

Lagoon Property Sale
(Surplus Utility Property)

CITY OF REDMOND, WASHINGTON

RESOLUTION NO. 391

A RESOLUTION, approving the sale of surplus utility real property of the City known as the "lagoon property" and stating the terms and conditions of such sale.

WHEREAS, the City Council by Resolution No. 215A, adopted April 15, 1969, did declare real property of the waterworks utility of the City, including the system of sewerage as a part thereof, known as the "lagoon property" and as described therein, to be surplus property and did authorize and direct the Mayor to sell or otherwise dispose of such property; and

WHEREAS, the City Council by motion passed April 17, 1973, determined to reserve approximately 2.5 acres thereof as park property and to proceed with the sale or lease of the balance of said real property; and

WHEREAS, the City has received the following two purchase offers by way of Earnest Money Receipt and Agreement: (1) by Torkel Nilson and/or his assigns, dated March 8, 1976, with a purchase price of \$140,000 for approximately 100,000 square feet and (2) by William C. Nelson, and/or assigns, dated February 26, 1976, with a purchase price of \$234,200 for approximately 167,270 square feet; and

WHEREAS, the Director of Public Works has obtained an appraisal of the subject property by a qualified appraiser which has determined the fair market value to be \$1.40 per square foot, and the foregoing purchase offers are for the market value of said property; and

WHEREAS, the City Council has duly held a public hearing on April 6, 1976, pursuant to RCW 35.94.040 to consider the proposed sale of surplus utility property and deems it in the public welfare and for the best interests of the City of Redmond to accept such purchase offers and to state the terms and conditions of sale, Now, Therefore,

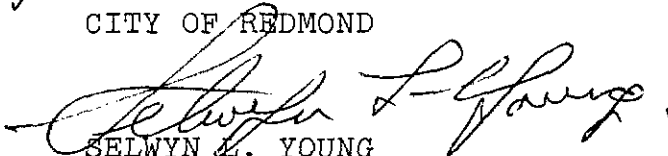
THE CITY COUNCIL OF THE CITY OF REDMOND DO RESOLVE AS FOLLOWS:

1. Market value declared. The market value of the surplus utility real property, known as the "lagoon property," and as described in Resolution No. 215A, is hereby declared to be \$1.40 per square foot.

2. Purchase offers accepted - Terms of sale. The purchase offers referred to above by Torkel Nilson and William C. Nelson are hereby approved and the Mayor is authorized and empowered to execute the necessary instruments on behalf of the City of Redmond. The terms of sale are as stated in said Earnest Money Receipts and Agreements, copies of which are attached hereto and incorporated herein by reference, provided, that the Mayor is empowered to negotiate and agree upon minor modifications which do not affect the sales price or the terms of payment.

PASSED by the Council of the City of Redmond, Washington, at a regular meeting thereof, and APPROVED by the Mayor this 6 day of April, 1976.

CITY OF REDMOND


SELWYN L. YOUNG
MAYOR

ATTEST:

Doris A. Schaible
DORIS A. SCHAIBLE
DEPUTY CITY CLERK

APPROVED AS TO FORM:

John D. Lawson
JOHN D. LAWSON
CITY ATTORNEY

SEATTLE REAL ESTATE BOARD FORM - NOVEMBER, 1962

TUCKER 5-1284

EARNEST MONEY RECEIPT AND AGREEMENT

7841 LEARY WAY • REDMOND, WASHINGTON

(RESIDENTIAL FORM)

Redmond

March 8,

1976

RECEIVED FROM TORKEL NILSON, and/or his assigns.

Hereinafter called "Purchaser"

Ten thousand and no/100 - - - - - DOLLARS (\$ 10,000.00)

in the form of check for \$ 10,000.00 Cash for \$ _____, Note for \$ _____, due _____, paid or delivered to agent as earnest money

in part payment of the purchase price of the following described real estate in the City of Redmond, County of King, Washington; commonly known as

(The parties hereto hereby authorize agent to insert over their signatures the correct legal description of the above designated property if unavailable at time of signing, or to correct the legal description entered if erroneous or incomplete.)

