

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of August 18th, 2015, (hereinafter the "Effective Date") between the **City of Tacoma**, a first class municipal corporation ("Seller") and **Ian Costello and Yong-Ye Costello**, husband and wife, ("Buyer").

RECITALS

ORIGINAL

WHEREAS, Seller is the owner of certain real property more particularly described in Section 1, below.

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer the real property on the terms and conditions set forth herein; and

WHEREAS, the real property described in Section 1 below, is being sold by Seller in response to a request to acquire the real property; and

WHEREAS Seller is conveying the real property as a negotiated disposition pursuant to the authority provided in Tacoma Municipal Code Section 1.06.280; and

WHEREAS, Buyer will dedicate a portion of the real property to the City as right of way legally described and depicted in Exhibit C; and

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

AGREEMENT

1. Real Property. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, and Buyer agrees to dedicate to Seller and Seller agrees to receive the dedicated right of way, subject to the terms and conditions set forth in this Agreement, all of Seller's and Buyer's interest in the real property located in the City of Tacoma, County of Pierce and State of Washington, legally described in Exhibit "A" and generally depicted in Exhibit "B" and described and depicted in Exhibit C, (herein, the "Property").

2. Purchase Price. The total purchase price for the Property (the "Purchase Price") will be Six Thousand one hundred forty-one and 00/100 dollars (\$6,141.00).

3. Title to Property.

3.1 Conveyance. The Seller shall convey to Buyer, all of Seller's right, title and interest in the Property, by duly executed and acknowledged quit claim deed (the "Deed"). The Seller shall convey title to Buyer by executing and delivering the Deed to Buyer at Closing.

The Buyer shall dedicate a portion of the Property to Seller for right of way.

3.2 Title Insurance. At Closing, Buyer is entitled to obtain, at Buyer's expense, an Owner's Standard Coverage Policy of Title Insurance issued by a title company. The cost of a standard coverage policy of title insurance shall be the responsibility of Buyer.

- 3.3 Condition of Title. Seller hereby agrees from and after the Effective Date, until the Closing or the termination of this Agreement, that it (a) will take no action that will adversely affect title to the Property; (b) will not lease, rent, mortgage, encumber, or permit the encumbrance of all or any portion of the Property without Buyer's prior written consent; and (c) will not enter into any written or oral contracts or agreements with respect to the Property.
4. Condition of the Property.
- a. "As Is" Buyer acknowledges that the Property will be purchased under this Agreement in an "as is" condition. No warranties shall be given or implied.
- b. Inspections. Buyer agrees that it will rely on its own inspections and evaluations of the Property, with the exception of written documentation, including, but not limited to any disclosures required by law, provided to it by Seller, to determine the suitability of the Property for Buyer's intended use.
5. Closing. This transaction will be by the parties acting as their own agents outside of escrow unless otherwise mutually agreed prior to the Closing Date (defined below). The closing will be held at the offices of the Seller on or before that date which is thirty (30) days after the Tacoma City Council approves the sale of the Property as surplus to the City's needs, but in no event later than March 31, 2015 (the "**Closing Date**"). If closing does not occur on or before the Closing Date, or any later date mutually agreed to in writing by Seller and Buyer, the parties will return any deposited funds to the party entitled to receive them as provided in this Agreement and return all documents to the party that deposited/provided them. On the Closing Date, the parties will prepare and be ready to deliver all instruments and moneys required to complete the transaction in accordance with this Agreement. "**Closing**," for the purpose of this Agreement, is defined as the date that all documents are executed and delivered to parties, and the sale proceeds are available for disbursement to the seller.
6. Closing Costs and Proration. Should Buyer elect to obtain title insurance, Buyer shall pay the premium for the Title Policy, state of Washington real estate excise taxes applicable to the sale (if any), any financing costs, and the cost of recording the deed and any financing documentation. If Buyer elects to close through escrow, any escrow fees incurred shall be for Buyer's account. Seller shall cooperate to provide proof as needed to support Government Seller exemption from excise tax. Property taxes and assessments for the current year, water and other utility charges, if any, shall be prorated as of the Closing Date unless otherwise agreed. Seller is a property tax exempt organization pursuant to R.C.W. 84.36.010, and therefore property taxes will only be due from Buyer for its ownership from and after the Closing Date.
7. Casualty Loss. Seller shall promptly notify Buyer of any event prior to the Closing Date which causes damage to or destruction of any portion of the Property (not including any, at present, unauthorized improvements Buyer has made to the Property). If Buyer and Seller cannot come to an agreement regarding any such damage to or destruction of the Property, including the settlement of any insurance claims, then Buyer and Seller will each have the right to terminate this Agreement by giving written notice of termination to the other party within ten (10) days after receipt of actual notice of such casualty loss. Upon exercise of such termination election by either party, this Agreement will terminate, and items deposited will be returned to the designated owner.
9. Events of Default. In the event either party fails, without legal excuse, to complete the purchase of the Property, the non-defaulting party shall be entitled to immediate return of any deposited funds, and may pursue any remedies available to it in law or equity, including specific performance. In the event of any such default, the Settlement will be

considered of no further force or effect, and the parties shall proceed with litigation on all claims.

