



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 119462

Record No.: CB 119462

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125779

In Control: City Clerk

File Created: 01/16/2019

Final Action: 03/01/2019

**Title:** AN ORDINANCE relating to the City Light Department; declaring certain real property surplus to the needs of the City; authorizing the sale of a portion of City Light Department real property to North Passage LLC; reserving an exclusive easement for electric transmission and distribution line purposes; and accepting payment of fair market value for the portion of the property sold, and deposit of the payment into the City Light Fund.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Mosqueda

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

**Attachments:** Att 1 - Purchase and Sale Agreement, Att 1 Ex A - Legal Description of Property, Att 1 Ex B - General Depiction of the Property, Mayor's Letter on Retuning Bill Unsigned, Att 1 Ex C - Quit Claim Deed

**Drafter:** Alan.Matthews@seattle.gov

**Filing Requirements/Dept Action:**

### History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	01/29/2019	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	01/29/2019	sent for review	Council President's Office			
<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Council President's Office							
<b>Notes:</b>							
1	Council President's Office	02/05/2019	sent for review	Housing, Health, Energy, and Workers' Rights Committee			

**Legislative Summary Continued (CB 119462)**

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**Action Text:** The Council Bill (CB) was sent for review. to the Housing, Health, Energy, and Workers' Rights Committee

**Notes:**

1 City Council                      02/19/2019   referred                      Housing, Health,  
Energy, and  
Workers' Rights  
Committee

**Action Text:** The Council Bill (CB) was referred. to the Housing, Health, Energy, and Workers' Rights Committee

**Notes:**

1 Housing, Health, Energy,      02/21/2019   pass                      02/25/2019                      Pass  
and Workers' Rights  
Committee

**Action Text:** The Committee recommends that City Council pass the Council Bill (CB).

In Favor: 2    Chair Mosqueda, Vice Chair Juarez

Opposed: 0

1 City Council                      02/25/2019   passed                      Pass

**Action Text:** The Council Bill (CB) was passed by the following vote, and the President signed the Bill:

In Favor: 8    Councilmember Bagshaw, Councilmember González , Council  
President Harrell, Councilmember Herbold, Councilmember Johnson,  
Councilmember Juarez, Councilmember Mosqueda, Councilmember  
Sawant

Opposed: 0

1 City Clerk                      02/27/2019   submitted for                      Mayor  
Mayor's signature

1 Mayor                      03/01/2019   returned unsigned

**Action Text:** The Council Bill (CB) was returned unsigned.

**Notes:**

1 Mayor                      03/01/2019   returned                      City Clerk

**Action Text:** The Council Bill (CB) was returned. to the City Clerk

**Notes:**

1 City Clerk                      03/01/2019   attested by City Clerk

**Action Text:** The Ordinance (Ord) was attested by City Clerk.

**Notes:**

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**City of Seattle**  
Mayor Jenny A. Durkan

February 28, 2019

Monica Martinez Simmons  
Seattle City Clerk  
600 4<sup>th</sup> Avenue, 3<sup>rd</sup> Floor  
Seattle, WA 98124

Dear Ms. Martinez Simmons,

The Mayor's Office is returning Council Bill 119462. This legislation authorizes the sale of certain Seattle City Light surplus real estate to North Passage LLC, while reserving an exclusive easement for electricity purposes and accepts payment of fair market value for the property sold.

Pursuant to SMC 4.16.070.A.1.a. and in strict compliance with the advice given by the Executive Director of the Seattle Ethics and Election Commission's interpretation of the Seattle Ethics Code, but without relinquishing any of the Powers and Duties granted to Mayor Durkan by the Charter of the City of Seattle, she has recused herself from participating in this matter. Due to her recusal, she will not be signing attached Council Bill 119462. By returning this legislation unsigned, it will become law by operation of law consistent with the City Charter.

If you have any questions, then please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michelle Chen", written in a cursive style.

Michelle Chen  
Legal Counsel to the Mayor

**CITY OF SEATTLE**

**ORDINANCE** 125779

**COUNCIL BILL** 119462

AN ORDINANCE relating to the City Light Department; declaring certain real property surplus to the needs of the City; authorizing the sale of a portion of City Light Department real property to North Passage LLC; reserving an exclusive easement for electric transmission and distribution line purposes; and accepting payment of fair market value for the portion of the property sold, and deposit of the payment into the City Light Fund.

WHEREAS, the City Light Department of The City of Seattle (SCL) owns in fee simple a 30-foot-wide strip of real property in The City of Seattle, Washington, adjacent and contiguous to 509 Northeast Northlake Way and bounded by Northeast Northlake Way on the north, Interstate Highway 5 on the east, and the Lake Washington Ship Canal on the south (“SCL Property”), legally described in Exhibit A of Attachment 1 to this ordinance, which is a portion of SCL’s larger electric transmission and distribution corridor servicing SCL’s University Substation; and

WHEREAS, the SCL Property is an excess portion of real property left over from the State of Washington’s construction of Interstate Highway 5; and

WHEREAS, the State of Washington transferred ownership of the 30-foot strip to The City of Seattle in 1961 via quit claim deed; and

WHEREAS, there has been a building encroaching on a portion of the SCL Property since at least 1957, predating SCL’s ownership of the property; and

WHEREAS, North Passage LLC currently owns the building located at 509 Northeast Northlake Way; and

1 WHEREAS, SCL has been renting the SCL Property to its tenant under a temporary revocable  
2 permit since at least 1990 for the existing building, which partially encroaches into the  
3 City's property, and for landscaping and parking; and

4 WHEREAS, the building, parking lot, and landscaping occupy the entirety of the surface of the  
5 SCL Property as described above and are directly under SCL's overhead 115 kV  
6 transmission and 26 kV distribution electric lines; and

7 WHEREAS, SCL no longer wishes to rent the SCL Property while there is a permanent building  
8 under SCL transmission and distribution lines, and ownership of the surface of the SCL  
9 Property is not necessary for continued operation and maintenance of these SCL  
10 facilities; and

11 WHEREAS, SCL is conducting a long-term program to resolve encroachments on its fee-owned  
12 transmission line right-of-way; and

13 WHEREAS, North Passage LLC wishes to purchase the SCL Property from SCL and SCL  
14 wishes to sell the SCL Property to North Passage LLC while retaining an exclusive aerial  
15 easement in perpetuity ("Easement") for SCL transmission and distribution lines for  
16 operation, maintenance, and access to its electric transmission and distribution lines for  
17 the sum of \$222,000, which represents the fair market value of the property encumbered  
18 by the Easement; NOW, THEREFORE,

19 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

20 Section 1. This real property transaction is exempt from the provisions of Seattle City  
21 Council Resolution 31424 regarding disposition of City Light surplus properties.

