

CITY OF SEATTLE
ORDINANCE 127407
COUNCIL BILL 121166

AN ORDINANCE relating to Seattle Public Utilities; declaring real property identified as King County Parcel Number 1623049405 located at South 138th St in SeaTac, WA to be surplus to the City’s needs; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities or designee to execute all documents and take other necessary actions for the sale of the property to King County Water District 125; and ratifying and confirming certain prior acts.

WHEREAS, Seattle Public Utilities (SPU) acquired a 28,900 square foot parcel of land, identified as King County Parcel Number 1623049405 (subject parcel), in 1986 from the Highline School District for use in connection with the Highline Well Field project; and

WHEREAS, Ordinance 126602 authorized the SPU General Manager to accept the deeds and easement rights to the subject parcel to protect the health standards and safety of wells; and

WHEREAS, the subject parcel is associated with a permanent access easement from Highline School District, and a well protection easement; and

WHEREAS, SPU provides water to King County Water District 125, pursuant to an ongoing 60-year wholesale water contract that enables King County Water District 125 to provide drinking water to the residents of SeaTac and the surrounding communities; and

WHEREAS, King County Water District 125 approached SPU and asked SPU to increase its water supply and grant it a new connection to SPU’s water main along 24th Avenue S SeaTac; and

WHEREAS, to distribute the water supply from this new connection, King County Water District 125 needs to install a pumping station and infrastructure near the connection; and the subject parcel is in proximity to the connection; and

1 WHEREAS, King County Water District 125 approached SPU and offered to purchase the
2 subject parcel to construct a pumping station and convey the new water supply from the
3 new connection to the population within their Water Service Boundary; and

4 WHEREAS, SPU has determined that its well on the subject parcel produces water unsuitable
5 for public distribution and has declared it excess to the department's needs; and

6 WHEREAS, Resolution 31837 adopted procedures by the Seattle City Council regarding
7 property reuse and disposition of City-owned property (Property Disposition Procedures)
8 by the Department of Finance and Administrative Services (FAS); and

9 WHEREAS, in accordance with the Property Disposition Procedures, FAS has provided internal
10 and external notification and comment period for the Excess Property, and has published
11 the Final Recommendation Report on the Reuse and Disposal of the Property (Final
12 Report); and

13 WHEREAS, the Final Report recommends that SPU sell the subject parcel and associated
14 easements to King County Water District 125 for fair market value; and

15 WHEREAS, King County Water District 125 has agreed to decommission the well and pay all
16 costs incurred in its deconstruction; and

17 WHEREAS, Seattle Public Utilities and King County Water District 125 have agreed on terms
18 and fair market value for the sale of the subject parcel, set forth in a conditional Purchase
19 and Sales Agreement; NOW, THEREFORE,

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

21 Section 1. Pursuant to this ordinance, the Property shall refer to the real property located
22 at South 138th St SeaTac, identified by King County Assessor Parcel Number 1623049405, and
23 legally described in Attachment 1 to this ordinance.

1 Section 2. The Property is found to be no longer required for municipal purposes and is
2 declared surplus to the City’s needs.

3 Section 3. The General Manager and Chief Executive Officer of Seattle Public Utilities,
4 or designee, is authorized to sell the Property to King County Water District 125 for \$280,200
5 and other costs required for the City to transfer the Property.


6 Section 4. The General Manager and Chief Executive Officer of Seattle Public Utilities,
7 or designee, is authorized to negotiate and execute any agreements and ancillary documents to
8 sell the Property to King County Water District 125, according to the terms in the Conditional
9 Purchase and Sale Agreement attached to this ordinance as Attachment 2.

10 Section 5. Proceeds from the sale shall be deposited in the Seattle Public Utilities’ Water
11 Fund.


12 Section 6. Any act consistent with the authority of this ordinance taken after its passage
13 and prior to its effective date is ratified and confirmed.

1 Section 7. This ordinance shall take effect as provided by Seattle Municipal Code
2 Sections 1.04.020 and 1.04.070.


3 Passed by the City Council the 17th day of March, 2026,
4 and signed by me in open session in authentication of its passage this 17th day of
5 March, 2026.