10. Possession. Buyer is entitled to possession of the Property once the Deed is recorded with the Pierce County Auditor.
11. Notices. Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service, or given by mail or via facsimile. E-mail transmission of notice shall not be effective. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

Seller: City of Tacoma, Public Works Department
Real Property Services
747 Market Street, Rm. 737
Tacoma, WA 98402
Facsimile No. 253-594-7941

With a copy to: City of Tacoma, Legal Department
Attn: Jeff H. Capell, Deputy City Attorney
747 Market Street, Rm 1120
Tacoma, WA 98402
Facsimile No. 253-591-5755

Buyer: Yong-Ye Costello
Ian Costello
3030 Sepulveda Boulevard
Torrance, CA 98505

Any notice will be deemed to have been given, when personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail, and if delivered by facsimile, the same day as verified.

12. Buyer's Indemnification. Buyer agrees to assume all liability for and to defend, indemnify and save Seller harmless from all liability and expense (including reasonable costs and attorneys' fees) in connection with all claims, suits and actions of every name, kind and description brought against Seller or its agents or employees by any person or entity as a result of or on account of injuries or damages to persons, entities and/or property received or sustained, arising out of, in connection with or as a result of the acts or omissions of Buyer, or its agents or employees in exercising its rights under this Agreement, except for claims caused by Seller's and to the extent of Seller's negligence. Prior to any obligation to indemnify hereunder, Seller agrees to provide written notice to Buyer of at least thirty (30) days (except in the case of emergency) and an opportunity to cure the liability and defend with counsel of Buyer's choosing.
13. Environmental Liability Waiver. Buyer, its successors and assigns hereby forever waives, releases, discharges, and agrees to indemnify Seller from any and all claims, demands, causes of action, damages, liabilities, losses, expenses, and all costs and fees for legal actions related thereto caused by or resulting from Hazardous Substances existing on, at, around or under the Property on the date the Buyer acquires legal title to the Property, including Hazardous Substances which have been generated or stored on the Property, and/or disposed of on or off the Property prior to Closing. This Agreement to indemnify and hold harmless is to apply to claims brought by any party based upon any state or federal statutory or common law, including, but not limited to, any claims brought under

applicable state laws described below, and shall include, but not be limited to, claims for investigation, litigation, administration, oversight, remedial action costs, response costs, and personnel costs, all costs arising out of or related to the clean-up, storage, treatment, handling, disposal, transportation, presence of, or threatened release or discharge of any contaminants at, to, from, beneath, or near the Property, and any property damage or damages for personal injury related thereto.

For purposes of this Agreement, "Hazardous Substances" shall include pollutants or substances defined as "hazardous waste," "hazardous substances," "hazardous materials," "pollutants," "contaminants," or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986 (PL 99-499); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 15 U.S.C. § 2601, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 1601, et seq.; the Clean Water Act, 33 U.S.C. § 1251, et seq.; the Washington State Environmental Policy Act, RCW 90.48.010, et seq.; the Water Pollution Control Act, RCW 90.48.010, et seq.; the Hazardous Waste Management Statute, RCW 90.105, et seq.; the Toxic Substance Control Act, RCW 70.105C, et seq.; and the Model Toxics Control Act, RCW 70.105C, et seq.; and in the rules or regulations adopted and guidelines promulgated pursuant to said laws and shall also include petroleum, oil, and petroleum by-products.

14. Counterparts; Faxed Signatures. This Agreement may be executed in any number of counterparts by the parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts. Facsimile transmitted signatures shall be fully binding and effective for all purposes.
15. Brokers and Finders. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the closing of this transaction. Any and all claims, if any, for commission arising out of this transaction shall be borne solely by the Buyer or its assigns.
16. Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.
17. Continuation and Survival of Representations and Warranties. Any representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of the time of Closing, will be deemed to be material and will survive the execution and delivery of this Agreement and the delivery of the Deed and transfer of title for a period of 6 (six) months whereupon they shall terminate. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.
18. Governing Law. This Agreement will be governed and construed in accordance with the laws of the State of Washington without recourse to any principles of Conflicts of Laws.
19. Attorney Fees. If either party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or

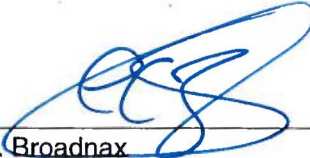
establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy proceeding.

