

**CITY OF GRANITE FALLS
Granite Falls, Washington**

RESOLUTION 2018-05

**A RESOLUTION OF THE CITY OF GRANITE FALLS, WASHINGTON,
APPROVING THE PURCHASE AND SALE AGREEMENT,
AUTHORIZING THE DELIVERY OF FUNDS TO CLOSING, AND
AUTHORIZING THE CITY MANAGER TO SIGN ALL CLOSING
DOCUMENTS FOR THE CITY TO ACQUIRE THE PROPERTY**

WHEREAS, the City has entered into a Purchase and Sale Agreement with amendments to acquire property located at 408 Prospect Ave (copies of which are attached); and

WHEREAS, the public interest would be served by the acquisition of this property; and

WHEREAS, the City Council has authority to authorize the City Manager to execute all necessary documents to complete the purchase and to deliver funds to escrow to close;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF GRANITE FALLS, WASHINGTON AS FOLLOWS:**

1) The City Council approves the Purchase and Sale Agreement with amendments attached as Exhibit A.

2) The City Council authorizes the City Manager to deliver the necessary funds to closing and sign all documents necessary for the City to acquire the property identified in Exhibit A.

PASSED by the City Council and **APPROVED** by the Mayor this 2nd day of May, 2018.

CITY OF GRANITE FALLS

By 
Matthew Hartman, Mayor

ATTEST:

APPROVED AS TO FORM:

By 
Darla Reese, City Clerk

By 
Thom Graafstra, City Attorney

Exhibit A

Form 21
Residential Purchase & Sale Agreement
Rev. 2/17
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RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT SPECIFIC TERMS

- Date: March 26, 2018 MLS No.: 1259667 Offer Expiration Date: 03/26/2018
- Buyer: City of Granite Falls (a municipal entity)
Buyer Buyer Status
- Seller: Galilee Construction LLC
Seller Seller
- Property: Legal Description attached as Exhibit A. Tax Parcel No(s): 00459301300100
408 Prospect Ave Granite Falls Snohomish WA 98252
Address City County State Zip
- Included Items: ☐ stove/range; ☐ refrigerator; ☐ washer; ☐ dryer; ☐ dishwasher; ☐ hot tub; ☐ fireplace insert;
☐ wood stove; ☐ satellite dish; ☐ security system; ☐ attached television(s); ☐ attached speaker(s); ☐ microwave;
☐ generator; ☐ other _____
- Purchase Price: \$ 425,000.00 Four Hundred and Twenty Five Thousand Dollars
- Earnest Money: \$ 5,000.00 ☐ Check; ☒ Note; ☐ Other _____ (held by ☐ Selling Firm; ☐ Closing Agent)
- Default: (check only one) ☒ Forfeiture of Earnest Money; ☐ Seller's Election of Remedies
- Title Insurance Company: First American Title ☒
- Closing Agent: Curtis & Casteel Law Firm - Marysville
Company Individual (optional)
- Closing Date: May 4th, 2018; Possession Date: ☐ on Closing; ☒ Other subject to tenants rights
- Services of Closing Agent for Payment of Utilities: ☒ Requested (attach NWMLS Form 22K); ☐ Waived
- Charges/Assessments Levied Before but Due After Closing: ☐ assumed by Buyer; ☒ prepaid in full by Seller at Closing
- Seller Citizenship (FIRPTA): Seller ☐ is; ☒ is not a foreign person for purposes of U.S. Income taxation
- Agency Disclosure: Selling Broker represents: ☐ Buyer; ☒ Seller; ☐ both parties; ☐ neither party
Listing Broker represents: ☒ Seller; ☐ both parties
- Addenda: ☒ 22J(Lead Disclosure) ☒ 22K(Utilities) ☒ 31(Earnest Money Not) ☒ 35F(Feasibility) ☒
34(Addendum) ☒

BAU CITY MGR 3/26/18
Buyer's Signature Date

Buyer's Signature Date

PO Box 1440

Buyer's Address

Granite Falls, WA 98252

City, State, Zip

(360) 691-6441 (360) 691-6734

Phone No. Fax No.

brent.kirk@ci.granite-falls.wa.us

Buyer's E-mail Address

Same As Listing Firm

Selling Firm MLS Office No.

Same As Listing Broker

Selling Broker (Print) MLS LAG No.

Firm Phone No. Broker Phone No. Firm Fax No.

Selling Firm Document E-mail Address

Selling Broker's E-mail Address

Selling Broker DOL License No. Selling Firm DOL License No.

