



May 8, 2020

Kurt Ehlers
1716 Puget Drive
Everett, WA 98203

RE: Offer to Purchase
Property Site Address: 1367 N 185th Street, Shoreline, Washington
Property Tax Parcels: 727610-0015-03, 727610-0016-02, 727610-0017-01,
727610-0018-00

Dear Mr. Ehlers:

The City of Shoreline ("City") has retained Contract Land Services ("CLS") to assist the City in realizing its vision of providing quality parks and recreation and cultural services to promote health and safety; protecting protect the natural environment; and to enhancing quality of life throughout the Shoreline community. As noted in the City's Parks, Recreation and Open Space (PROS) Master Plan, this vision will be realized, in part, by securing additional property.

This is to inform you that the City would like to acquire the property identified above ("Property") if a satisfactory agreement can be reached. The City has authorized Contract Land Staff, LLC ("CLS") to provide information during the offer process and to conduct discussions on the City's behalf.

Your Property has been examined by a qualified independent appraiser, ABS Valuation, and a separate review appraiser, RF Duncan and Associates, who have carefully considered all the elements which contribute to the market value of your Property. We have included a copy of the August 27, 2019 appraisal and the March 3, 2020 appraisal review for your examination.

In compliance with state and federal law and based upon the market value estimated for fee interest in your Property, the City's offer of just compensation is **ONE MILLION FOUR HUNDRED EIGHTY THOUSAND and NO/100 Dollars (\$1,480,000.00)**.

The City and CLS are required to let you know that this is a voluntary transaction and if you do not wish to sell, the City will take no further action to acquire your Property. The City cannot acquire your Property by condemnation through its powers of eminent domain due to the requirements for the funding source.

Because a sale would be voluntary, you would not be eligible for relocation payments or other relocation assistance under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 or the State of Washington's Real Property Acquisition Policy (Chapter 8.26 Revised Code of Washington) or any other law or regulation. However, any tenants that are eligible, displaced people residing on the Property may be eligible for relocation assistance.

Again, please understand that if you do not wish to sell your Property, the City will take no further action to acquire it. If you are willing to sell your Property, the purchase price is based upon the fair market value as determined by an appraisal and appraisal review of the Property. You also may choose to donate a portion of the purchase price based on the fair market value that has been established.

CLS has attempted by this letter to provide a concise statement of the City's offer, and CLS would appreciate your timely review and consideration. CLS asks that you sign the copy of this offer letter provided as your acknowledgement that you have received this letter.

The City has authorized CLS to provide information and discuss this matter on the City's behalf. If you have any questions about this offer please contact Ted Parry at 425-207-6653 or ted.parry@contractlandstaff.com.

Sincerely,



Faith A. Roland, SR/WA
Sr. Vice President

Enclosures:

- Real Estate Purchase and Sale Agreement (duplicate original)
- Appraisal
- Appraisal Review and Agency Concurrence and Authorization
- Duplicate copy of Offer Letter

Cc: City of Shoreline

By signing this acknowledgement below you acknowledge that you were made aware of the just compensation of the property under consideration and provided an opportunity to identify any potential people who may be eligible for relocation assistance. This does not obligate you to sell your property or any rights in it.

Please sign on the enclosed duplicate letter and return it to Contract Land Staff, LLC in the enclosed self-addressed stamped envelope. Thank you for your cooperation in returning the form.

Please provide below the name and addresses of anyone living on the property other than the owners or any businesses using the property:

Receipt of this letter is hereby acknowledged. I understand that this acknowledgement does not signify my acceptance or rejection of this offer.

Signature – Kurt Ehlers

Date

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Agreement is made as of the date this instrument is fully executed by and between **Kurt Ehlers**, as his separate estate ("Seller"), and the **City of Shoreline**, a Washington State municipal corporation ("Buyer"), for purchase and sale of that certain real property located at 1367 N 185th Street, Shoreline, King County, WA 98133, identified by King County Parcel Nos. 727610-0015-03, 727610-0016-02, 727610-0017-01, 727610-0018-00, and legally described on Exhibit "A", hereinafter referred to as the "Property". Seller and Buyer may each be referred to individually as a "Party" and collectively as the "Parties."

1. **PURCHASE PRICE:** The total purchase price is **ONE MILLION FOUR HUNDRED EIGHTY THOUSAND AND No/100 Dollars (\$1,480,000.00)** ("Purchase Price"). The Purchase Price is payable in cash at Closing.