The East 230 feet of property known by the King County Assessor as Tax Lot #68, as situated in Section 11, Township 25 North, Range 5 East, W.M., said property now owned by the City of Redmond.

TOTAL PURCHASE PRICE is One hundred forty thousand and no/100 - - - 140,000.00 DOLLARS (\$ _____) payable as follows: (Refer to the attached rider for terms of purchase)

The set forth purchase price is based on the assumption that the property contains 100,000 square feet in area. Prior to the time of closing, the purchaser will at his expense, have the property surveyed. In the event the survey of the property determines that there is either less, or more than 100,000 square feet in area, then the purchase price will be adjusted either upward or downward based on a price of \$1.40 per square foot.

Purchaser agrees to pay \$40,000.00 cash at time of closing, including the herein receipted for earnest money. The balance of the purchase price is to be paid on real estate contract, in three equal annual payments, or more at purchaser's option. Contract payments are to include interest at the rate of 8% per cent per annum, computed on the reducing principal balances thereof. The first required annual contract payment will be due one year after the date of closing. Interest is to be computed from the date of closing.

This offer is made by the purchaser subject to the City of Redmond's approval of the short plat plan for subdivision of the property, as per the attached sketch.

Upon the purchaser's request, and at his selection, the City will deed ~~the short plat~~ ^{one-half of section} ~~tracts~~ in partial fulfillment of the real estate contract. Prior to the delivery of a partial fulfillment deed to the purchaser, the purchaser agrees to make a booster payment on the real estate contract that is equal to \$1.40 per each square foot of property being deeded.

10. There are no verbal or other agreements which modify or affect this agreement. Time is of the essence of this agreement.

BRAD BEST REALTY, INC.

Agent

[Signature]

Purchaser's Address _____

Torkel Nilson

Purchaser

Purchaser (Wife)

Phone _____

A citizen or one who has in good faith declared his/her intention to become a citizen of the United States. Purchasers herein warrant they are of legal age.

On this date March 1976 we hereby approve and accept the sale set forth in the above agreement and agree to carry out all the terms thereof on the part of the seller and the undersigned further agrees to pay a commission of 10% of the first \$100,000.00 & 5% of the balance of purchase price to the above agent for services. In the event earnest money is forfeited, it shall be apportioned one-half of the commission to Brad Best Realty, Inc., and one-half of the commission to Caldwell Banker, Inc.

Seller's Address _____

Seller

Seller's Phone _____

Seller (Wife)

A true copy of the foregoing agreement, signed by the seller, is hereby receipted for on _____, 1976

Purchaser (Wife)

Purchaser



Promissory Note

(STRAIGHT)

\$ 9,000.00 March 26 1976

Due upon removal of contingencies after date, without grace, for value received,
WILLIAM C. NELSON and/or Assigns

..... promise to pay to

COLDWELL BANKER COMMERCIAL BROKERAGE COMPANY

or order, at 1600 Park Place, Seattle, WA 98101

the sum of NINE THOUSAND AND NO/100 DOLLARS,

with interest thereon at the rate of per cent per annum from date hereof, payable

Principal and interest payable at the office of COLDWELL BANKER

at Seattle

If any interest shall remain unpaid after due, this note shall become due and payable at once without further notice, at the option of the holder thereof.

This note shall bear interest at the rate of twelve per cent per annum after maturity or after failure to pay any interest payment, and if this note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the principal or interest of this note I promise to pay a reasonable attorney's fee. Each maker of this note executes the same as a principal and not as a surety.

William C. Nelson, as his sole & separate estate

EXHIBIT "A"

Note: Below is the legal description for the approximate 6.11 acre Redmond "Lagoon" property. Purchaser wishes to purchase 167,270 square feet only of this parcel. For approximate location of said purchase, see Exhibit "B", attached hereto; exact legal description of said purchase to be provided in escrow by agent and to be accomplished at Seller's and Purchaser's equal expense.

Beginning at the southwest corner of the northwest quarter of the northeast quarter of Section 11, Township 25 North, Range 5 E.W.M.; thence northerly along the centerline of said section 375 feet; thence easterly, parallel to the south boundary of the northwest quarter of the northeast quarter of said section, 335 feet to the true point of beginning.

