2 Further Assurances. Each of the parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder, to carry out the intent of the parties hereto.

18.3 Modification or Amendment. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the parties hereto, or as otherwise may be provided in this Agreement. No failure by Seller or Buyer to insist upon the strict performance of any covenant, duty, agreement or condition or this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement or term or condition. No waiver shall affect or alter this Agreement and each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other than existing or subsequent breach thereof.

18.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Buyer's interest under this Agreement may not be assigned, encumbered or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise, without the prior written consent of Seller, which consent may be withheld by Seller in its sole and absolute discretion.

18.5 Entire Agreement. This Agreement and the exhibits attached hereto constitute the entire understanding and agreement of the parties with respect to the purchase and



sale of the Property and supercede all prior and contemporaneous agreements and understandings between the parties hereto relating to the subject matter hereof including, without limitation, Seller's general sales terms dated September 25, 2009 and Buyer's letter of intent dated October 30, 2009.

18.6 No Joint Venture. It is not intended by this Agreement to, and nothing contained in this Agreement shall create, any partnership, joint venture or other arrangement between Seller and Buyer except those of seller and purchaser of real property. No term or provision of this Agreement is intended to be or shall be, for the benefit of any person, firm, organization or corporation not a party hereto and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

18.7 Attorneys' Fees. Each party shall be responsible for payment of the legal fees of its counsel in the event of any litigation, mediation, arbitration or other proceeding brought to enforce or interpret or otherwise arising out of this Agreement.

18.8 Headings. The captions and paragraph headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the interpretation or construction of any term or provision hereof. All capitalized terms not otherwise defined herein shall have the same meaning as set forth on Exhibit C attached hereto.

18.9 Severability. If any term or provision of this Agreement shall to any extent, be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.

18.10 Negotiation and Construction. Words used in the singular number shall include the plural and vice-versa, and any one gender shall be deemed to include all genders. Seller and Buyer acknowledge that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement (including the exhibits) (or any amendments thereto) and the same shall be construed neither for nor against Seller or Buyer but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties. This Agreement has been drafted by counsel to the Seller. Buyer has consulted with independent counsel of its choice prior to execution of this Agreement.

18.11 Time is of the Essence. Time is of the essence of this Agreement.

18.12 Examination of Agreement. Submission of this Agreement for examination or signature by Buyer does not constitute an option to acquire the Property or an agreement by Seller to sell the Property. This Agreement will not constitute a binding purchase and sale agreement for the Property until it has been signed by both Seller and Buyer.

18.13 Authority. The parties signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.



18.14 Counterparts. This Agreement may be executed in counterparts each of which constitutes an original and all of which shall constitute but one original.

18.15 Calculation of Time. In computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday in which event the last day shall be extended to the next Business Day. The final day of any such period shall be deemed to end at 5:00 p.m., Pacific Time (Standard or Daylight, as may be applicable), unless another ending time is herein specified.

18.16 Exhibits. The following exhibits are attached hereto and by this reference incorporated herein:

Exhibit A – Legal Description
Exhibit B – Bargain and Sale Deed
Exhibit C – Definitions

SELLER:

THE BOARD OF REGENTS OF THE
UNIVERSITY OF WASHINGTON, an
institution of higher education and an agency
of the State of Washington

BUYER:

THE CITY OF SEATTLE, a Washington
municipal corporation, acting through its
DEPARTMENT OF LIGHTING

By _____
Name _____
Title _____

By _____
Name _____
Title _____

APPROVED AS TO FORM

By _____
Special Assistant Attorney General
State of Washington



EXHIBIT A

Legal Description of Property

Certain real property located at 1126 North 98th Street and 1133 North 100th Street, Seattle, King County, Washington, and more particularly described as follows:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 26 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY MARGIN OF NORTH 98TH STREET WITH THE EASTERLY MARGIN OF AURORA AVENUE; AND
RUNNING THENCE EASTERLY ALONG THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 288 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED;
THENCE CONTINUING ALONG SAID NORTHERLY MARGIN 150.5 FEET;
THENCE NORTHERLY PARALLEL TO THE EASTERLY MARGIN OF SAID AURORA AVENUE, 135 FEET;
THENCE WESTERLY PARALLEL TO THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 150.5 FEET TO A POINT WHICH IS NORTH 0°36' 05" WEST OF THE TRUE POINT OF BEGINNING;
THENCE SOUTH 0°36'05" EAST 135 FEET TO THE TRUE POINT OF BEGINNING; AND