2. **CONVEYANCE OF TITLE:**

2.1 **Deed:** At Closing, Seller will execute and deliver to Buyer a Statutory Warranty Deed conveying and warranting good and marketable title to the Property free and clear of all monetary encumbrances and liens if any, and those defects and/or encumbrances (if any) approved by Buyer as "Permitted Exceptions" under Section 3.1.1 below.

2.2 **Title Insurance:** At Closing, Buyer shall receive (at Buyer's expense) an owner's Standard ALTA policy of title insurance, dated as of the Closing date and insuring Buyer in the amount of the Purchase Price against loss or damage by reason of defect in Buyer's title to the Property subject only to the printed exclusions appearing in the policy form and any Permitted Exceptions.

3. **CONTINGENCIES:** This Agreement and the Buyer's obligations under this Agreement are conditioned on the occurrence of each of the following to the Buyer's reasonable satisfaction:

3.1 **Title Insurance Commitment and Title Review.** Buyer has obtained a title insurance commitment issued by Fidelity National Title Company of Washington, Inc. (the "Title Company"), showing marketable title to the Property, to be vested in Seller and committing to insure such title in Buyer by the issuance of a ALTA Homeowner's Policy of Title Insurance 2013 of title insurance in the amount of the Purchase Price. Within five (5) business days of the Effective Date of mutual execution of this Agreement, Buyer shall order any updates or amendments to the title insurance commitment as deemed necessary by Buyer, which may include an amendment to include all portions of the Property. The commitment (or one or more updates thereto) (collectively, the "Commitment") shall also commit the Title Company to issue with such policy endorsements as required by Buyer.

3.1.1 **Review of Title.** Within twenty (20) calendar days of either (a) the Effective Date of this Agreement or (b) the date on which Buyer receives any

ordered updates or amendments to the Commitment, whichever is later, Buyer shall notify Seller in writing of any objection Buyer in its sole discretion may have to any exceptions shown on the Commitment ("Disapproved Exceptions"). General taxes due after Closing and those exceptions disclosed in the Commitment that Buyer does not timely disapprove shall be "Permitted Exceptions;" provided, that all monetary encumbrances and liens, if any, shall be deemed automatically disapproved and shall be paid or otherwise eliminated by the Seller at Closing. Seller shall have ten (10) calendar days after receipt of Buyer's notice of Disapproved Exceptions to notify Buyer that (1) Seller, at its sole cost and expense, shall remove all Disapproved Exceptions, or (2) Seller elects not to, or cannot, remove any or all Disapproved Exceptions. If Seller fails to so notify Buyer prior to the expiration of the ten (10) day period, Seller shall be deemed to have elected not to remove the Disapproved Exceptions.

If Seller elects (or is deemed to have elected) not to, or cannot, remove any Disapproved Exceptions, Buyer shall have ten (10) calendar days from receipt of Seller's notice (or from the end of Seller's notice period) to notify Seller of Buyer's election either (1) to proceed with the purchase and take the Property subject to those exceptions without deduction from Purchase Price, or (2) to terminate this Agreement. If Buyer fails to notify Seller prior to the expiration of the ten (10) day period, Buyer will be deemed to have elected to proceed with the purchase and take the Property subject to those exceptions. If Buyer elects to terminate this Agreement under this Section 3.1, the Escrow will be terminated, all documents will be returned to the Party who deposited them, and neither party will have any further rights or obligations under this Agreement except as otherwise provided in this Agreement.

3.1.2 Subsequent Matters Affecting Title. Seller shall immediately notify Buyer of any liens, leases, encumbrances, easements, restrictions, conditions, covenants, rights-of-way and other matters affecting title to the Property that are created and which may appear of record or be revealed by survey or otherwise after the date of the Commitment but before the Closing (collectively, "Intervening Exceptions"). Intervening Exceptions shall be subject to Buyer's approval and Buyer shall have ten (10) business days after notice in writing of any Intervening Exception, together with a description thereof and a copy of the instrument creating or evidencing the Intervening Exception, if any, to either accept it (whereupon the Intervening Exception shall become a Permitted Exception) or submit written objection. Seller will promptly remove all Intervening Exceptions that do not become Permitted Exceptions.

3.2 Due Diligence Condition. Buyer's obligation to purchase the Property is contingent upon Buyer investigating the Property and determining, in its sole and absolute discretion, that it is satisfied with of all aspects of the Property, including, but not limited to, value, condition, marketability, title matters, environmental conditions, hazardous substance conditions, zoning, land use, authority, and all other factors and conditions which Buyer considers relevant to its contemplated use of the Property ("Buyer's Intended Use"),

and the feasibility of its prospective purchase, ownership, use and potential transfers thereof, and the suitability of the Property for Buyer's Intended Use (the "Due Diligence Condition").

