

Attachment 1

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) FOR SALE OF REAL PROPERTY is entered into as of _____ day of _____, 2016, between THE CITY OF SEATTLE, a Washington State municipal corporation, acting by and through its CITY LIGHT DEPARTMENT (“Seller”), and LENNAR NORTHWEST, INC., a Delaware corporation (“Purchaser”). The Seller and Purchaser are referred to collectively as the “Parties.”

Purchaser is a developer of residential housing projects in the region. Purchaser is constructing a 41-lot single-family residential development, called Lidera Plat Phase II, in unincorporated Snohomish County. As a condition of plat approval, Snohomish County, through its Planning and Development Services Department, is requiring that Purchaser dedicate thirty (30) feet of real property to Snohomish County for road and road-related purposes. The easternmost twenty (20) feet of that thirty (30) feet of real property is owned in fee title by The City of Seattle, and was originally acquired for utility purposes. In order to complete development of its Lidera Plat Phase II, Purchaser must purchase the 20-foot strip of City of Seattle real property abutting its development on behalf of Snohomish County for dedication of a public road.

Therefore, in consideration of the payment and receipt of the Purchase Price from Purchaser in exchange for the quit claim conveyance of the fee simple interest in real property to Snohomish County (legally described below) from Seller, 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 certain real property located in Snohomish County, Washington, legally described in Exhibit “A”, attached to and made part of this Agreement. Purchaser wishes to purchase from the Seller the fee-simple interest in Seller’s real property (the “Property”), on behalf of Snohomish County. Seller shall convey the fee-simple interest in its Property to Snohomish County by quit claim deed, which is in the form of Exhibit “A” hereto (the “Deed”). Seller has determined that the Property is no longer needed for providing continued public utility service or other municipal use by the Seller.

2. SALE OF PROPERTY

Pursuant to the terms of this Agreement by the duly authorized representatives of Purchaser and Seller, Seller shall convey the fee-simple interest in the Property to Snohomish County on behalf of Purchaser, subject to:

(a) Authorization by ordinance passed by Seattle City Council for the sale of the Property to Purchaser and transfer of title to the Property to Snohomish County by quit claim deed;

- (b) Approval by Snohomish County of the form of the quit claim deed;
- (c) All existing encumbrances, including but not limited to, easements, restrictions, and reservations, if any, and agreements, rights of others, and other matters affecting the Property;
- (d) All applicable zoning rules, restrictions, regulations, resolutions and ordinances and building restrictions and governmental regulations now or hereafter in effect; and
- (e) The right of the public in any street or highway forming a boundary of the Property, together with all improvements and fixtures thereon.

3. PURCHASE PRICE

3.1 Purchase Price. The total purchase price for the Property ("Purchase Price") is One Hundred Sixty Three Thousand Dollars (\$163,000.00). The Purchase Price shall be paid by Purchaser in cash at Closing, less any credits outlined in 3.3 below.

3.2 Escrow. Following execution of this Agreement, Seller shall open an escrow account at the office of Chicago Title, as follows: Chicago Title Insurance Company, 3002 Colby Avenue, Suite 200, Everett, WA 98201, Attn: Lorrie Thompson, telephone: (425) 259-8220, email: lorrie.thompson@ctt.com ("Escrow Agent") in order to consummate the sale and purchase of the Property and the transfer of title by quit claim deed to Snohomish County.

3.3 Permit Payments Credited Toward Purchase Price. It is the intention of Seller and Purchaser to enter into a permit agreement to allow Purchaser to begin the construction of improvements on Seller's property prior to submission of the legislation to Seattle City Council authorizing this sale. All payments made by Purchaser to Seller under such permit agreement, exclusive of 12.84% leasehold excise tax, shall be credited toward the Purchase Price set forth in 3.1 above.

4. DUE DILIGENCE

Purchaser represents that they have inspected the Property, reviewed reports, if any, and have completed their due diligence prior to the date of this Agreement.

5. REPRESENTATIONS AND WARRANTIES

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

5.1.1 Purchaser acknowledges and agrees that the Property is being sold AS IS, WHERE IS, with all faults, subject to all existing encumbrances, including easements, restrictions, if any, and agreements, rights of others, and other matters affecting the Property. Purchaser acknowledges and understands that Seller will convey the Property on behalf of Purchaser to Snohomish County only by means of Quit Claim Deed and no other.

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 21, 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 General Manager and Chief Executive Officer of Seattle City Light or his designee is authorized to execute this Agreement on behalf of the Seller.

5.2.2. 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.