6 
7 _____
President Pro Tem of the City Council

8 Approved / returned unsigned / vetoed this 23rd day of March, 2026.

9 
10 _____
Katie B. Wilson, Mayor

11 Filed by me this 23rd day of March, 2026.

12 
13 _____
Scheereen Dedman, City Clerk

14 (Seal)

15 Attachments:
16 Attachment 1 – Legal Description for Property
17 Attachment 2 – Conditional Purchase and Sale Agreement

ATTACHMENT 1 – Legal Description for Property

1. Parcel #1623049405

PARCEL I:

The south 140 feet of the north 302 feet of the east 193.5 feet of the southwest one-quarter of the northwest one-quarter of the southeast one-quarter Section 16, Township 23 North, Range 4 East of the Willamette Meridian,

AND

The south 140 feet of the north 302 feet of the west 6.5 feet of the southeast one-quarter of the northwest one-quarter of the southeast one-quarter of Section 16, Township 23 North, Range 4 East of the Willamette Meridian,

AND

The south 30 feet of the north 290 feet of the east 30 feet of the west 36.5 feet of the southeast one-quarter of the northwest one-quarter of the southeast one-quarter of Section 16, Township 23 North, Range 4 East of the Willamette Meridian.

PARCEL II:

An easement for ingress, egress and utilities as set forth in Warranty Deed recorded April 8, 1986 as Recording No. 8604081186, records of King County, Washington.

Conditional Purchase and Sale Agreement

THIS PURCHASE AND SALE AGREEMENT FOR SALE OF REAL PROPERTY (“Agreement”) is entered into as of _____, 2026 (“Effective Date”), by and between the **City of Seattle**, a Washington municipal corporation, acting through its department **Seattle Public Utilities**, (“Seller”), and **King County Water District No. 125**, a Washington municipal corporation (“Purchaser”). The Purchaser and Seller may be referred to herein individually as a “Party” and collectively as the “Parties.”

In consideration of the mutual promises and undertakings contained in this Agreement, the Parties agree as follows:

1. PROPERTY AND INTERESTS

Seller owns the real property **located at King County Tax ID Number 162304-9405**, (“Property”) and has determined that the Property is no longer needed. The Property is legally described in **Exhibit A**, attached hereto and incorporated herein by this reference.

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, subject to:

- (a) 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;
- (b) all applicable zoning rules, restrictions, regulations, resolutions and ordinances and building restrictions and governmental regulations now or hereafter in effect;
- (c) the right of the public in any street or highway forming a boundary of the Property; together with all improvements and fixtures thereon; and
- (d) a covenant regarding environmental conditions in the Bargain and Sale Deed, attached to this Agreement as **Exhibit B**, attached hereto and incorporated herein by this reference.
- (e) the current water well (the “Well”) on the site must be decommissioned by the Purchaser within one year of Closing, at Purchaser’s expense and in compliance with all applicable laws, rules, and regulations.

3. PURCHASE PRICE

3.1 **Purchase Price.** The total purchase price for the Property (“Purchase Price”) is \$280,200. Purchaser agrees to deposit \$14,010 as a Deposit to Seller through the Escrow Agent. The Purchase Price, less the Deposit and all accrued interest shall be paid in cash at Closing.

3.2 Expenses incurred by the City of Seattle in the preparation of the property for sale and in the transactional cost are represented in the sales price of the property.

4. TITLE, 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 owner’s policy of title insurance in the amount of the Purchase Price (“Title Policy”). Seller shall be obligated to remove from title prior to the Closing:

- (a) any delinquent taxes and assessments;
- (b) any monetary encumbrances created or suffered by Seller, such as mortgages, deeds of trust, construction liens not caused by Purchaser and judgments not caused by Purchaser;
- (c) any exceptions caused by Seller's voluntary acts after the execution date of this Agreement and approved by Purchaser hereunder.
- (d) Title shall be conveyed by Bargain and Sale Deed in the form shown in **Exhibit B** hereto.