3.2.1 Seller's Cooperation. Seller agrees to cooperate and join with Buyer in any actions Buyer reasonably deems necessary for Buyer to undertake the investigation contemplated in this Section 3.2. Notwithstanding the foregoing, Seller shall have no obligation to execute any documents that would be binding on the Property and irrevocable by Seller should the sale of the Property to Buyer fail to close.

3.2.2 Disclosure Statement; Property Information. Within five (5) business days following the Parties' mutual execution of this Agreement, Seller shall complete and deliver to Buyer a Real Property Disclosure Statement in the form attached as **Exhibit B** hereto and incorporated herein by this reference (the "Disclosure Statement"), together with all of the following information pertaining to the Property in Seller's possession: (a) copies of all appraisals, surveys, plans and specifications, permits and applications, environmental studies, soils and engineering reports; (b) copies of any and all leases, contracts, and agreements affecting the Property; (c) copies of any and all documents relating to the environmental condition of the Property, including any hazardous substances investigations, surveys or analysis of any aspect of the Property; and (d) copies of any and all citations and notices received from any governmental agency or entity claiming or asserting any non-compliance of the Property with any applicable laws and any responses thereto (the "Property Information"). If this transaction fails to close for any reason, Buyer shall promptly return the Property Information to Seller.

3.2.3 Right of Access. Buyer and its employees, consultants, contractors, agents and other designees shall be afforded the right of access and entry onto and into the Property, and all buildings and rooms in buildings on the Property, for inspection and investigation during the Due Diligence Period, to perform surveys and to conduct any and all studies, tests and inspections as Buyer may elect in order to fully investigate the Property, including any and all environmental testing or other testing for hazardous substances; except that no excavation, drilling, or other invasive testing shall occur without Seller's prior written consent, which shall not be unreasonably withheld or delayed. Any such excavation, drilling, or other invasive testing consented to by Seller will be conducted by Buyer or its consultants or contractors in accordance with accepted industry practices, and Buyer will cause the Property to be promptly repaired and restored to a condition reasonably comparable to that existing immediately preceding such action, at Buyer's expense. The exercise of Buyer's rights under this paragraph shall not negate any representation, warranty or covenant of Seller, or modify any of Buyer's rights or Seller's obligations in the event of any breach by Seller of any of its representations, warranties or covenants under this Agreement. Buyer shall indemnify and hold Seller harmless from any and all damages, expense, liens or claims arising from

Buyer's negligence in the exercise of its rights hereunder or failure to pay third parties.

3.2.4 Due Diligence Period. Buyer shall have sixty (60) calendar days from the date of the Parties' mutual execution of this Agreement (the "Due Diligence Period") to determine Buyer's satisfaction with the Property and the Due Diligence Condition. This Agreement shall terminate, unless Buyer gives written notice to Seller on or before the expiration of the Due Diligence Period, or the Extension Period, as applicable, that the Due Diligence Condition has been satisfied. If such notice is timely given, the Due Diligence Condition shall be deemed satisfied. If the Agreement terminates under this Section 3.2, the Escrow will be terminated, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement except as otherwise provided in this Agreement.

3.3 Approval by Shoreline City Council. Buyer is a municipal corporation organized pursuant to chapter 35A RCW and, therefore, this Agreement is subject to the approval of the Shoreline City Council.

4. RISK OF LOSS: Seller will bear the risk of loss of or damage to the Property prior to closing. In the event of such loss or damage to the Property, Seller shall promptly notify Buyer thereof and Buyer may, in its sole discretion, terminate this Agreement by giving notice of termination to the Seller.

5. SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS: Seller represents, warrants, and covenants to the Buyer at the date of execution of this Agreement and the date of Closing that:

5.1 Authority: Seller, and the person(s) signing on behalf of Seller, has full power and authority to execute this Agreement and perform Seller's obligations, and if Seller is a corporation, all necessary corporate action to authorize this transaction has been taken;

5.2 Leases: The Property may be subject to recorded or unrecorded leaseholds, right of vendors and holders of security interest on personal property installed upon said property and right of tenants.

5.3 No Material Defect: Seller is unaware of any material defect in the Property. The Property is being sold in its present, "As Is" condition and Seller shall remove any debris presently located on the Property and/or that may be deposited on the Property by some third party prior to Closing.