From the true point of beginning, easterly and parallel to the south boundary of the northeast quarter of the northeast quarter of said section, 585 feet, more or less, to an intersection with the westerly boundary of the West Redmond Addition; thence northerly along the westerly boundary of the West Redmond Addition, 390 feet, more or less, to its intersection with the southwesterly margin of 159th Place Northwest (Rynning Road); thence N 69°09'51" W 345.5 feet along said southwesterly margin, thence S 66°02'00" W 280 feet more or less, to a point which lies N 1°24'06" E to the True Point of Beginning; thence S 1°24'06" W 395 feet, more or less, to the True Point of Beginning.

RECEIVED FROM WILLIAM C. NELSON and/or Assigns
HEREINAFTER CALLED "PURCHASER"

TWELVE THOUSAND AND NO/100 DOLLARS (\$ 12,000.00)

In the form of check for \$ _____, Cash for \$ 2,000.00, Note for \$ 2,000.00 due as described below, paid or delivered to agent as earnest money in part payment of the purchase price of the following described real estate in King County, Washington:

See Exhibit "A" attached hereto and by this reference made a part hereof.

*Three Thousand and No/100 Dollars (\$3,000.00) in cash to be deposited in a savings bank of Purchaser's choice in the name of Coldwell Banker Commercial Brokerage Company, passbook to be held by Ronald M. Sudderth, interest to accrue to Purchaser. This principal sum to be delivered in total to City of Redmond by Coldwell Banker Commercial Brokerage company when and if Purchaser defaults or does not complete transaction. Principal amount to apply toward purchase price at closing. In addition, a \$3,000 promissory note shall be due and payable to Seller upon written notice from Purchaser of removal of contingencies and shall also apply to purchase price at close.

TOTAL PURCHASE PRICE IS TWO HUNDRED THIRTY-FOUR THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$ 234,200.00), payable as follows:

All cash on closing or purchase contract satisfactory to the City of Redmond. See Exhibit "C" attached hereto and hereby made a part of this agreement.

1. Title of seller is to be free of encumbrances, or defects, except:

None. Purchaser reserves the right to waive this condition and accept covenants, conditions, restrictions, easements, rights and rights of way of record not detrimental to proposed development, to Purchaser's satisfaction.

Rights, reserved in federal patents or state deeds, buildings or use restrictions general to the district, and building or zoning regulations or provisions shall not be deemed encumbrances or defects. Encumbrances to be discharged by seller may be paid out of purchase money at date of closing.

2. Seller agrees to furnish and deliver to office of closing agent as soon as procurable, or if contingencies are contained herein, as soon as procurable after removal of contingencies, a standard form purchaser's policy of title insurance or report preliminary thereto, and Seller authorizes agent to apply for such title insurance. The title policy to be issued shall contain no exceptions other than those provided for in said standard form plus encumbrances or defects noted in paragraph 1 above. If title is not so insurable as above provided and cannot be made so insurable within 30 days from date of title report, earnest money shall be refunded and all rights of purchase terminated; Provided that purchaser may waive defects and elect to purchase. If title is so insurable and purchaser fails or refuses to complete purchase, the earnest money may, at seller's option, be forfeited as liquidated damages unless seller elects to enforce this agreement. The agent shall not be responsible for delivery of title.

3. (a) If this agreement is for conveyance of fee title, title shall be conveyed by Statutory Warranty deed free of encumbrances or defects except those noted in Paragraph 1.

(b) If this agreement is for sale on real estate contract seller and purchaser agree to execute a Real Estate Contract for the balance of the purchase price on Real Estate Contract Form A-1964 currently distributed by title insurance companies. The terms of said form are herein incorporated by reference. Said contract shall provide that title be conveyed by Warranty Deed. If said property is subject to an existing contract, mortgage or deed of trust which seller is to continue to pay, seller agrees to pay said contract, mortgage or deed of trust in accordance with its terms, and upon default purchaser shall have right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due on the contract between seller and purchaser herein.