1           Section 2. Pursuant to the provisions of RCW 35.94.040 and after a public hearing,  
2 certain portions of the SCL Property are no longer needed for The City of Seattle’s utility  
3 purposes and are declared surplus to City needs.

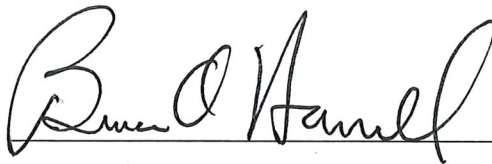
4           Section 3. The General Manager and Chief Executive Officer of the City Light  
5 Department, or the General Manager and Chief Executive Officer of the City Light Department’s  
6 designee, is authorized to enter into a purchase and sale agreement with North Passage LLC for  
7 the sale of the SCL Property in substantially the form attached hereto as Attachment 1.

8           Section 4. The General Manager and Chief Executive Officer of the City Light  
9 Department, or the General Manager and Chief Executive Officer’s designee, is authorized to  
10 execute the Quit Claim Deed, which is Exhibit C of Attachment 1 to this ordinance, conveying  
11 portions of the SCL Property to North Passage LLC and reserving an exclusive overhead  
12 easement for SCL’s electric transmission and distribution lines, and to record the Quit Claim  
13 Deed with the King County Recorder.

14           Section 5. The General Manager and Chief Executive Officer of the City Light  
15 Department, or the General Manager and Chief Executive Officer’s designee, is authorized to  
16 accept payment of \$222,000 for the sale of a portion of the SCL Property and deposit the  
17 payment into the City Light Fund.

1 Section 6. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 25<sup>th</sup> day of February, 2019,  
5 and signed by me in open session in authentication of its passage this 25<sup>th</sup> day of  
6 February, 2019.

7 

8 President \_\_\_\_\_ of the City Council

9 Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**Returned Unsigned  
by Mayor**

10 \_\_\_\_\_  
11 Jenny A. Durkan, Mayor

12 Filed by me this 1<sup>st</sup> day of MARCH, 2019.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)

- 16 Attachments:
- 17 Attachment 1 - Purchase and Sale Agreement for Sale of Real Property
- 18 Exhibit A - Legal Description of Property
- 19 Exhibit B - General Depiction of the Property
- 20 Exhibit C - Quit Claim Deed with Reserved Exclusive Easement and Covenant
- 21 Regarding Environmental Conditions

**PURCHASE AND SALE AGREEMENT**  
**FOR SALE OF REAL PROPERTY**

THIS PURCHASE AND SALE AGREEMENT FOR SALE OF REAL PROPERTY ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_ 2019, between **THE CITY OF SEATTLE**, a Washington State municipal corporation, acting through its **CITY LIGHT DEPARTMENT** ("Seller"), and **NORTH PASSAGE LLC**, a Washington limited liability company ("Purchaser"). The Seller and Purchaser are referred to collectively as the "Parties."

In consideration of the payment and receipt of the Purchase Price (as defined in paragraph 3.1 below) in exchange for the Property, and in reliance on the Parties' mutual promises and undertakings and the mutual benefits to be derived from the promises contained in this Agreement, the Parties agree as follows:

1. **PROPERTY AND INTERESTS**

Seller owns the real property in Seattle, Washington, described in **Exhibit A** and as depicted in **Exhibit B**, together with all rights appurtenant thereto, if any (the "Property"), and has determined that, except for Seller's existing aerial electric transmission line corridor, and subject to Seller retaining an exclusive aerial easement for this electric transmission corridor through it, the Property is no longer needed for providing continued public utility service or other public use.

2. **SALE OF PROPERTY**

Pursuant to the terms of this Agreement by the duly authorized representatives of Purchaser and Seller, Seller shall convey the Property to Purchaser, along with any right, title, or interest of Seller in and to any improvements presently existing thereon and owned by Buyer, subject to:

(a) authorization by ordinance passed by Seattle City Council for the sale of the Property to Purchaser and conveyance of title by quit claim deed, with reservation of an exclusive easement by Seller through the Property for Seller's aerial electric transmission and distribution line corridor; and

(b) all taxes, assessments, all existing encumbrances, including but not limited to, easements, restrictions, and reservations, if any, and agreements and other matters affecting the Property;

(c) all applicable zoning rules, restrictions, regulations, resolutions and ordinances and building restrictions and governmental regulations now or hereafter in effect;

(d) the right of the public in any street or highway forming a boundary of the Property; together with all improvements and fixtures thereon;

(e) a covenant regarding environmental conditions in the Quit Claim Deed, attached to this Agreement as **Exhibit C**.

3. **PURCHASE PRICE**

3.1 **Purchase Price.** The total purchase price for the Property ("Purchase Price") is **Two Hundred Twenty-Two Thousand Dollars (\$222,000.00)**. The Purchase Price shall be paid in cash at Closing.

3.2 **Escrow.** Following execution of this Agreement, Seller shall open an escrow account at the downtown Seattle office of Chicago Title Insurance Company, 701 5<sup>th</sup> Avenue, Suite 2300, Seattle, WA 98104 ("Escrow Agent"), in order to consummate the sale and purchase of the Property.