Authentisign 03/26/2018

Scott T. Hensrud 03/26/2018
Seller's Signature Date

Seller's Signature Date

5129 Evergreen Way Ste D4-4

Seller's Address

Everett Wa 98203

City, State, Zip

Phone No. Fax No.

Seller's E-mail Address

Madric Real Estate LLC 3976

Listing Firm MLS Office No.

Jennifer Post 25775

Listing Broker (Print) MLS LAG No.

(425) 268-7923 (425) 268-7923 (425) 361-0027

Firm Phone No. Broker Phone No. Firm Fax No.

jenny@madricrealestate.com

Listing Firm Document E-mail Address

jenny@madricrealestate.com

Listing Broker's E-mail Address

3657 20095

Listing Broker DOL License No. Listing Firm DOL License No.

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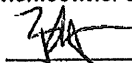

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

Continued

- a. **Purchase Price.** Buyer shall pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funds from loans, the sale of other property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement.
- b. **Earnest Money.** Buyer shall deliver the Earnest Money within 2 days after mutual acceptance to Selling Broker or to Closing Agent. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer so agree in writing. If the Buyer does not complete an IRS Form W-9 before Selling Firm must deposit the Earnest Money or the Earnest Money is \$10,000.00 or less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.

Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.

- c. **Included Items.** Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and other fixtures; and all associated operating remote controls. Unless otherwise agreed, if any of the above items are leased or encumbered, Seller shall acquire clear title before Closing.
- d. **Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.
- e. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. If the Title Insurance Company selected by the parties will not issue a Homeowner's Policy for the Property, the parties agree that the Title Insurance Company shall instead issue the then-current ALTA standard form Owner's Policy, together with homeowner's additional protection and inflation protection endorsements, if available. The Title Insurance Company

	3/26/18		03/26/2018		
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials	Date

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RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

Continued

shall send a copy of the preliminary commitment to Seller, Listing Broker, Buyer and Selling Broker. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in the Policy and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller's inability to provide insurable title.

- f. **Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. Seller shall deliver keys and garage door remotes to Buyer on the Closing Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession. Seller shall either repair or replace any system or appliance (including, but not limited to plumbing, heat, electrical, and all Included Items) that becomes inoperative or malfunctions prior to Closing with a system or appliance of at least equal quality. Buyer reserves the right to walk through the Property within 5 days of Closing to verify that Seller has maintained the Property and systems/appliances as required by this paragraph. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld. If possession transfers at a time other than Closing, the parties shall execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact their respective insurance companies to assure appropriate hazard and liability insurance policies are in place, as applicable.


RCW 19.27.530 requires the seller of any owner-occupied single-family residence to equip the residence with a carbon monoxide alarm(s) in accordance with the state building code before a buyer or any other person may legally occupy the residence following the sale. The parties acknowledge that the Brokers are not responsible for ensuring that Seller complies with RCW 19.27.530. Buyer and Seller shall hold the Brokers and their Firms harmless from any claim resulting from Seller's failure to install a carbon monoxide alarm(s) in the Property.

- g. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.


- h. **Closing Costs and Prorations and Charges and Assessments.** Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 12, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).

Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing. Seller will pay such charges that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No. 13.

- i. **Sale Information.** Listing Broker and Selling Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Broker and/or Selling Broker, on request, any and all information and copies of documents concerning this sale.

 3/26/18
Buyer's Initials Date

Buyer's Initials Date

 03/26/2018
Seller's Initials Date

Seller's Initials Date

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RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

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- j. Seller Citizenship and FIRPTA.** Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 14 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing Agent. If Seller is a foreign person for purposes of U.S. income taxation, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.
- k. Notices and Delivery of Documents.** Any notice related to this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed delivered only when the notice is received by Seller, by Listing Broker, or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed delivered only when the notice is received by Buyer, by Selling Broker, or at the licensed office of Selling Broker. Documents related to this Agreement, such as NWMLS Form 17, Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, and all other documents shall be delivered pursuant to this paragraph. Buyer and Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- Facsimile transmission of any notice or document shall constitute delivery. E-mail transmission of any notice or document (or a direct link to such notice or document) shall constitute delivery when: (i) the e-mail is sent to both Selling Broker and Selling Firm or both Listing Broker and Listing Firm at the e-mail addresses specified on page one of this Agreement; or (ii) Selling Broker or Listing Broker provide written acknowledgment of receipt of the e-mail (an automatic e-mail reply does not constitute written acknowledgment). At the request of either party, or the Closing Agent, the parties will confirm facsimile or e-mail transmitted signatures by signing an original document.
- l. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.
- m. Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature.
- n. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.
- o. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply:
- Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
 - Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.
- p. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing party is entitled to reasonable attorneys' fees and expenses.
- q. Offer.** Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.