ALSO THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 26 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY MARGIN OF NORTH 98TH STREET WITH EASTERLY MARGIN OF AURORA AVENUE; AND
RUNNING THENCE EASTERLY ALONG THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 288 FEET;
THENCE NORTHERLY PARALLEL TO THE EASTERLY MARGIN OF SAID AURORA AVENUE, 135 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED;
THENCE EASTERLY PARALLEL TO THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 150 FEET;
THENCE NORTHERLY PARALLEL TO THE EASTERLY MARGIN OF AURORA AVENUE, 135 FEET TO THE SOUTHERLY BOUNDARY OF NORTH 100TH STREET;
THENCE WESTERLY ALONG SAID SOUTHERN BOUNDARY 150 FEET;
THENCE SOUTHERLY PARALLEL TO EASTERLY MARGIN OF AURORA AVENUE, 135 FEET TO THE TRUE POINT OF BEGINNING.



Dave Barber/DB
SCL – UW Property Acquisition ORD ATT 1
June 14, 2010
Version #3

EXHIBIT B

Bargain and Sale Deed

After Recording Return To:

The City of Seattle
Seattle City Light
Real Estate Services
P.O. Box 34023
Seattle, WA 98124-4023

BARGAIN AND SALE DEED

GRANTOR: THE BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON,
an institution of higher education and an agency of the State of Washington

GRANTEE: THE CITY OF SEATTLE, a Washington municipal corporation

Legal Description:

Abbreviated Form:

Additional legal on Exhibit A

Assessor's Tax Parcel ID#: 3126049102; 3126049316

THE GRANTOR, THE BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON, an institution of higher education and an agency of the State of Washington, for and in consideration of TEN DOLLARS (\$10.00) in hand paid, bargains, sells and conveys to THE CITY OF SEATTLE, a Washington municipal corporation, the following described real estate situated in the County of King, State of Washington.

See Exhibit A attached hereto.

B-1

Attachment 1 to UW Property Acquisition ORD



Subject to and excepting those matters listed in Exhibit B attached hereto and incorporated herein by this reference.

Dated _____, 2010.

THE BOARD OF REGENTS OF THE
UNIVERSITY OF WASHINGTON, an
institution of higher education and an agency
of the State of Washington

By _____

Name _____

Title _____

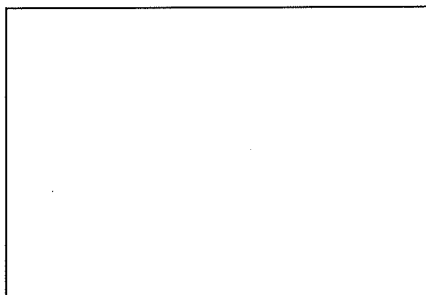
APPROVED AS TO FORM:

By _____
Special Assistant Attorney General
State of Washington

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared _____, known to me to be the _____ of UNIVERSITY OF WASHINGTON, the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of THE BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON, an agency of the State of Washington, for the purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument.

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



(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____



EXHIBIT A

Legal Description of Property

Certain real property located at 1126 North 98th Street and 1133 North 100th Street, Seattle, King County, Washington, and more particularly described as follows:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 26 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY MARGIN OF NORTH 98TH STREET WITH THE EASTERLY MARGIN OF AURORA AVENUE; AND
RUNNING THENCE EASTERLY ALONG THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 288 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED;

THENCE CONTINUING ALONG SAID NORTHERLY MARGIN 150.5 FEET;
THENCE NORTHERLY PARALLEL TO THE EASTERLY MARGIN OF SAID AURORA AVENUE, 135 FEET;

THENCE WESTERLY PARALLEL TO THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 150.5 FEET TO A POINT WHICH IS NORTH 0°36' 05" WEST OF THE TRUE POINT OF BEGINNING;

THENCE SOUTH 0°36'05" EAST 135 FEET TO THE TRUE POINT OF BEGINNING; AND

ALSO THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 26 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY MARGIN OF NORTH 98TH STREET WITH EASTERLY MARGIN OF AURORA AVENUE; AND
RUNNING THENCE EASTERLY ALONG THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 288 FEET;