4. **TITLE, SURVEY, INSPECTIONS, AND CONDITION OF PROPERTY**

4.1 **Title.** Closing shall be conditioned upon Chicago Title Insurance Company ("Title Company") issuing or committing to issue to Purchaser an ALTA extended owner's policy of title insurance in the amount of the Purchase Price (the "Title Policy"), subject to exceptions acceptable to Purchaser. Seller shall be obligated to remove from title prior to the Closing:

(a) any delinquent taxes and assessments;



(b) any Monetary Liens (other than any mechanics, material men's and broker liens for which Purchaser is responsible under the terms of this Agreement); and  
(c) any exceptions caused by Seller's voluntary acts after the execution date of this Agreement and not approved by Purchaser hereunder.

Title shall be conveyed by Quit Claim Deed in the form shown in **Exhibit C** hereto.

4.2 Cost of Title Reports. Each party shall bear the costs of its own title insurance policy(ies). If an ALTA owner's extended coverage policy of title insurance is ordered by Purchaser, the purchaser shall pay for the increased costs associated with that policy including excess premium over that charged for a standard coverage policy, and the costs of survey required by the title insurer.

4.3 Due Diligence. Purchaser shall have a period of one hundred twenty (120) days following mutual execution of this Agreement (the "Due Diligence Period"), to conduct its due diligence of the Property. Purchaser may, in its sole and absolute discretion, terminate this Agreement during the Due Diligence Period, if Purchaser is not satisfied with the condition of the Property for any reason. If Purchaser so terminates this Agreement, Purchaser shall be relieved of all obligations under this Agreement. If a Lot Boundary Adjustment ("LBA") or Short Subdivision/Short Plat ("Short Plat") is necessary to allow Seller to convey the Property as a separate legal lot, Seller shall cooperate with Purchaser during the Due Diligence Period to obtain an LBA or Short Plat approval to create a separate legal lot for the Property. Purchaser shall be responsible for preparing and submitting said application for and paying all costs related to the LBA or Short Plat, and for submitting all other required documents to the City of Seattle Department of Construction and Inspections (SDCI). Purchaser understands and acknowledges that Seller cannot assure or guarantee that an LBA or Short Plat for the Property will be approved or permitted. If said LBA or Short Plat is not approved within the Due Diligence Period, the Parties agree that this Agreement shall terminate and Seller and Purchaser shall have no further obligations under this Agreement. The Due Diligence Period may be extended by mutual written agreement of the Parties in the form of an amendment to this Agreement executed by both Parties.

4.4 Condition of Property. The Property shall be conveyed and Purchaser shall accept the Property AS-IS, WHERE-IS, with all faults, in its existing condition at Closing, including but not limited to all environmental conditions, and subject to the continued presence, use and operation of Seller's aerial electric transmission and distribution facilities above and over the Property pursuant to the exclusive aerial transmission and distribution easement reserved by Seller in the Quit Claim Deed. Seller makes no warranties or representations concerning the condition of the Property or its suitability for Purchaser's purposes.

## 5. REPRESENTATIONS AND WARRANTIES

5.1 Purchaser's Warranties. Purchaser represents and warrants as follows:

5.1.1 Purchaser acknowledges, understands, and agrees that the Property is being sold AS IS, WHERE IS, with all faults, including but not limited to: 1) environmental conditions and subject to a Covenant Regarding Environmental Conditions in the Quit Claim Deed; 2) the exclusive and continued presence, use, and operation of Seller's aerial electric transmission corridor and facilities above and over the Property, including but not limited to overhead electrical transmission and distribution lines, pursuant to the exclusive aerial transmission and distribution easement reserved by Seller; and 3) all existing encumbrances, including easements, restrictions, and reservations. Purchaser acknowledges, understands, and agrees that the Property shall be conveyed and accepted subject to an exclusive perpetual easement for overhead electric transmission and distribution facilities in favor of the Seller to be reserved in the Quit Claim Deed, and Purchaser further acknowledges, understands, and freely accepts, the risks of owning and occupying Property under an energized electric transmission corridor, and transmission and distribution lines.

5.1.2 The representations and warranties made by Purchaser in this Agreement are true on and as of the date of Closing as though such representations and warranties had been made on and as of the date of Closing. Purchaser's representations set forth in this Subsection 5.1 shall survive Closing as set forth in Section 24 (Survival).

5.2 Seller's Warranties. Seller represents and warrants as follows:

5.2.1 Seller is a municipal corporation duly organized and validly existing under the laws of the State of Washington. Seller warrants that the "Superintendent of Seattle City Light or his/her designee" ("Superintendent") is authorized on behalf of the Seller to execute this Agreement per City of Seattle Ordinance # \_\_\_\_\_ (TBD upon ordinance passage).

5.2.2. Other than being subject to a possible LBA or Short Plat requirement per paragraph 4.3, to Seller's knowledge there are no covenants, conditions, restrictions, or contractual obligations of Seller that will prevent Seller from performing its obligations under the Agreement, except as disclosed in the Title Report.

5.2.3 Seller is not a foreign person, nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the Internal Revenue Code and the Income Tax Regulations promulgated hereunder. At Closing, Seller shall deliver to Buyer a certificate of non-foreign status in form required by the Income Tax Regulations.

5.2.4 The Seattle City Council has passed an ordinance authorizing the sale of the Property to Purchaser.

5.2.5 Seller has not received notice of, and has no knowledge of, any special assessment or condemnation proceedings affecting the Property.

5.2.6 There is no litigation pending or to Seller's knowledge, threatened against Seller that arises out of the ownership of the Property.

5.2.7 To Seller's knowledge, Seller has received no notice of any failure of Seller to comply with any applicable governmental requirements in respect of the Property.

6. CONDITIONS PRECEDENT TO CLOSING

6.1 Seller shall be obligated to complete this transaction upon fulfillment of the following conditions:

6.1.1 Purchaser shall have complied with all its obligations under this Agreement.

6.1.2 The representations and warranties made by Purchaser in this Agreement are true on and as of the date of Closing with the same effect as though such representations and warranties had been made on and as of the date of Closing.