(c) If this agreement is for sale and transfer of vendee's interest under existing real estate contract, the transfer shall be by proper purchaser's assignment of contract and deed sufficient in form to convey after acquired title.

4. Taxes for the current year, rents, insurance, interest, mortgage reserves, water and other utilities constituting liens shall be prorated as of closing

5. Purchaser shall be entitled to possession on closing

6. Purchaser offers to purchase the property in its present condition, on the terms noted. This offer is made subject to approval of the seller by midnight of April 9, 1978. In consideration of agent submitting this offer to seller, purchaser agrees with the agent not to withdraw this offer during said period, or until earlier rejection thereof by seller. Purchaser agrees that written notice of acceptance given to agent by seller shall be notice to purchaser. If seller does not accept this agreement within the time specified, the agent shall refund the earnest money upon demand.

7. The sale shall be closed in the office of such escrow agent as may be designated by agent, within 30 days after title insurance company's report or title insurance policy in accordance with paragraph 2 above is furnished by seller to purchaser. Purchaser and seller will, as soon as reasonably possible and in any event before said closing date, deposit in escrow with agent or escrow agent all instruments and monies necessary to complete the purchase; the cost of escrow shall be paid one-half each by seller and purchaser.

8. There are no verbal or other agreements which modify or affect this agreement. Time is of the essence of this agreement.

Henry Broderick INC, AGENT

William C. Nelson as his sole and separate estate PURCHASER

By: RONALD M. SUDDERTH

Purchaser's Address

284-6300 Phone

The undersigned seller on this _____ day of _____, 19 _____ hereby accepts and approves the above agreement and agrees to

carry out all of the terms thereof and further agrees to pay a commission of See Exhibit "C" attached hereto, to the above agent for services. In the event earnest money is forfeited, it shall be apportioned to seller and agent equally; provided the amount to agent does not exceed the agreed commission. I/we further acknowledge receipt of a true copy of this agreement, signed by both parties.

SELLER

SELLER

SELLER'S ADDRESS

Phone

A true copy of the foregoing agreement, signed by the seller, is hereby received on this _____ day of _____, 19 _____

PURCHASER



Coldwell Banker
COMMERCIAL BROKERAGE COMPANY

April 1, 1976

APR 2 1976

Mr. Frank Hansche
Public Works Director
City of Redmond
15670 NE 85th Street
Redmond, WA 98052

Dear Frank:

I have attached a photocopy of the revised and final document between the City and William C. Nelson, as purchaser of a portion of the Redmond "Lagoon" property.

The originals have been mailed to Mr. Nelson in Hawaii for his signature. He will return in time to attend the April 6 public hearing on this matter, and I will be in attendance also in case the Council wishes to direct any questions to me.

Please feel free to use this letter in preparing information for the Council prior to April 6, or excerpt anything from it that you wish.

You will note on the first (Earnest Money) page that the \$12,000 earnest money now consists of \$3,000 in cash forfeitable to the City, as requested, plus a \$9,000 promissory note.


There are no changes on Exhibits "A" or "B".

On Exhibit "C", several changes have taken place as a result of negotiation with yourself and Mayor Young. Major among them are the reduction of contingencies from eight to four (four previous "contingencies" now being explanatory terms and conditions having much less effect on closing). The previous contingency relating to filling, grading and compacting has been eliminated, being replaced by a new contingency #4 which greatly reduces the obligation of the City.

The "Method of Payment at Close" (Roman Numeral III) clarifies the cash or contract purchase option in greater detail, and allows deed releases on approximately the same basis as they are allowed in the Torkel Nilson offer.

Sincerely,

COLDWELL BANKER
COMMERCIAL BROKERAGE COMPANY


Ronald M. Sudderth

RMS:lg

Enc.