4.2 Cost of Title Insurance. Seller shall pay the premium for the issuance of a standard coverage owner's title insurance policy to be issued to Purchaser at Closing. Purchaser shall pay the increased cost for extended (ALTA) coverage as well as the cost of any additional endorsements Purchaser may request, and the cost of any survey required by the Title Company. Notwithstanding the foregoing sentence, if this Agreement is terminated without Closing due to Purchaser's default, Purchaser shall bear all costs of the title commitment.

4.3 Condition of Property. The Property shall be conveyed AS-IS, WHERE-IS, with all faults, in its existing condition at Closing. Seller makes no warranties or representations concerning the condition of the Property or its suitability for Purchaser's purposes.

4.4 License and Inspection Period. Purchaser shall be under no obligation to purchase the Premises or otherwise perform under this Agreement unless Purchaser determines the Premises to be, in all respects, suitable to Purchaser. The decision as to whether the Premises are suitable for Purchaser's intended use shall be the sole decision of Purchaser, determined in the absolute discretion of Purchaser, with Purchaser's decision being final and binding upon both Parties. For a period of 90 days from the date of Seller's execution of this agreement or until Purchaser terminates this Agreement, whichever comes first, Purchaser may enter onto the Property for the purposes of survey and inspection to determine the feasibility of the Property for Purchaser's purposes ("Inspection Period"). Purchaser agrees that (i) there shall be no destructive testing of any part of the Property without Seller's prior written consent, (ii) Purchaser will notify Seller at least 24 hours in advance of any entry by Purchaser or its agents onto the Property, (iii) Purchaser shall give Seller the opportunity to accompany Purchaser and its agents onto the Property, (iv) all activities conducted on the Property shall be undertaken in a safe, workmanlike and reasonable manner in compliance with all applicable, including environmental, law, and (v) Purchaser shall, at its expense, restore any area which may be disturbed to its condition prior to such activities. If Purchaser objects to any condition determined in its inspection and survey, it may terminate this Agreement by written notice to Seller and in such event, Seller shall return the Deposit to Purchaser, together with accrued interest thereon, and neither Party shall have had any other rights or obligations under this Agreement except for those rights and obligations which by their terms survive termination. If Purchaser does not terminate this Agreement prior to the expiration of the Inspection Period, the Deposit shall become non-refundable to Purchaser upon the expiration of the Inspection Period.

4.5 Indemnity for Inspection. The General Indemnity provisions contained in Section 8 of this Agreement shall apply to the presence and activities of Purchaser and its authorized agents and representatives on the Property during the Inspection Period.

4.6 Noncompliance - Violation. Existing uses of the Property fully comply with all zoning laws (and applicable variances) and any other local, municipal, regional, state or federal requirements and

the improvements on the Property comply with all applicable building, safety, health, zoning, environmental, subdivision and other laws, ordinances and regulations.

4.7 No Actions or Proceedings. To Seller's knowledge there is no action, proceeding or investigation, pending or threatened, regarding the title, ownership, maintenance, use or operation of the Property.

4.8 No Environmental Violations. To Seller's knowledge, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under, above or about the Property, including but not limited to soil and groundwater conditions.

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, and reservations, if any.

5.1.2 Purchaser is a municipal corporation duly organized, validly existing, and in good standing under the laws of the State of Washington, and has the legal power, right and authority to enter into this Agreement and the instruments and documents that are to be executed by the Purchaser and are referenced herein, and to consummate the transaction contemplated hereby.

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

5.2.1. 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.

5.2.2. 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 Purchaser a certificate of non-foreign status in form required by the Income Tax Regulations.

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 This Agreement shall not have terminated pursuant to any other provision hereof.

6.1.2 Seller is able to convey title to the Property.

6.1.3 The Title Company is committed to issue to Purchaser the Title Policy (subject only to payment of its premiums therefor).

6.1.4 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 Purchaser shall be in compliance with all of its obligations under this Agreement.

7.1.2 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.

7.1.3 The Seattle City Council shall have authorized the sale of the property and approved this Agreement by ordinance ("Ordinance") which Ordinance shall have become effective as provided by law (the effective date of said Ordinance shall hereinafter be referred to as "City-Approval") and no later than 120 days after the Effective Date of this Agreement. If such City Approval has not been obtained by the date that is 120 days after the Effective Date, either party may terminate this Agreement by written notice to the other, in which case the Deposit, together with interest accrued thereon, shall be returned to Purchaser within five (5) business days of delivery of the notice of termination.