6.1.3 The City of Seattle Department of Constructions and Inspections (DCI) has approved a Lot Boundary Adjustment or Short Plat for the Property, if either is required to convey a separate legal lot, as provided in paragraph 4.3 of this Agreement.

6.2 Purchaser shall be obligated to complete this transaction upon fulfillment of the following conditions:

6.2.1 Seller shall have complied with all its obligations under this Agreement.

6.2.2 The representations and warranties made by Seller in this Agreement are true on and as of the date of Closing with the same effect as though such representations and warranties had been made on and as of the date of Closing.

6.2.3 The City of Seattle Department of Constructions and Inspections has approved a Lot Boundary Adjustment or Short Plat for the Property, if either is required to convey a separate legal lot, as provided in paragraph 4.3 of this Agreement.

## 7. TERMINATION OF AGREEMENT

This Agreement shall terminate only in accordance with the provisions in Section 4.3 DUE DILIGENCE, Section 10, DEFAULT or Section 12, CONDEMNATION.

## 8. ESCROW INSTRUCTIONS AND CLOSING

8.1 Escrow Instructions. The provisions of this Agreement shall constitute the joint instructions of the Parties to the Escrow Agent; provided, however, that the Parties may provide additional instructions to the Escrow Agent as mutually agreed and not inconsistent with the provisions of this Agreement.

8.2 Date of Closing. The Closing shall occur no later than thirty (30) days after the end of the Due Diligence Period ("Closing").

### 8.3 Purchaser's Obligations & Instruments.

8.3.1 Prior to Closing. Prior to Closing, Purchaser shall deliver to Seller through the Escrow Agent:

- 1) by certified or cashier's check or wire transfer, the Purchase Price; and
- 2) such resolutions, authorizations, and/or other documents or agreements relating to Purchaser as shall be required by Escrow Agent; and such other instruments as are reasonably necessary to consummate this purchase and sale transaction.
- 3) A Quit Claim Deed with Seller Easement Reservation and Covenant Regarding Environmental Conditions, in the form of Exhibit "C" attached hereto fully executed, acknowledged, and accepted by Purchaser.
- 4) Evidence of and copies of documents necessary to establish a Lot Boundary Adjustment or Short Plat approval from the Seattle Department of Construction and Inspections, if necessary to convey a separate legal lot.

### 8.4 Seller's Obligations & Instruments.

8.4.1 Prior to Closing. Prior to Closing, Seller shall deliver to Purchaser through the Escrow Agent:

- 1) A fully executed and acknowledged Quit Claim Deed with Seller Easement Reservation and Covenant Regarding Environmental Conditions in the form of Exhibit "C" attached hereto; and
- 2) Such other instruments as are reasonably necessary to consummate this purchase and sale transaction.

9. ESCROW AGENT'S OBLIGATIONS

9.1 The Escrow Agent shall receive, hold and disburse all funds, arrange the execution, delivery and recording of all instruments necessary to this transaction, and shall otherwise act in accordance with the mutual written instructions of the Parties to this Agreement and in accordance with the laws of the State of Washington.

9.2 Escrow Agent shall record all documents necessary to consummate the conveyance of the Property from Seller to Purchaser and thereafter shall pay to Seller the Purchase Price paid into escrow by Purchaser, as adjusted and prorated after deduction of all applicable fees and taxes, if any.

9.3 Proration and Expenses. Assessments, surface water management charges, conservation service charges, and utility charges constituting liens against the Property, all for the year of Closing, shall be prorated as of the date of Closing. Pursuant to WAC 458-61A-205, the sale of the Property will be exempt from the real estate excise tax. Purchaser shall pay the premium for the issuance of a standard owner's title insurance policy to be issued to Purchaser at Closing. Purchaser shall pay the cost of extended (ALTA) coverage as well as any additional endorsement premiums as Purchaser may request. Purchaser shall pay the cost of the escrow fee and expenses associated therewith. All other recording and closing costs shall be the responsibility of the Purchaser.

9.4 Settlement Statements. At Closing, Escrow Agent shall provide settlement statements to Seller and Purchaser stating the full amount of any prorated costs, expenses, and escrow fees to be remitted by Purchaser.

9.5 At Closing, the Escrow Agent shall have the Title Company issue to Purchaser the Title Policy insuring fee simple title to the Property subject only to exceptions listed in the title report and approved or deemed to have been approved by Purchaser.

10. DEFAULT

10.1 If either party to this Agreement shall fail or refuse to perform or satisfy a material obligation under this Agreement and the other party has performed all of its obligations under this Agreement, then the party who has failed or refused to perform shall be in default and the non-defaulting party may elect from the following remedies.

10.1.1 Seller in Default. In the event that Seller is in default, or fails to close this transaction without legal excuse, Purchaser may pursue any rights or remedies available to Purchaser at law or in equity for monetary damages but not for the remedy of specific performance.

10.1.2 Purchaser in Default. In the event that Purchaser is in default or fails to close this transaction without legal excuse, Seller shall be entitled to liquidated damages in the amount of \$11,000 from Purchaser, as Seller's sole and exclusive remedy under this Agreement, in which event this Agreement shall terminate and Seller shall have no further rights and Purchaser shall have no further obligations under this Agreement.

11. CONDITION OF PROPERTY AT CLOSING

Seller shall deliver the Property to Purchaser at Closing in substantially the same physical condition as of the date of Seller's execution of this Agreement, "AS-IS, WHERE IS AND WITH ALL FAULTS", excepting ordinary wear and tear.

12. CONDEMNATION

If, prior to the date of Closing, all or any part of the Property is taken by condemnation by a governmental authority other than the City of Seattle or any agency, commission, department or entity in any way related thereto ("Superior Governmental Authority"), the Purchaser may elect to cancel this Agreement by giving Seller notice to that effect, whereupon both Parties shall be relieved and released from any liability hereunder to the other. Alternatively, the Purchaser may elect to take title to the Property in accordance with the terms and conditions of this Agreement without reduction of the Purchase Price and shall be entitled to receive from the Superior Governmental Authority any condemnation award or benefit. If Purchaser purchases the Property and complies with all of the terms of this Agreement, Seller shall assign to Purchaser all of its right, title and interest in and to any such condemnation award or benefit, if any, that may be owing to the owner of the Property as a result of such condemnation or taking of, or damage or change to the Property, provided, however, that in such event, Seller's warranties, other than as to the condition of title to the Property, shall lapse.