THENCE NORTHERLY PARALLEL TO THE EASTERLY MARGIN OF SAID AURORA AVENUE, 135 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT HEREIN DESCRIBED;

THENCE EASTERLY PARALLEL TO THE NORTHERLY MARGIN OF SAID NORTH 98TH STREET, 150 FEET;

THENCE NORTHERLY PARALLEL TO THE EASTERLY MARGIN OF AURORA AVENUE, 135 FEET TO THE SOUTHERLY BOUNDARY OF NORTH 100TH STREET;

THENCE WESTERLY ALONG SAID SOUTHERN BOUNDARY 150 FEET;

THENCE SOUTHERLY PARALLEL TO EASTERLY MARGIN OF AURORA AVENUE, 135 FEET TO THE TRUE POINT OF BEGINNING.



Dave Barber/DB
SCL – UW Property Acquisition ORD ATT 1
June 14, 2010
Version #3

EXHIBIT B

List of Permitted Exceptions

None



EXHIBIT C

Definitions

“Business Day” means a day other than Saturday, Sunday, any federal or Washington State holiday or any date on which banks located in the State of Washington are authorized or obligated to close.

“Hazardous Substances” means:

(i) Those substances included within the definitions of “hazardous substances,” “hazardous materials,” “toxic substances,” or “solid waste” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) (“CERCLA”), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499, 100 Stat. 1613) (“SARA”), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.) (“RCRA”), and the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq., and in the regulations promulgated pursuant to said laws, all as amended;

(ii) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(iii) Any material, waste or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (33 U.S.C. §§ 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317).

(iv) Those substances defined as “dangerous wastes,” “hazardous wastes” or as “hazardous substances” under the Water Pollution Control Act, RCW 90.48.010 et seq., the Hazardous Waste Management Statute, RCW 70.105.010 et seq., the Toxic Substance Control Act, RCW 70.105B.010 et seq., the Model Toxics Control Act, RCW 70.105D.010 et seq. and the Toxic Substance Control Act, 15 U.S.C., Section 2601 et seq., and in the regulations promulgated pursuant to said laws, all as amended from time to time;

“Person” means a natural person, corporation, trust, partnership, limited partnership, governmental subdivision or agency, municipal corporation, city, state, or other legal entity

Attachment 2

Seattle City Light – CIP Project Pages

March 28, 2010

New Project (1)

North Service Center Expansion

BCL/Program Name:	Power Supply and Environmental Affairs – CIP	BCL/Program Code:	SCL250
Project Type:	New Facility	Start Date:	2nd Quarter 2010
Project ID:	9220	End Date:	4th Quarter 2011
Location:	1300 N. 97th Street		
Neighborhood Plan:	Not in a Neighborhood Plan	Neighborhood Plan Matrix:	N/A
Neighborhood District:	Not in a Neighborhood District	Urban Village:	Not in an Urban Village

This project will acquire property abutting City Light's North Service Center that is being offered for sale by the University of Washington and will provide improvements to make this property usable for City Light operations. The North Service Center is badly overcrowded.

	LTD Actuals	2000	2010	2011	2012	2013	2014	2015	Total
Revenue Sources									
City Light Fund Revenues	0	0	2,935	550	1,123	0	0	0	4,608
Project Total:	0	0	2,935	550	1,123	0	0	0	4,608
Fund Appropriations/Allocations									
City Light Fund	0	0	2,935	550	1,123	0	0	0	4,608
Appropriations Total*	0	0	2,935	550	1,123	0	0	0	4,608
O & M Costs (Savings)									
Spending Plan	0	0	0	0	40	40	40	40	160
	0	0	2,935	550	1,123	0	0	0	4,608



FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle City Light	Dave Barber / 684-0400	Calvin Chow / 684-4652

Legislation Title:

AN ORDINANCE relating to the City Light Department, authorizing the acquisition of real property commonly known as 1126 North 98th Street and 1133 North 100th Street in Seattle, Washington, for electric system purposes; amending the 2010 Adopted Budget by transferring existing appropriations between budget control levels; adding a new project and revising project allocations for certain projects in the 2010-2015 CIP; authorizing the acceptance of the deed; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:

Project Name:	Project I.D.	Project Location:	Start Date:	End Date
North Service Center Expansion	9220	1126 N 98 th Street 1133 N 100 th Street	2 nd Qtr 2010	4 th Qtr 2012

City Light's North Service Center is badly overcrowded and cannot be expanded to the north, south, or east due to the presence of residential neighborhoods. The University of Washington has offered two parcels of land for sale which adjoin City Light's North Service Center to the west. City Light wishes to purchase this property on a willing seller basis.