6. PURCHASER'S CONDITIONS PRECEDENT TO CLOSING

6.1. Purchaser shall be obligated to complete this transaction only upon the following conditions:

6.1.1 Seller is able to convey the Property to Snohomish County, and Snohomish County is willing to accept conveyance of title to the Property by the Quit Claim Deed attached as Exhibit A.

6.1.2 The representations and warranties made by Seller in this Agreement are true on the date hereof and shall be true 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.

7. SELLER'S CONDITIONS PRECEDENT TO CLOSING

7.1 Seller shall be obligated to complete this transaction upon the following conditions:

7.1.1 The Seattle City Council shall have passed an Ordinance authorizing the sale of the Property to the Purchaser and conveyance of fee title to Snohomish County.

7.1.2 Snohomish County has agreed to accept conveyance of title to the Property by the Quit Claim Deed attached as Exhibit A.

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

7.1.4 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.

8. TERMINATION OF AGREEMENT

Termination of Agreement for Default. This Agreement shall terminate in accordance with the provisions in Section 11, DEFAULT.

9. ESCROW INSTRUCTIONS AND CLOSING

9.1 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.

9.2 Date of Closing. The Closing shall occur no later than ten (10) days after the effective date of an Ordinance adopted by the Seattle City Council authorizing the sale of the Property to the Purchaser and conveyance of title to the Property to Snohomish County (“Closing”).

9.3 Purchaser's Obligations & Instruments.

9.3.1 Prior to Closing. Within twenty (20) business days after the passage of an ordinance by the Seattle City Council authorizing the sale of the Property by the Seller to the Purchaser and conveyance of title to Snohomish County, and the signing of such ordinance by the Mayor of Seattle, Purchaser shall deliver to Seller through the Escrow Agent:

a) By certified or cashier's check or wire transfer, the Purchase Price, less credit(s) for payments (exclusive of leasehold excise tax) made under the conditional use permit agreement outlined in 3.3 above;

b) Such resolutions, authorizations, and/or other documents or agreements relating to Purchaser or Snohomish County as shall be required by the Escrow Agent, and such other instruments as are reasonably necessary to consummate this purchase and sale transaction and conveyance of fee title to the Property by Quit Claim to Snohomish County; and

c) A Quit Claim Deed in the form of Exhibit “A” attached hereto fully executed, acknowledged, and accepted by Snohomish County.

9.4 Seller's Obligations & Instruments.

9.4.1 Prior to Closing. Within twenty (20) business days after the passage of an ordinance by the Seattle City Council authorizing the sale of the Property by the Seller to the Purchaser and conveyance of fee title by Quit Claim Deed to Snohomish County, and the signing of such ordinance by the Mayor of Seattle, Sellers shall deliver to Purchaser through the Escrow Agent:

a) A fully executed and acknowledged Quit Claim Deed in the form of Exhibit “A” attached hereto; and

b) Such other instruments as are reasonably necessary to consummate this purchase and sale transaction.

10. ESCROW AGENT'S OBLIGATIONS

10.1 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.

10.2 Escrow Agent shall record all documents necessary to consummate the conveyance of the Property from Seller to Snohomish County 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.

10.3 Proration and Expenses. Any documentary transfer tax, real estate excise tax, or other similar tax in accordance with the requirements of lawful authority shall be paid by Seller. 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.

10.4 Settlement Statements. Within ten (10) business days after passage of an ordinance by the Seattle City Council authorizing the sale of the Property by the Seller to the Purchaser and conveyance of fee title by Quit Claim Deed to Snohomish County, 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.

11. DEFAULT

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 to terminate this Agreement and Purchaser shall have no further rights and Seller shall have no further obligations under this Agreement.

12. INDEMNIFICATION.

12.1 General Indemnification. Purchaser, its successors or assigns, shall indemnify, defend and hold harmless Seller, its 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 related to or arising from any act or omission of Purchaser, their successors or assigns, agents, contractors, licensees, invitees, or employees arising out of or in connection with any acts or omissions related to this Agreement or the Property.

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, their successors, assigns, agents, contractors, licensees, invitees, 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, their successors, assigns, agents, contractors, licensees, invitees, 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.

12.2 Hazardous Substances Indemnification. The 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 PURCHASER'S OR GRANTEE'S INTENDED USES AND PURPOSES. 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 assumes Seller'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. Purchaser also releases and shall indemnify, defend, and hold Seller and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to Grantee's claims or 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, 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, Purchaser, or Grantee. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and are intended to bind Purchaser and Purchaser's heirs, successors and assigns, and inure to the benefit of Seller and its successors and assigns.

For purposes of this Indemnification, the term "Hazardous Substance" shall mean 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; underground or above-ground storage tanks; or 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.