13. GENERAL INDEMNIFICATION.

Purchaser, its successors or assigns, shall indemnify, defend and hold harmless Seller, its elected officials, officers, authorized agents, and employees, from and against any and all loss, claims, demands, causes of action, damages, liability, liens and encumbrances, costs and expenses claimed by third parties, including all out-of-pocket litigation costs and the reasonable fees and expense of counsel arising out of or in connection with: 1) any act or omission of Purchaser, its successors or assigns, agents, contractors, licensees, invitees, tenants, or employees related to this Agreement or the Property; or 2) any injury or damage to persons or property by reason of the use or occupation of the Property by Purchaser, its successors or assigns, agents, contractors, licensees, invitees, tenants, or employees.

This General Indemnification obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of Seller or its authorized agents or employees; **provided that** if the claims or damages are caused by or result from the concurrent negligence of (a) Seller, its agents or employees, and (b) Purchaser, its successors, assigns, agents, contractors, licensees, invitees, tenants, or employees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of Purchaser, its successors, assigns, agents, contractors, licensees, invitees, tenants, or employees.

The foregoing indemnity is specifically and expressly intended to, constitute a waiver of Purchaser's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to Seller and to the extent necessary to provide Seller with a full and complete indemnity from claims made by Purchaser and its employees.

Seller shall notify Purchaser in writing of the nature of any claim for indemnification. Any defense of a matter giving rise to the claim for indemnification shall be conducted by counsel chosen by the Purchaser and satisfactory to the City.

This indemnity shall survive any termination of this Agreement.

14. ENVIRONMENTAL RELEASE AND INDEMNITY.

Purchaser acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property, and Purchaser expressly assumes Seller's responsibility for all environmental conditions of the Property, known or unknown and arising before or after closing, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination relating to the Property, subject to any defenses against third parties Purchaser may assert, and/or claims Purchaser may assert against third

parties under applicable laws on behalf of itself or Seller. Without limiting Purchaser's obligations under the General Indemnification in Section 13 of this Agreement, Purchaser shall release and indemnify, defend, and hold Seller and its past, present and future officials, officers, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to regulatory agencies, attorneys, contractors and consultants' fees and costs), and liabilities arising out of, or in any way connected with, the condition of the Property, including but not limited to any alleged or actual past, present, or future presence, or release or threatened release, of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Purchaser shall so indemnify Seller and such personnel without regard to any fault or responsibility of Seller or Purchaser.

For purposes of this Section 14, the term "Hazardous Substance" shall mean any substance or material that is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup, including but not limited to the Washington State Model Toxics Control Act; Washington Industrial Safety and Health Act; Washington Worker and Community Right to Know Act; Washington Water Pollution Control Act; Washington Oil and Hazardous Substance Spill Prevention and Response Act; Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") the Superfund Amendment and Reauthorization Act ("SARA"); Toxics Control Act ("TSCA"); Hazardous Materials Transportation Act; Clean Water Act; Clean Air Act, along with all regulations promulgated under any such authority and any and all other federal, state, regional or local statutes, regulations, rules, ordinances, orders or agency directives, permits, licenses and authorizations that apply to any hazardous substance, human health and safety, and protection of the environment. The term "Hazardous Substance" specifically includes, but is not limited to, petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; or underground or above-ground storage tanks.

Purchaser's release and indemnification shall include both claims by Purchaser against Seller and cross-claims against the Seller by Purchaser based upon claims made against Purchaser by all third parties.

The obligation to indemnify and defend shall include, but not be limited to, any liability of Seller to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. The obligation to complete all environmental investigation, removal or remediation of the Property, subject to any defenses against third parties Purchaser may assert, and/or claims Purchaser may assert against third parties under applicable laws on behalf of itself or Seller, and the acknowledgement, and release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to bind Purchaser and inure to the benefit of Seller and its successors and assigns. This release and indemnity means that Purchaser accepts the Property "AS-IS, WHERE IS AND WITH ALL FAULTS," and that Purchaser assumes all responsibility of Seller to investigate, remove, and remediate any environmental conditions within the Property, subject to any defenses against third parties Purchaser may assert, and/or claims Purchaser may assert against third parties under applicable laws on behalf of itself or Seller, and has no recourse against the Seller or any of its elected officials, officers, employees, or agents for any claim or liability with respect to the Property. Seller retains all rights, claims, causes of action and defenses it has or may have related to Hazardous Substances, which may be asserted by Purchaser in defending Seller, and the Seller retains the right to defend itself and seek from Purchaser, the recovery of any damages, liabilities, settlement awards and reasonable defense costs and expenses incurred by the Seller if Purchaser does not accept unconditionally the Seller's tender to Purchaser, its successors or assigns of the duty to investigate, remove and/or remediate environmental conditions within or emanating from the Property and/or defend and indemnify the Seller against any such claim, suit, demand, penalty, fee, damages, losses, cost or expense. Purchaser's obligations under this Section 14 shall apply regardless of whether or not Purchaser is culpable, negligent or in violation of any law, ordinance, rule or regulation. The provisions of this Section 14 are not intended, nor shall they, release, discharge or affect any rights or causes of action, or defenses, that Seller or Purchaser may have against any other person or entity, except as otherwise expressly stated herein and each of the Parties reserves all

such rights and defenses including but not limited to claims for contribution or cost recovery relating to any Hazardous Substances in, on, under, or emanating from the Property.

Buyer's obligations under this Section 14 shall be included as a "COVENANT REGARDING ENVIRONMENTAL CONDITIONS" in the Quit Claim Deed attached to this Agreement as **Exhibit C**.