PARK PLACE · SEATTLE, WASHINGTON 98101 · (206) 292-1600 · A COLDWELL BANKER COMPANY

EXHIBIT "C"

I. Terms & Conditions

1. Buyer shall have the right to enter the property for tests, surveys, and other such inspections as buyer may deem necessary, without liability.
2. Buyer shall obtain at buyer's expense, all licenses, permits, and environmental assessment information or other authorizations or approvals required prior to development, as may be deemed necessary by governmental agencies and/or the buyer.
3. Possession of subject property shall be delivered to buyer at close of escrow. Seller warrants that there are no leases or tenancies in effect covering subject property.
4. Seller shall pay a real estate commission to Coldwell Banker Commercial Brokerage Company of ten percent (10%) of the first \$100,000 of combined sales price of this offer together with that offer of \$140,000 on contiguous land simultaneously submitted through Coldwell Banker from Mr. Torkel Nilson and/or his assigns, dated January 7, 1976, and five percent (5%) on the balance of the combined purchase price, all due and payable on close of each respective escrow, per letter of acknowledgement from Frank C. Hansche to Ronald M. Sudderth of June 20th, 1974. The net dollar realization to the City of Redmond for the conditions outlined in said letter, and as a result of accepting the above combined offers, is Three Hundred Fifty Thousand Four Hundred Ninety and No/100 Dollars (\$350,490.00). Coldwell Banker Commercial Brokerage Company hereby agrees to accept the total commission of Twenty-Three Thousand Seven Hundred Ten and No/100 Dollars (\$23,710.00) on the following basis:
 - a. Torkel Nilson offer, .374% of total commission, or \$8,867.54, due in full at close of escrow and through escrow.
 - b. .626% of commission due and payable on Nelson offer, or \$14,842.46, due in full at close of escrow and through escrow.

II. Contingencies

1. Buyer shall be able to obtain within ninety (90) days from the date of Seller's acceptance of this offer, financing satisfactory to the Purchaser for proposed development. Upon written request, Seller shall grant to buyer two (2) separate (and separately requested) thirty (30) day extensions to this contingency.
2. Buyer shall be able to obtain within ninety (90) days from the date of Seller's acceptance of this offer lease agreements from tenants satisfactory to Purchaser. Upon written request, Seller shall grant to buyer two (2) separate (and separately requested) thirty (30) day extensions to this contingency.
3. Design of and access to the adjacent city park shall be defined jointly by the city staff and by the Purchaser and be approved by the Redmond City Council within ninety (90) days from date of Seller's acceptance of this offer.
4. Seller, at its own cost, will provide soil samples and soils report on suitability of soils for construction, and Seller at its option, if conditions happen to be unsuitable for foundation construction in areas where foundations will be placed, may take action to provide soils conditions satisfactory for construction.

In the event any of the aforementioned contingencies have not been satisfied or eliminated within the time limits stated, pursuant to the provisions specified herein, then this offer and the contract resulting from Seller's acceptance hereof shall be deemed null and void and the \$9,000.00 promissory note shall be promptly returned to the Buyer and the \$3,000.00 cash deposit shall be forfeited to the Seller. It is also provided, however, that the Buyer shall bear all escrow and title cancellation charges, if any.

It is further understood and agreed by all parties that the Buyer may elect to unilaterally delete any or all of the contingencies herein contained and close this transaction immediately by notifying Seller's agent in writing.

III. Method of Payment at Close

1. At Purchaser's option, and subject to approval of the City of Redmond on or before April 6, 1976, the City will accept a contract sale in lieu of an all-cash sale at close as follows:

Down payment of \$65,000, including \$62,000 cash and \$3,000 cash deposit. Interest on the balance of the contract shall be computed at eight percent (8%) per annum, and shall have a maximum duration of three (3) years, payable in up to three (3) annual payments including principal and interest. Terms and conditions of the contract shall be specified on Form A-1964 corporate.

Purchaser shall be entitled to deed release 10,000 square feet at time of down payment, released property to be rectangular and located abutting the "Torkel Nilson" property on the eastern edge of subject property. Purchaser may deed release contiguous parcels abutting the original release, such parcels to be sized to his liking, at any time during the contract period, without penalty, upon receipt by the City of booster payments equal to \$1.40 per each square foot of additional property being deeded.

120% ??
Nelson thinks this
is steep

Seller agrees to deed release contiguous parcels abutting the original release at purchaser's