City Light has offered the University of Washington \$2,905,000 to purchase this property, subject to approval by the Seattle City Council. The University has accepted City Light's conditional offer, and the proposed sale to the City of Seattle has been approved by the University's Board of Regents.

City Light obtained an appraisal and review appraisal which informed its offer to the University, and has since obtained a Phase I environmental assessment, an ALTA survey for extended title insurance, and has conducted facility programming to determine how this property could best be used on both a short and long-term basis. City Light has met with the Licton Springs Community Council to discuss, and advised the Aurora Merchants Association of the proposed acquisition. All comments have been supportive of the proposed acquisition.

City Light's conceptual plans for use of this property are to tear down the older south warehouse to provide additional yard space; to provide security and drainage detention for the additional yard space; to move work units not requiring loading dock and warehouse adjacency from the main North Service Center (NSC) campus into the newly acquired property; and to move work units which would benefit from warehouse and loading dock adjacency into the main NSC campus.

Funding for these improvements is not being requested with this legislation. Instead, any

funding for improvements will be considered against other City Light priorities in the 2011-2012 Proposed Budget process.

In the longer term, City Light will consider moving Network Maintenance crews from the NSC to South Service Center, and moving Station Maintenance crews currently reporting to scattered sites into the NSC. City Light would also like to provide semi-enclosed shelter for high-value vehicles and equipment.

X This legislation creates, funds, or anticipates a new CIP Project.

The 2010-2015 Adopted Capital Improvement Program will be amended through this ordinance. A new project, North Service Center Expansion, will be created. Portions of two other CIP projects, Transmission Reliability (7104) and North Substation Transformer Replacements (7777) will be deferred to pay for this project.

X This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	Existing 2009 Appropriation	New 2010 Appropriation (if any)	2011 Anticipated Appropriation
City Light Fund (41000)	Seattle City Light	Power Supply and Energy Delivery – CIP (SCL250)	\$0	\$2,935,000	\$550,000
TOTAL			\$0	\$2,935,000	\$550,000

Notes: The appropriation of \$2,935,000 in 2010 will support \$2,905,000 for property acquisition and \$30,000 for due diligence and closing costs.

Spending Plan and Future Appropriations for Capital Projects:

Spending Plan and Budget	2010	2011	2012	2013	2014	2015	Total
Spending Plan	\$2,935	\$550	\$1,123				\$4,608
Current Year Appropriation	\$2,935						
Future Appropriations		\$550	\$1,123				\$4,608

Notes: The planned appropriation of \$550,000 in 2011 is intended to support geotechnical and additional hazardous materials surveys, programming, architecture, and cost estimating, demolition of the south warehouse, and provide drainage detention, yard surfacing, and fencing for the new yard area. The planned appropriation of \$1,123,000 in 2012 is intended to build out the north warehouse for operational uses. These planned appropriations will be considered against other City Light priorities in the 2011-2012 Proposed Budget process.

Funding source:

Funding Source (Fund Name and Number, if applicable)	2010	2011	2012	2013	2014	2015	Total
City Light Fund (41000)	\$2,935	\$550	\$1,123				\$4,608
TOTAL	\$2,935	\$550	\$1,123				\$4,608

Uses and Sources for Operation and Maintenance Costs for the Project:

O&M	2010	2011	2012	2013	2014	2015	Total
Uses							
Start Up							
On-going		\$40	\$40	\$40	\$40	\$40	\$200
Sources (itemize)	City Light Fund (41000)						

Notes: Routine maintenance, janitorial, and utilities.

Periodic Major Maintenance costs for the project:

Major Maintenance Item	Frequency	Cost	Likely Funding Source
Built-Up Roof Replacement	35 Years	\$500	City Light Fund (41000)
TOTAL		\$500	

Funding sources for replacement of project: N/A

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: None

- **What is the financial cost of not implementing the legislation:**

Crew Inefficiencies. The intent of this acquisition is to improve the efficiency of City Light's field operations by relieving overcrowding in the North Service Center. At present, overcrowded conditions require that some crew vehicles must queue for dock space, and some crew vehicles must be loaded from the warehouse to the yard. Operations at the North Service Center are highly organized to avoid delays, but nonetheless, some are unavoidable under current conditions. The costs of continuing inefficiencies are difficult to determine, but the delays of multiple crews in dispatching and returning can be thousands of dollars per hour.