15. BROKERS; INDEMNIFICATION

The Purchaser represents that it has not been represented by any broker in connection with the purchase of the Property. Purchaser shall hold harmless, indemnify and defend the Seller from and against any claim based on any alleged fact inconsistent with such party's warranty and representation contained in this Section 15. This indemnification obligation shall survive Closing and the termination of this Agreement.

16. ASSIGNMENT; BINDING EFFECT

Purchaser may not assign its interest in this Agreement to any other party, without Seller's prior written consent to such assignment. The terms and conditions of this Agreement shall apply to and be binding upon the executors, administrators, successors and assigns of each Party.

17. NOTICES

17.1 All notices, requests, demands and other communications under this Agreement shall be in writing and shall either be delivered in person, sent via facsimile or sent by Federal Express or by registered or certified mail through the U.S. Postal Service with postage prepaid as follows:

**SELLER:**

THE CITY OF SEATTLE  
SEATTLE CITY LIGHT DEPARTMENT  
Environmental Affairs-Real Estate Div  
Attn: SCL Real Estate Manager  
700 Fifth Avenues, Suite 3338  
P.O. Box 34023  
Seattle, WA 98124-4023  
Email: john.bresnahan@seattle.gov  
Fax Number: (206) 233-2760

**ESCROW AGENT:**

Name: Chicago Title of Washington  
Address: 701 Fifth Avenue, Suite 2300  
Seattle, WA 98104  
Attention: **TBD**  
Phone: 206-628-5636  
Fax Number: 206-628-9737

**PURCHASER:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax Number: \_\_\_\_\_

or to such other address as shall be furnished in writing with five (5) business days' prior notice by either party.

17.2 Notices shall be deemed to have been given upon the earlier of actual receipt, as evidenced by the deliverer's affidavit, the recipient's acknowledgment of receipt, facsimile confirmation, or the Federal Express receipt, and in the event of attempted delivery during normal business hours at the proper address by an agent of a party or by Federal Express or the U.S. Postal Service but refused acceptance, shall be deemed to have been given upon attempted delivery, as evidenced by an affidavit of inability to deliver stating the time, date, place and manner in which such delivery was attempted and the manner in which such delivery was refused.

18. GOVERNING LAW JURISDICTION AND VENUE

18.1 This Agreement shall be governed by the law of the State of Washington.

18.2 In the event that litigation is commenced by either party, the Parties to this Agreement agree that jurisdiction shall lie solely in the King County Superior Court, with venue at Seattle, King County, Washington.

19. TIME OF THE ESSENCE; CALCULATION OF TIME PERIODS

19.1 Time is of the essence of this Agreement and of all acts required to be done and performed by either and both of the parties hereto, including but not limited to the proper delivery of all documents, and the tender of all amounts of money, required by the terms hereof to be delivered or paid, respectively. Any extension of time granted for performance of any obligation to this Agreement shall not be considered an extension of time for the performance of any other obligation under this Agreement.

19.2 Unless otherwise specified, 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. The final day of any such period shall be deemed to end at 5:00 p.m., Pacific Time.

20. COUNTERPARTS

This Agreement may be executed in counterparts by facsimile and by electronic signatures. If so, only when counterparts are delivered to the Escrow Agent, with the signatures of each and every one of the parties constituting the Purchaser and Seller, shall it be deemed a binding agreement.

21. WAIVER

21.1 Any waiver under this Agreement must be in writing. A waiver of any right or remedy in the event of a default shall not constitute a waiver of such right or remedy in the event of any subsequent default.

21.2 No writing other than a document signed by the Chief Executive Officer and General Manager of Seattle City Light or his designee specifically so stating that it is a waiver shall constitute a waiver by Seller of any particular breach or default by Purchaser, nor shall such a writing waive Purchaser's failure to fully comply with any other term or condition of this Agreement, irrespective of any knowledge that any officer or employee of Seller may have of such breach, default, or noncompliance.

22. ENTIRE AGREEMENT; MODIFICATIONS; NEGOTIATED UNDERSTANDING

This Agreement, including all exhibits (which by this reference are incorporated herein), represents the entire agreement of the Parties with respect to the Property and any and all agreements, oral or written, entered into prior to the date hereof are revoked and superseded by this Agreement.



23. FURTHER INSTRUMENTS AND ACTION

23.1 Each party shall promptly, upon the request of the other or Escrow Agent, execute, and as required, have acknowledged and deliver to the other, any and all further instruments and shall take all such further action as may be requested or appropriate to evidence or give effect to the provisions of this Agreement or to satisfy escrow agent's requirements.

23.2 This Agreement may not be changed, amended, modified or rescinded except in writing signed by both Parties and any attempt at oral modification of this Agreement shall be of no effect.

23.3 The Parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof

24 SURVIVAL

All warranties, representations, covenants, obligations and agreements contained in or arising out of this Agreement, including but not limited to Purchaser's representations set forth in Subsection 5.1 of this Agreement, Section 13 General Indemnification, and Section 14 Environmental Release and Indemnity, or in any certificates or other documents required to be furnished hereunder, shall survive Closing. All warranties and representations shall be effective regardless of any investigation made or which could have been made.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed by officers' thereunto duly authorized as of the day and year first above written, which shall be the date that the last of Seller and Purchaser shall have executed this Agreement.

**SELLER:**

**PURCHASER:**

**THE CITY OF SEATTLE  
SEATTLE CITY LIGHT**

\_\_\_\_\_

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

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

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

STATE OF WASHINGTON     )  
   ) ss.  
COUNTY OF KING         )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_(title) of the Seattle City Light Department of The City of Seattle, the municipal corporation that executed the foregoing agreement, and acknowledged the same to be the free and voluntary act and deed of The City of Seattle for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_ was authorized to execute said agreement.

GIVEN under my hand and official seal the day and year written above in this certificate.

(Seal)

(Signature) \_\_\_\_\_

\_\_\_\_\_  
(Printed or typed name of Notary Public)  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

STATE OF \_\_\_\_\_     )  
   ) ss.  
COUNTY OF \_\_\_\_\_     )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_(title) of \_\_\_\_\_, the limited liability company that executed the foregoing agreement, and acknowledged the same to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_ was authorized to execute such document for and on behalf of said company.