8. GENERAL INDEMNIFICATION.

Each Party ("Indemnifying Party"), including its successors and assigns, shall indemnify, defend, and hold harmless the other Party ("Indemnified Party"), including its elected officials, officers, authorized agents, and employees, from and against any and all loss, claims, demands, causes of action, damages, liabilities, liens, encumbrances, costs and expenses, including all out-of-pocket litigation costs and the reasonable fees and expenses of counsel, arising out of or in connection with any act or omission of the Indemnifying Party or its successors, assigns, agents, contractors, licensees, invitees, or employees related to this Agreement or the Property.

In the event that any claims or damages are caused by or result from the concurrent negligence of (a) the Indemnified Party, its agents or employees, and (b) the Indemnifying Party, its 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 the Indemnifying Party, its successors, assigns, agents, contractors, licensees, invitees, or employees.

For the avoidance of doubt, the Purchaser shall indemnify the Seller, including its elected officials, officers, authorized agents, and employees, from any against any and all loss, claims, demands, causes of action, damages, liabilities, liens, encumbrances, costs and expenses, including all out-of-pocket litigation costs and the reasonable fees and expenses of counsel, arising out of or in connection with the Purchaser's decommissioning of the Well or its failure to do so.

The foregoing indemnity is specifically and expressly intended to constitute a waiver of the Indemnifying Party's immunity under Washington's Industrial Insurance Act, RCW Title 51, but

only as to the Indemnified Party and to the extent necessary to provide the Indemnified Party with a full and complete indemnity from claims made by the Indemnifying Party's employees.

The Indemnified Party shall notify the Indemnifying Party 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 Indemnifying Party and satisfactory to the Indemnified Party.

9. 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. Notwithstanding the General Indemnification in Section 8 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 including the decommissioning of the Well or the failure to decommission the Well; 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 9, 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 and the acknowledgement, and release and indemnify touch and concern the Property, and are intended to run with the land and bind Purchaser and Purchaser's successors and assigns 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 and obligation of Seller to investigate, remove, and remediate any environmental conditions within the Property 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 Hazardous Substances in, on, under or emanating from the Property. Seller retains all rights, claims, causes of action and defenses it has or may have related to Hazardous Substances, and the Seller retains the right to defend itself and seek from Purchaser, the recovery of any damages, liabilities, settlement awards and 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 9 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 9 are not intended, nor shall they, 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 Substances in, on, under, or emanating from the Property.

Purchaser's and Seller's obligations under this Section 9 shall be included as a "COVENANT REGARDING ENVIRONMENTAL CONDITIONS" in the Bargain and Sale Deed attached to this Agreement as **Exhibit C**.

10. ESCROW INSTRUCTIONS AND CLOSING

10.1 Escrow Instructions. Upon mutual execution of this Agreement, Seller shall deposit an executed counterpart of this Agreement with Title Company and the provisions of this Agreement shall constitute the joint instructions of the Parties to the Escrow Agent. 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.

10.2 Date of Closing. The Closing shall occur no later than _____, 2026.
("Closing").

10.3 Purchaser's Closing Obligations & Instruments. At Closing, Purchaser shall deliver to Seller through the Escrow Agent:

- 1) by certified or cashier's check or wire transfer, the Purchase Price, less the Deposit and all interest earned thereon; 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.

10.4 Seller's Closing Obligations & Instruments. At Closing, Seller shall deliver to Purchaser through the Escrow Agent a fully executed and acknowledged Bargain and Sale Deed in the form of Exhibit B hereto.

10.5 Covenants Pending Closing. From the Effective Date until Closing or termination of this Agreement, Seller shall: (i) maintain the existing property and casualty insurance on the Property, (ii) maintain the Property in accordance with Seller's past practices, (iii) not lease, rent or otherwise permit any person or persons to occupy or use any portion of the Property for any period extending beyond the Closing Date, (iv) not enter into or allow any contracts nor cause or allow any new Exceptions that will be binding on the Property beyond the Closing Date; and (v) deliver to Purchaser all information, notices, correspondence or other materials that come into its possession relating to the Property. Prior to the Closing Date, Seller shall terminate all leases, licenses and occupancy agreements, if any, affecting all or any part of the Property and shall provide such evidence as Title Company may require to issue Purchaser's Title Policy with no exception for rights of tenants in possession.