20. Time of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.
21. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.
22. Non-merger. The terms and provisions of this Agreement, including without limitation, all indemnification obligations, will not merge in, but will survive, the closing of the transaction contemplated under the Agreement.
23. Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.
24. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances, which may reasonably be required to effect the Agreement contemplated herein.
25. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

CITY OF TACOMA, a first class Municipal Corporation




T.C. Broadnax
City Manager



Michael P. Slevin III, P.E.
Environmental Services Director

DARUS



Andrew Cherullo
Finance Director

BUYERS:

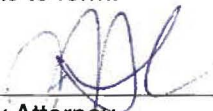


Yong-Ye Costello



Ian Costello

Approved as to form:



Deputy City Attorney

Exhibit "A"

Legal Description

A portion of Government Lot 4 within the Section 30, Township 21 North, Range 03 East, W.M. more particularly described as follows:

That portion of Lots 1 through 3, inclusive, Block 78, SUPPLEMENTARY MAP OF TACOMA, W.T., as recorded in Volume 1 of Plats at Page 11, records of Pierce County, Washington, lying easterly of North Alder Way;

Together with the northerly one half of the alley abutting thereon and attached thereto by operation of law through City of Tacoma Vacation Ordinance No. 1678, as Approved May 15, 1902

Except the Railroad Right of way;

Containing 4,000 ± square feet

Situate in the City of Tacoma, County of Pierce, state of Washington

Exhibit "B"

General Map Depiction

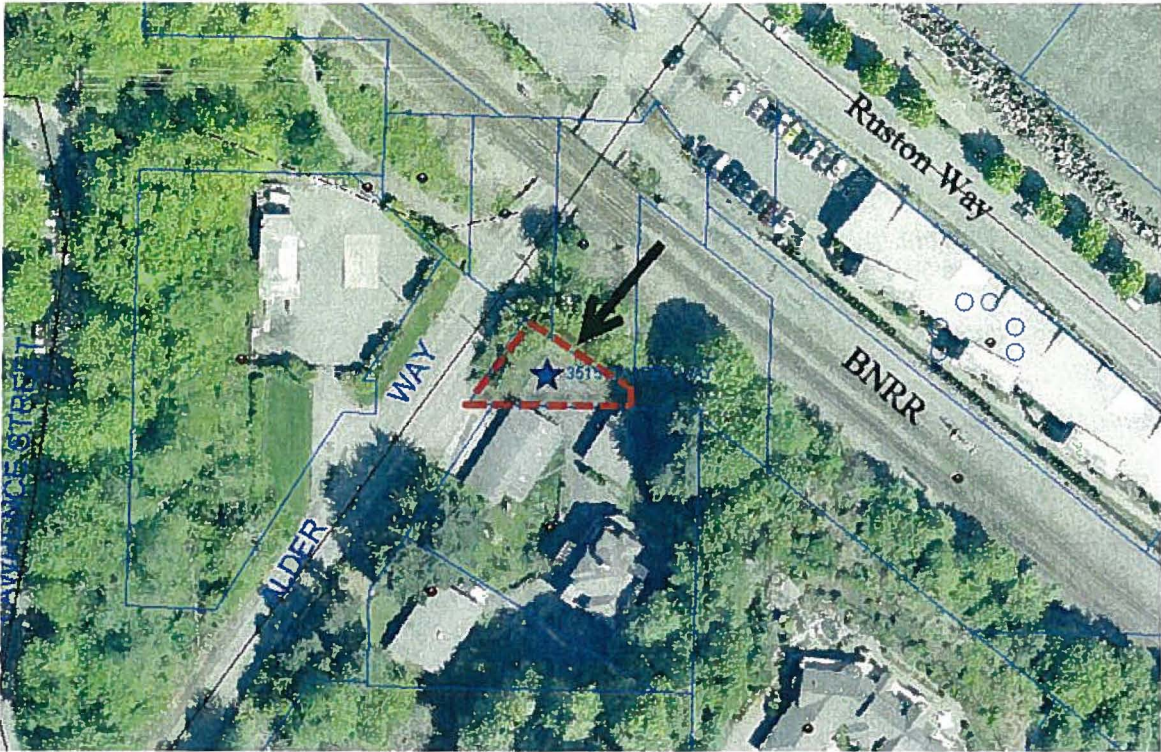


Exhibit "C"

Dedication Legal Description

A portion of Government Lot 4 within the Section 30, Township 21 North, Range 03 East, W.M. more particularly described as follows:

Parcel X

That portion of Lots 1 through 3, inclusive, Block 78, SUPPLEMENTARY MAP OF TACOMA, W.T., as recorded in Volume 1 of Plats at Page 11, records of Pierce County, Washington, lying easterly of North Alder Way;

Together with the northerly one half of the alley abutting thereon and attached thereto by operation of law through City of Tacoma Vacation Ordinance No. 1678, as Approved May 15, 1902

Except the Railroad Right of way;

Lying westerly of the following described line:

Commencing at the Southwest corner of aforementioned Block 78;
Thence North $01^{\circ}21'24''$ East along the West line of said Block a distance of 130.00 feet to the center line of the vacated alley;
Thence South $88^{\circ}52'06''$ East along said alley center line a distance of 68.80 feet to Point of Beginning of this described line;
Thence North $32^{\circ}58'05''$ East a distance of 52.4 feet more or less to the Railroad right of way and the Terminus of this described line.

Containing 723 \pm Square Feet

Situate in the City of Tacoma, County of Pierce, State of Washington

Exhibit "C"

General Map Depiction of Dedication