5.4 Debris and Personal Property: Seller will remove all debris and personal property, prior to Closing, at Seller's cost and expense. If such debris and personal property remain on the Property as of the Closing described in Section 6.1 Buyer may remove the debris and personal property and Seller will indemnify and hold Buyer harmless from all claims and expenses arising from such removal.

5.5 Contamination: Seller represents and warrants that Seller has not caused, allowed, or will not cause prior to Closing, the generation, treatment, storage, or disposal of hazardous substances on the property, nor caused or allowed the release of any hazardous substance onto, at, or near the Property. Seller is in compliance with all applicable laws, rules, and regulations regarding the handling of hazardous substances, has secured all necessary permits, licenses and approvals necessary to for Seller's use of the Property, and is in compliance with such permits. Seller has not received notice of any proceedings, claims, or lawsuits arising out of Seller's use of the Property and, to the Seller's knowledge, the Property is not, nor has it ever been subject to the release of hazardous substances.

5.6 Fees and Commissions: Seller shall pay for any broker's or other commissions or fees incurred by the Seller in connection with the sale of the Property and Seller shall indemnify and hold Buyer harmless from all such claims for commission and/or fees.

5.7 Indemnification: Seller agrees to indemnify, defend, and hold harmless Buyer, its employees, agents, heirs and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other expert witness fees, arising out of or in any way connected to the breach of any representation or warranty contained herein. Such duties of defense and indemnification shall include, but not be limited to damage, liability, or loss pursuant to all federal environmental laws, Washington State environmental laws, strict liability and common law.

5.8 Ownership; Non-Foreign Status. Seller owns the Property and has the right to sell the Property, and is not a foreign person as defined by the Foreign Investment in Real Property Tax Act, IRS Section 1445(b)(2), as amended.

6. CLOSING:

6.1 Time for Closing: The sale will be closed in the office of the Closing Agent not later than twenty-one (21) days from the date all contingencies set forth in Paragraph 3 herein have been removed, or as soon thereafter as practicable.

Buyer and Seller shall deposit in Escrow with the Closing Agent all instruments, documents and moneys necessary to complete the sale in accordance with this Agreement. As used in this Agreement, "Closing" and "Date of Closing" means the date on which all appropriate documents are recorded and proceeds of the sale are available for disbursement to Seller. The Closing Agent shall be:

Fidelity National Title Company of Washington, Inc.
3500 188th St SW, Suite 300
Lynnwood, WA 98037

6.2 **Prorations:** Closing Costs: Seller will pay real property taxes prorated through the Date of Closing. On Closing, the Parties shall share equally: (i) all recording fees; and (ii) escrow fees charged by the Closing Agent. Seller shall pay all real estate excise taxes associated with the sale of the Property. Seller shall pay the premium for the title insurance to be issued by the Title Company for the benefit of Buyer in the amount of the Purchase Price; provided, that Buyer shall pay any additional costs associated with an extended coverage owner's policy, as applicable.

6.3 **Possession:** Buyer shall be entitled to possession of the Property at Closing.

6.4 **Closing Obligations of Buyer:** On or before Closing the Buyer shall deliver to the Closing Agent the following:

6.4.1 All funds required to be paid by Buyer under this Agreement, in cash.

6.4.2 A Closing Statement in form and content reasonably satisfactory to the Parties.

6.4.3 A Real Estate Excise Tax Affidavit (REET) executed by the Buyer in the form required by law.

6.4.4 Any other documents necessary to effect the transaction contemplated in this Agreement.

6.5 **Closing Obligations of Seller.** At Closing, Seller shall deliver to the Closing Agent the following duly executed and acknowledged documents (where appropriate):

6.5.1 The Statutory Warranty Deed required under Section 2.1 of this Agreement.

6.5.2 A Closing Statement in form and content reasonably satisfactory to the parties.

6.5.3 A Foreign Investment Real Property Tax Act (FIRPTA) certification.

6.5.4 A Real Estate Excise Tax Affidavit executed by Seller and Buyer in the form required by law.

6.5.5 Any other documents necessary to effect the transaction contemplated in this Agreement.

7. **NOTICES:** Any notices required herein shall be given to the Parties at the addresses listed below:

TO SELLER:
Kurt Ehlers
1716 Puget Drive
Everett, WA 98203
Phone: 425-231-5537

TO BUYER:
City of Shoreline
Attn: Nathan Daum
17500 Midvale Avenue North
Shoreline, WA 98133
Phone: 206-206-801-2218
Email: ndaum@shorelinewa.gov

8. **GENERAL:**

8.1 **Governing Law.** This Agreement shall be construed under the laws of the State of Washington.