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

(Seal)

(Signature) \_\_\_\_\_

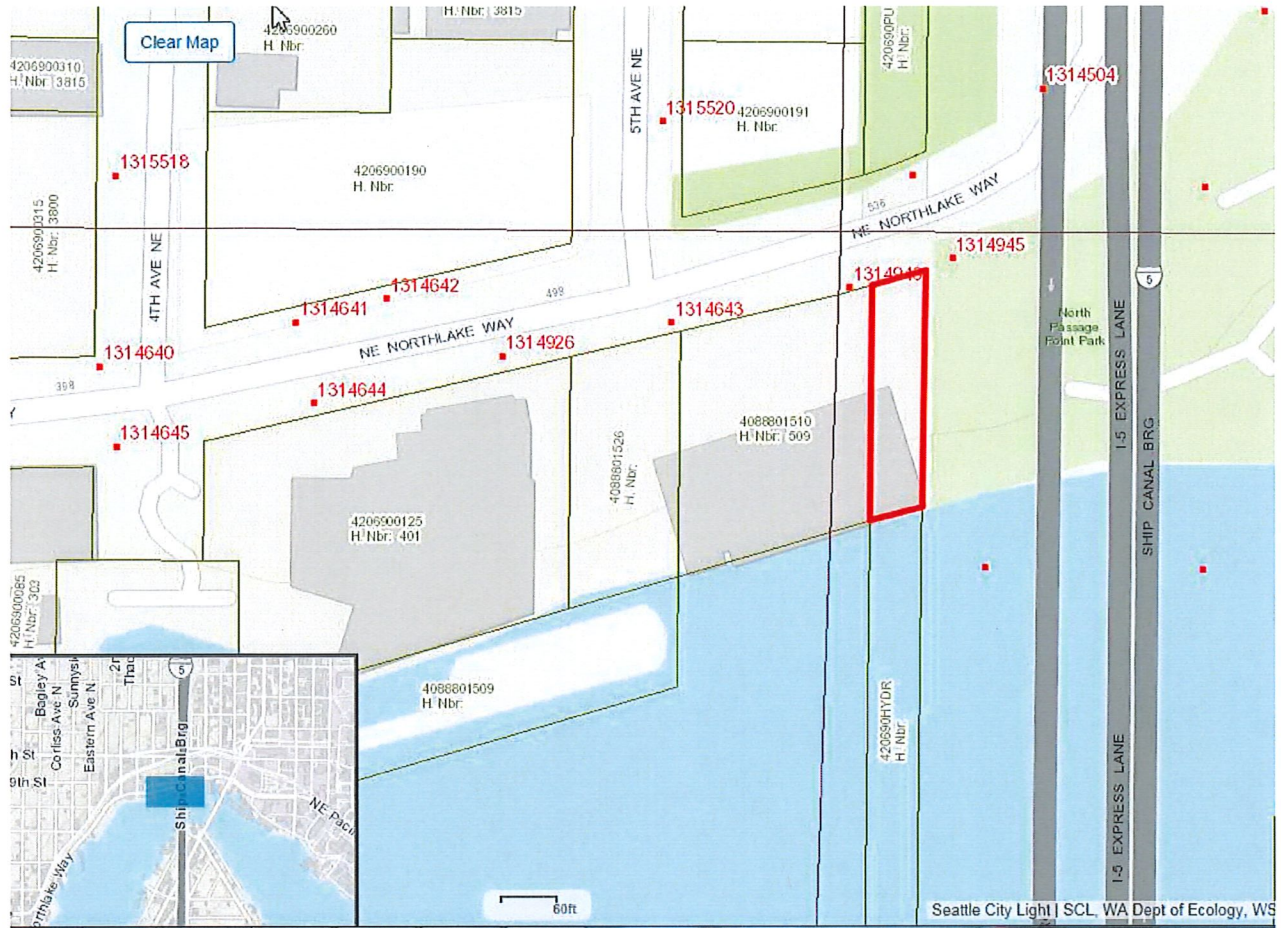
\_\_\_\_\_  
(Printed or typed name of Notary Public)  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

Those portions of Block 13, of Latona First Addition to the City of Seattle, according to the plat thereof recorded in Volume 5 of Plats, page 16, records of King County, Washington; and of Block 28, Lake Union Shore Lands, in King County Washington, as shown on the Official Maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington; lying southerly of the Southerly margin of NE Northlake Way and lying Westerly of a line parallel to and 95 feet Westerly, measured at right angles from the centerline of Primary State Highway No.1, as established in King County Superior Court Cause No. 520345.

### EXHIBIT B GENERAL DEPICTION OF THE PROPERTY



**EXHIBIT C  
QUIT CLAIM DEED WITH RESERVED EXCLUSIVE EASEMENT  
AND  
COVENANT REGARDING ENVIRONMENTAL CONDITIONS**

After recording, return to:

*(Insert return info here)*

**QUIT CLAIM DEED**

Grantor:                   The City of Seattle

Grantee:

Short Legal:

Tax Parcel #:

The Grantor, The City of Seattle, a Washington municipal corporation, hereby conveys and quitclaims to \_\_\_\_\_, as Grantee, all of Grantor's right, title and interest in the following described real property located in King County, Washington:

SEE EXHIBIT A ATTACHED HERETO AND BY THIS REFERENCE  
INCORPORATED HEREIN.

Subject to the following reservation by Grantor:

Grantor reserves an exclusive aerial easement above, over, across, and through the real property herein conveyed and quitclaimed ("Property") for the purposes of continuous access to Grantor's electric transmission corridor, and for the construction, maintenance, operation, alteration, repair replacement, enhancement, expansion, and improvement of Grantor's electric transmission and distribution lines, equipment and facilities. The aerial easement area is depicted on Exhibit B, attached hereto (the "Easement Area") and comprises the entire airspace of the Property over the height of twenty-six (26) feet above the existing grade of the Property as of the effective date of this document. Prior to accessing the Easement Area to conduct any non-emergency activity within the Easement Area, Grantor shall obtain the prior approval of Grantee for such access or activity, which shall not be unreasonably withheld, conditioned, or delayed.