Deferred Acquisition. This purchase could be deferred to a time with less budget shortfall. Real estate prices are currently low, and City Light believes that the agreed upon price for this improved property is close to raw land values. If City Light were to purchase this property at a later date, it would likely be in private ownership (as opposed to the current public ownership), and the price could be much higher. The City might need to use its powers of eminent domain, and would likely incur relocation costs in addition to the purchase price.

- **Does this legislation affect any departments besides the originating department?**

No.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

City Light could purchase land and develop facilities for some of its crews at a satellite site. A separate field operations complex would require some duplication of administrative, warehouse, and crew facilities.

The acquisition of this property supports the model of providing City Light customer service and managing field operations out of two shops and yards facilities, one in north Seattle and one in south Seattle. This model works well for City Light due to the compact size of its service area, and for disaster preparedness (e.g., provides response capacity north and south of the Lake Washington Ship Canal). The alternative of more decentralized shops and yards is better suited for utilities with larger service areas and greater work site travel times.

- **Is the legislation subject to public hearing requirements:** No
- **Other Issues:** None
- **List attachments to the fiscal note below:**

Attachment A: Map of Parcels Proposed to be Acquired



City of Seattle
Office of the Mayor

June 22, 2010

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor


Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill which would authorize Seattle City Light to purchase two parcels of land currently owned by the University of Washington, adjacent to City Light's North Service Center.

City Light's North Service Center is badly overcrowded and cannot be expanded to the north, south, or east due to the presence of residential neighborhoods. The University's unexpected offering of this property to the west provides an opportunity for City Light to acquire needed property on a willing seller basis. This purchase would be paid for by deferring portions of two other projects in the 2010 Adopted Budget and Capital Improvement Program.

The purchase and occupancy of this property will greatly improve the efficiency of City Light's north-end field operations. Thank you for your consideration of this legislation. Should you have questions, please contact Steve Kern at 684-3243.

Sincerely,



Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcgin@seattle.gov



STATE OF WASHINGTON – KING COUNTY

--SS.

258174
CITY OF SEATTLE, CLERKS OFFICE

No. 123348,49,50,51

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

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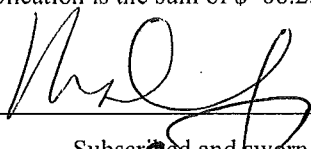
was published on

07/28/10

The amount of the fee charged for the foregoing publication is the sum of \$ 68.25, which amount has been paid in full.

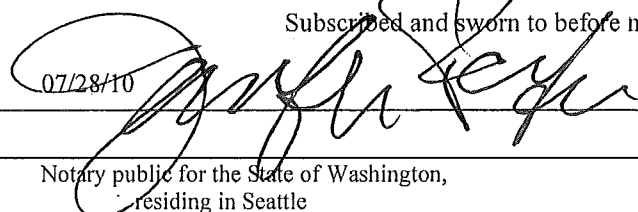


Affidavit of Publication



Subscribed and sworn to before me on

07/28/10



Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on July 12, 2010, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 123348

AN ORDINANCE relating to the City Light Department, accepting various easements for overhead and underground electrical rights in King County, Washington, placing said easements under the jurisdiction of the City Light Department, and ratifying and confirming certain prior acts.

ORDINANCE NO. 123349

AN ORDINANCE relating to the City Light Department, authorizing the acquisition of real property commonly known as 1126 North 98th Street

and 1133 North 100th Street in Seattle, Washington, for electric system purposes; amending the 2010 Adopted Budget by transferring existing appropriations between budget control levels; adding a new project and

revising project allocations for certain projects in the 2010-2015 CIP; authorizing the acceptance of the deed; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123350

AN ORDINANCE relating to the City Light Department; authorizing the Superintendent of Seattle City Light to execute an agreement with Nextel West Corporation to reconfigure certain 800 MHz radio

frequencies licensed to City Light, including any other necessary or convenient related agreements or documents; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123351

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Date of publication in the Seattle Daily Journal of Commerce, July 28, 2010.

7/28(258174)