Purchaser's release shall include both claims by Purchaser against Seller and cross-claims against Seller by Purchaser based upon claims made against Purchaser by any and 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 and the acknowledgement, release and are intended to bind Purchaser and Purchaser's heirs, successors and assigns, and inure to the benefit of Seller and its successors and assigns. This release means that Purchaser accepts the Property “as-is, where-is and with-all-faults,” and that Seller assumes all responsibility of Grantor to investigate, remove and remediate any environmental conditions on the Property and has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the Property.

Seller shall have the right to defend itself and seek from Purchaser recovery of any damages, liabilities, settlement awards and defense costs and expenses incurred by Seller if Purchaser does not accept unconditionally Seller's tender to Purchaser of the duty to investigate, remove and/or remediate environmental conditions on the Property and/or defend and indemnify Seller against any such claim, suit, demand, penalty, fee, damages, losses, cost or expense. This Indemnification shall apply regardless of whether or not Purchaser is culpable, negligent or in violation of any law, ordinance, rule or regulation. This Indemnification is not intended, nor shall it, release, discharge or affect any rights or causes of action 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 including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.

13. 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.

14. NOTICES

14.1 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:

Name: The City of Seattle
Seattle City Light Department
Real Estate Services
Attn: Maureen Barnes, Manager
Address: 700 Fifth Avenue, Suite 3338
P.O. Box 34023
Seattle, WA 98124-4689
Phone: (206) 684-0400
Fax Number: (206) 233-2760
Email: maureen.barnes@seattle.gov

PURCHASER

Name: Lennar Northwest, Inc.
Attn: William Sacriste
Address: 33455 6th Ave. South #1-B
Federal Way, WA 98003
Phone: (253) 590-2200
Fax Number: N/A
Email: william.sacriste@lennar.com

ESCROW AGENT:

Name: Chicago Title
Attn: Lorrie Thompson
Address: Chicago Title Insurance Company
3002 Colby Avenue, Suite 200
Everett, WA 98201
Phone: (425) 259-8220
Fax Number: (425) 259-8210
Email: lorrie.thompson@ctt.com

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

14.2 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.

15. GOVERNING LAW JURISDICTION AND VENUE

15.1 This Agreement shall be governed by the laws of the State of Washington.

15.2 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.

16. TIME OF THE ESSENCE; CALCULATION OF TIME PERIODS

16.1 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.

16.2 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.

17. COUNTERPARTS

This Agreement may be executed in counterparts and by facsimile. All counterparts so executed shall constitute one agreement which shall be binding on all of the Parties, notwithstanding that all of the Parties are not signatory to the original or the same counterpart.

18. WAIVER

18.1 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.

18.2 No writing other than a document signed by the General Manager and CEO 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.

19. ENTIRE AGREEMENT; MODIFICATIONS; NEGOTIATED UNDERSTANDING

19.1 This Agreement, including all attachments or 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.

19.2 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.

19.3 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.

20. FURTHER INSTRUMENTS AND ACTION

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.

21. SURVIVAL

All warranties, representations, covenants, obligations and agreements contained in or arising out of this Agreement or in any certificates or other documents required to be furnished hereunder, shall survive the 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 their officers 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.

Dated this _____ day of _____, 2016

SELLER:

THE CITY OF SEATTLE
SEATTLE CITY LIGHT

By: _____

Printed Name: _____

Title: _____

Date: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2016, before me, personally appeared _____, to me known to be the _____ of the Seattle City Light 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 _____

Dated this _____ day of _____, 2016.

PURCHASER:
LENNAR NORTHWEST, INC.
a Delaware Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2016, before me, personally appeared _____
_____, to me known to be the _____
of Lennar Northwest, Inc., the Delaware corporation that executed the foregoing agreement, and
acknowledged the same to be the free and voluntary act and deed of said corporation for the uses
and purposes therein mentioned, and on oath stated that ____ was authorized to execute such
document for and on behalf of Lennar Northwest, Inc.

WITNESS my hand and official seal hereto affixed 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 _____,

residing at _____

My appointment expires _____

I, _____, a duly authorized representative of Lennar Northwest, Inc.,
certify that the interest in real property conveyed to SNOHOMISH COUNTY, by this Quit Claim
Deed as of the date first above written, is hereby accepted together with all the terms and
conditions herein binding upon Lennar Northwest, Inc.

By: _____

Print Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2016, before me, personally appeared _____
_____, to me known to be the _____
of Lennar Northwest, Inc., the Delaware corporation that executed the foregoing agreement, and
acknowledged the same to be the free and voluntary act and deed of Lennar Northwest, Inc. for the
uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said
agreement on behalf of Lennar Northwest, Inc.

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 _____