Grantee, its successors or assigns, shall indemnify, defend and hold harmless Grantor, its elected officials, officers, authorized agents, and employees, from and against any and all loss, claims,

demands, causes of action, damages, liability, liens and encumbrances, costs and expenses, including all out-of-pocket litigation costs and the reasonable fees and expense of counsel arising out of or in connection with any injury or damage to persons or property by reason of Grantor's, its successors or assigns, agents, contractors, licensees, invitees, tenants, or employees use of the Easement Area for the purposes herein expressed, except to the extent of Grantor's negligent acts or omissions.

Subject to all existing easements, covenants, restrictions, conditions, reservations, exceptions and agreements. The City of Seattle makes no warranties of any kind as to the title or condition of said real property.

SUBJECT ALSO TO THIS COVENANT REGARDING ENVIRONMENTAL CONDITIONS:

The real property ("Property") described herein is conveyed AS-IS, WHERE-IS, WITH-ALL-FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR THE GRANTEE'S, ITS SUCCESSORS' AND ASSIGNS' INTENDED USES AND PURPOSES. Grantee, its successors and assigns acknowledge that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property and Grantee, its successors and assigns expressly assume Grantor's responsibility for all environmental conditions of the Property, known or unknown, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination relating to the Property, subject to any defenses and/or claims against third parties Purchaser may assert under applicable laws on behalf of itself or Grantor. Grantee, its successors and assigns also release and shall indemnify, defend, and hold Grantor and its past, present and future officials, officers, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to regulatory agencies, attorneys, contractors and consultants' fees and costs), and liabilities arising out of, or in any way connected with, the condition of the Property including but not limited to any alleged or actual past, present or future presence, release or threatened release of any Hazardous Substance in, on, under or emanating from the Property, subject to any defenses against third parties Purchaser may assert and/or claims Purchaser may assert against third parties under applicable laws on behalf of itself or Grantor, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Grantee, its successors and assigns shall so indemnify Grantor and such personnel without regard to any fault or responsibility of Grantor or Grantee, its successors or assigns. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to bind Grantee and inure to the benefit of Grantor, and its successors and assigns.

For purposes of this COVENANT, the term "Hazardous Substance" shall mean any substance or material that is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup, including but not limited to the Washington State Model Toxics Control Act;

Washington Industrial Safety and Health Act; Washington Worker and Community Right to Know Act; Washington Water Pollution Control Act; Washington Oil and Hazardous Substance Spill Prevention and Response Act; Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") the Superfund Amendment and Reauthorization Act ("SARA"); Toxics Control Act ("TSCA"); Hazardous Materials Transportation Act; Clean Water Act; Clean Air Act , along with all regulations promulgated under any such authority and any and all other federal, state, regional or local statutes, regulations, rules, ordinances, orders or agency directives, permits, licenses and authorizations that apply to any hazardous substance, human health and safety, and protection of the environment. The term "Hazardous Substance" specifically includes, but is not limited to, petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; or underground or above-ground storage tanks.

Grantee's release shall include both claims by Grantee, its successors or assigns against Grantor and cross-claims against Grantor by Grantee, its successors or assigns based upon claims made against Grantee, its successors or assigns by any and all third parties. The obligation to indemnify and defend shall include, but not be limited to, any liability of Grantor to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. The obligation to complete all environmental investigation, removal or remediation of the Property, subject to any defenses and/or claims against third parties Purchaser may assert under applicable laws on behalf of itself or Grantor, and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to bind Grantee and inure to the benefit of Grantor and its successors and assigns. This release means that Grantee accepts the Property "as-is, where-is and with-all-faults," and that Grantee assumes all responsibility of Grantor to investigate, remove and remediate any environmental conditions on the Property, subject to any defenses and/or claims against third parties Purchaser may assert under applicable laws on behalf of itself or Grantor, and has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the Property.

Grantor retains all rights, claims, causes of action and defenses it has or may have related to Hazardous Substances, which may be asserted by Grantee in defending Grantor, and Grantor retains the right to defend itself and seek from Grantee, its successors and assigns the recovery of any damages, liabilities, settlement awards and reasonable defense costs and expenses incurred by Grantor if Grantee, its successors or assigns does not accept unconditionally Grantor's tender to Grantee, its successors or assigns of any requirement to investigate, remove and/or remediate environmental conditions on the Property and/or defend and indemnify Grantor against any such claim, suit, demand, penalty, fee, damages, losses, cost or expense. This Covenant shall apply regardless of whether or not Grantee, its successors or assigns are culpable, negligent or in violation of any law, ordinance, rule or regulation. This Covenant is not intended, nor shall it, release, discharge or affect any rights or causes of action or defenses that Grantor or Grantee, its successors or assigns may have against any other person or entity, except as otherwise expressly stated herein, and each of the parties reserves all such rights and defenses including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

GRANTOR:

THE CITY OF SEATTLE

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

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

STATE OF WASHINGTON )

) ss.

COUNTY OF KING )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_ of Seattle City Light, a department of The City of Seattle, who executed the foregoing agreement, and acknowledged the same to be the free and voluntary act and deed of The City of Seattle for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_\_ was authorized to execute said agreement.

GIVEN under my hand and official seal the day and year written above in this certificate.

(Notary Seal)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed or typed name of Notary Public)

Notary Public in and for the State of Washington,  
Residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_





**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

Those portions of Block 13, of Latona First Addition to the City of Seattle, according to the plat thereof recorded in Volume 5 of Plats, page 16, records of King County, Washington; and of Block 28, Lake Union Shore Lands, in King County Washington, as shown on the Official Maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington; lying southerly of the Southerly margin of NE Northlake Way and lying Westerly of a line parallel to and 95 feet Westerly, measured at right angles from the centerline of Primary State Highway No.1, as established in King County Superior Court Cause No. 520345.

**EXHIBIT B  
RESERVED EXCLUSIVE EASEMENT AREA**