8.2 **Entire Agreement.** This is the entire agreement of the Buyer and Seller with respect to the Property and supersedes all prior or contemporaneous agreements between them, written or oral. This Agreement may be modified only in writing, signed by Buyer and Seller.

8.3 **Waivers.** Any waivers under this Agreement must be in writing. A waiver of any right or remedy in the event of a default will not constitute a waiver of such right or remedy in the event of any subsequent default.

8.4 **Binding Agreement.** This Agreement is for the benefit of, and binding upon, Buyer and Seller and their heirs, personal representatives, successors and assigns.

8.5 **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision.

8.6 **Time.** Time is of the essence in this Agreement.

9. **WASTE; ALTERATION OF PROPERTY:** Seller shall not commit waste on the Property, nor shall Seller remove trees or other vegetation, coal, minerals or other valuable materials nor shall Seller substantially alter the surface or subsurface of the Property without the express written consent of Buyer.

10. **SURVIVAL OF WARRANTIES:** The terms, covenants, representations and warranties shall not merge in the deed of conveyance, but shall survive Closing.

11. **TERMINATION OF OFFER:** This offer shall terminate if not accepted by Seller on or before 11:59 pm Local Time on June 12, 2020

12. **EFFECTIVE DATE:** The Effective Date is the date of the last Parties' signature below.

BUYER: City of Shoreline, a Washington State municipal Corporation.

By *Rebecca Savoy*
Its *City Manager*
Date *5/11/2020*

SELLER: Kurt Ehlers, as his separate estate

By _____
Kurt Ehlers

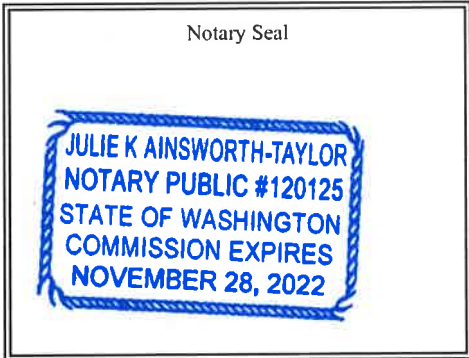
Date _____

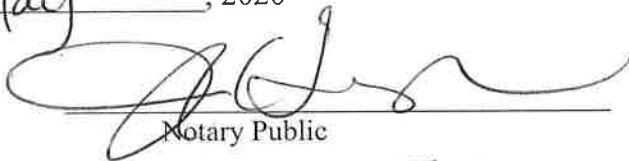
EXHIBITS: Exhibit A: Property Legal Description
Exhibit B: Real Property Disclosure Statement

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that DEBBIE TARRY is the person who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the City Manager of the City of Shoreline, a Washington State municipal corporation, to be their free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 11th day of May, 2020





Notary Public

Julie Ainsworth-Taylor

Printed Name

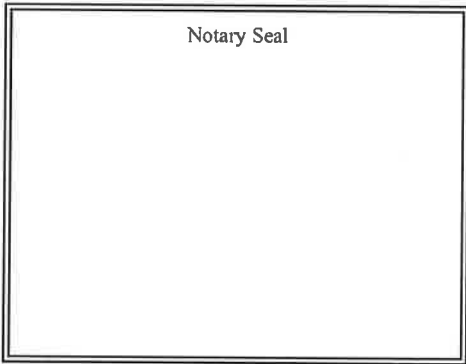
Residing at Shoreline, WA

My appointment expires 11/28/22

STATE OF WASHINGTON }
COUNTY OF _____ } ss.

I certify that I know or have satisfactory evidence that Kurt Ehlers, as his separate estate, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act and deed, with full knowledge of its contents, for the uses and purposes therein mentioned.

DATED this _____ day of _____, 2020.



Notary Public

Printed Name

Residing at _____

My appointment expires _____

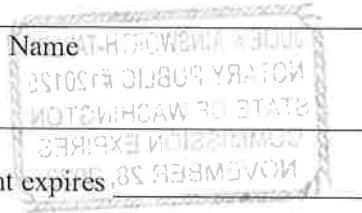


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

LOTS 1 THROUGH 4, CITY OF SHORELINE SHORT PLAT NO. SHSP 98-038, RECORDED UNDER RECORDING NO. 19991105900005, RECORDS OF KING COUNTY, WASHINGTON;

TOGETHER WITH AN UNDIVIDED INTEREST IN TRACT A OF SAID SHORT PLAT.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

EXHIBIT "B"

REAL PROPERTY DISCLOSURE STATEMENT