11. ESCROW AGENT'S OBLIGATIONS

11.1 Following execution of this Agreement, Seller shall open an escrow account with Chicago Title Insurance Company, 11900 SE 1st St, Suite 110, Bellevue, WA 98005 ("Escrow Agent"), in order to consummate the sale and purchase of the Property. Upon Purchaser's delivery of the Deposit to Escrow Agent, Escrow Agent shall place the Deposit in an interest-bearing account and shall apply it, together with all accrued interest thereon, to the Purchase Price at Closing unless forfeited or refunded to Purchaser as provided elsewhere in this Agreement.

11.2 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.

11.3 Escrow Agent shall record the deed and thereafter shall pay to Seller the Purchase Price, as adjusted and prorated for Seller's portion of costs of this transaction and after deduction of all applicable fees and taxes.

11.4 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. 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. The costs of Title Insurance will be allocated as provided in Section 4.2. Seller and Purchaser will share equally the cost of the escrow fee and expenses associated therewith. All other recording and closing costs shall be the responsibility of the Purchaser.

11.5 As soon as possible after 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.

12. DEFAULT

12.1 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.

12.1.1 Seller in Default. In the event that Seller is in default, Purchaser may recover its Deposit together with accrued interest as Purchaser's sole and exclusive remedy under this Agreement, in which event this Agreement shall terminate and Purchaser shall have no further rights and Seller shall have no further obligations under this Agreement except for those obligations which, by their terms, survive termination of this Agreement.

12.1.2 Purchaser in Default. In the event that Purchaser fails to close this transaction without legal excuse, Seller may retain the Deposit together with accrued interest 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 except for those obligations which, by their terms, survive termination of this Agreement.

12.1.3 Purchaser Failure to Decommission Well. The Purchaser recognizes that, in the event the Purchaser fails to decommission the Well as required under this Agreement, any remedy of law may prove to be inadequate relief to the Seller. Therefore, the Purchaser agrees that the Seller, at the Seller's option, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

13. RISK OF LOSS

If the improvements on the Property are destroyed or materially damaged between the date this Agreement is executed and the date title is conveyed to Purchaser, Purchaser shall accept the Property in its then condition and any insurance proceeds payable to Seller by reason of the damage to the Property shall be paid and/or assigned, as the case may be, to Purchaser.

14. 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 the Escrow Agent shall immediately return the Deposit and all interest earned thereon to the Purchaser and 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 because of such condemnation or taking of, or damage or change to the Property, provided, however, that in such event, Seller's warranties, shall lapse.

15. 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.

16. NOTICES

16.1 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, or to such other addresses as either Party may designate upon five days' written notice to the other Party:

SELLERS:

Name: Bryan Solemsaas, Senior Real Property Agent
Seattle Public Utilities, City of Seattle
Address: PO Box 34018
Seattle, WA 98124-4018
Email: bryan.solemsaas@seattle.gov
Phone: 206-684-5971

PURCHASER:

Name: Shane Young, General Manager
King County Water District No. 125
Address: PO Box 68147
Tukwila, WA 98168
Email: shaneyoung@waterdistrict125.com
Phone: 206-242-9547

WITH COPY TO:

Name: Daniel Shin and Curtis Chambers, District Attorneys
Inslee Best Doezie & Ryder, PS
Address: 10900 NE 4th St, Suite 1500
Bellevue, WA 98004
Email: dshin@insleebest.com; cchambers@insleebest.com
Phone: 425-455-1234

ESCROW AGENT:

Name: Chicago Title Insurance Company
Address: 11900 SE 1st St, Suite 110
Bellevue, WA 98005
Attention: Yanli Lu
Phone: 425-421-9761
Email: yanli.lu@ctt.com

16.2 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 or U.S. Postal Service 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.

17. GOVERNING LAW JURISDICTION AND VENUE

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

17.2 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.

18. TIME OF THE ESSENCE; CALCULATION OF TIME PERIODS

18.1 Time is of the essence of this Agreement and of all acts required to be done and performed by either 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.

18.2 Unless otherwise specified, in computing any period described in this Agreement, the day of the act or event after which the designated period 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.

19. 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 one of the parties constituting the Purchaser and Seller, shall it be deemed a binding agreement.

20. WAIVER

20.1 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.

20.2 No writing other than a document signed by the General Manager/CEO of the Seattle Public Utilities or designee specifically so stating that it is a waiver shall constitute a waiver by Seller of any 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.

21. 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 all agreements, oral or written, entered prior to the date hereof are revoked and superseded by this Agreement. 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.

22. NEGOTIATED AGREEMENT

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.

23. AGREEMENT APPROVAL

The property sale is contingent upon City Council approval.

24. 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 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.

SEATTLE PUBLIC UTILITIES

KING COUNTY WATER DISTRICT NO. 125

By: _____
Andrew Lee,
Its General Manager & CEO

By: _____
Shane Young,
Its General Manager

Date: _____

Date: _____

EXHIBIT A
Legal Description

LEGAL DESCRIPTION:

The south 140 feet of the north 302 feet of the east 193.5 feet of the southwest one-quarter of the northwest one-quarter of the southeast one-quarter of Section 16, Township 23 North, Range 4 East, W.M., AND the south 140 feet of the north 302 feet of the west 6.5 feet of the southeast one-quarter of the northwest one-quarter of the southeast one-quarter of said Section 16, AND

The south 30 feet of the north 290 feet of the east 30 feet of the west 36.5 feet of the southeast one-quarter of the northwest one-quarter of the southeast one-quarter of Section 16, Township 23 North, Range 4 East, W.M.

Tax Parcel Number: 162304-9405

EXHIBIT B

Recording Requested by
When Recorded Mail To:
City of Seattle, Seattle Public Utilities
Attn: Bryan Solemsaas
P.O. Box 34018
Seattle, WA 98124-4996

BARGAIN AND SALE DEED

GLACIER WELL PROPERTY SALE

The Grantor(s), **The City of Seattle, a Washington municipal corporation**, acting through its department **Seattle Public Utilities**, for and in consideration of the sum of TWO HUNDRED AND EIGHTY THOUSAND TWO-HUNDRED AND NO/100 (\$280,200.00) Dollars, bargains, sellers, and conveys to **King County Water District No. 125, a Washington municipal corporation**, Grantee, all of Grantor's right, title, and interest in the following described real property, situated in King County, in the State of Washington:

See Exhibit A attached hereto and made a part hereof.

SUBJECT 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 INTENDED USES AND PURPOSES. Grantee 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 Grantee expressly assumes 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. Grantee also releases and shall indemnify, defend, and hold Grantor 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 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 Grantee shall so indemnify Grantor and such personnel without regard to any fault or responsibility of Grantor or Grantee. 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 run with the land and bind Grantee and Grantee's heirs, successors and assigns, 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 against Grantor and cross-claims against Grantor by Grantee based upon claims made against Grantee 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 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 run with the land and bind Grantee and Grantee's heirs, successors and assigns, 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 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, and Grantor retains the right to defend itself and seek from Grantee recovery of any damages, liabilities, settlement awards and defense costs and expenses incurred by Grantor if Grantee does not accept unconditionally Grantor's tender to Grantee of the duty 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 is culpable, negligent or in violation of

EXHIBIT A

Legal Description

The south 140 feet of the north 302 feet of the east 193.5 feet of the southwest one-quarter of the northwest one-quarter of the southeast one-quarter of Section 16, Township 23 North, Range 4 East, W.M., AND the south 140 feet of the north 302 feet of the west 6.5 feet of the southeast one-quarter of the northwest one-quarter of the southeast one-quarter of said Section 16, AND

The south 30 feet of the north 290 feet of the east 30 feet of the west 36.5 feet of the southeast one-quarter of the northwest one-quarter of the southeast one-quarter of Section 16, Township 23 North, Range 4 East, W.M.