Buyer's Initials

3/24/18
Date

Buyer's Initials Date



03/26/2018

Seller's Initials Date

Seller's Initials Date

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RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT GENERAL TERMS

Continued

- r. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of or change to Seller's name and Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

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- s. **Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn.

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- t. **Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency."


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- u. **Commission.** Seller and Buyer shall pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third party beneficiaries under this Agreement.

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- v. **Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter.


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- w. **Information Verification Period.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

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- x. **Property Condition Disclaimer.** Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Brokers do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, flood, earthquake, landslide, and other available coverage. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. Brokers may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers.

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 3/26/18
Buyer's Initials Date

Buyer's Initials Date

 03/26/2018
Seller's Initials Date

Seller's Initials Date

Form 22J
Disclosure Lead Based Paint & Hazards
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**DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT
AND LEAD-BASED PAINT HAZARDS**
Addendum to Purchase & Sale or Lease Agreement

The following is part of the Purchase and Sale Agreement dated March 26, 2018 1
between City of Granite Falls ("Buyer" and/or "Lessee") 2
Buyer and/or Lessee Buyer and/or Lessee
and Galilee Construction LLC ("Seller" and/or "Lessor") 3
Seller and/or Lessor Seller and/or Lessor
concerning 408 Prospect Ave Granite Falls WA 98252 (the "Property"). 4
Address City State Zip

Purchase & Sale Agreement Lead Warning Statement 5

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. 6-14

Lease Agreement Lead Warning Statement 15

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling. Tenants must also receive a Federally approved pamphlet on lead poisoning prevention. 16-20

Cancellation Rights 21

If a residential dwelling was built on the Property prior to 1978, Buyer may rescind the Agreement at any time up to 3 days after Buyer receives this Disclosure, unless Buyer receives this disclosure prior to entering the Agreement. 22-24

NOTE: In the event of pre-closing possession of more than 100 days by Buyer, the term Buyer also means Tenant. 25

Seller's/Lessor's Disclosure 26

- (a) Presence of lead-based paint and/or lead-based paint hazards (check one below): 27
- ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). 28
- ☒ Seller/Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing. 29
- (b) Records and reports available to the Seller/Lessor (check one below): 30
- ☐ Seller/Lessor has provided the Buyer/Lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below). 31-32
- ☐ Seller/Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing. 35-36

Seller has reviewed the information above and certifies, to the best of Seller's knowledge, that the statements made and information provided by Seller are true and accurate. 37-38

Scott T. Hensrud 03/26/2018 39
Seller/Lessor Date
3/26/18
Buyer/Lessee Initials Date Buyer/Lessee Initials Date
3/26/18
Seller/Lessor Initials Date Seller/Lessor Initials Date

Form 22J
Disclosure Lead Based Paint & Hazards
Rev. 7/10
Page 2 of 2

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**DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT
AND LEAD-BASED PAINT HAZARDS**

Addendum to Purchase & Sale or Lease Agreement

Continued

Buyer's/Lessee's Acknowledgment

- (c) Buyer/Lessee has received copies of all information listed above.
(d) Buyer/Lessee has received the pamphlet "Protect Your Family from Lead in Your Home."
(e) Buyer has (check one below only if Purchase and Sale Agreement):

☒ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

☐ Accepted an opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards on the following terms and conditions:

This Agreement is conditioned upon a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards, to be performed by a risk assessor or inspector at the Buyer's expense. (Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet "Protect Your Family From Lead in Your Home" for more information).

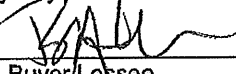
This contingency SHALL CONCLUSIVELY BE DEEMED SATISFIED (WAIVED) unless Buyer gives written notice of disapproval of the risk assessment or inspection to the Seller within _____ (10 days if not filled in) after receiving this Disclosure. Buyer's notice must identify the specific existing deficiencies and corrections needed and must include a copy of the inspection and/or risk assessment report.

The Seller may, at the Seller's option, within _____ days (3 days if not filled in) after Seller's receipt of Buyer's disapproval notice, give written notice that Seller will correct the conditions identified by Buyer. If Seller agrees to correct the conditions identified by Buyer, then it shall be accomplished at Seller's expense prior to the closing date, and Seller shall provide Buyer with certification from a risk assessor or inspector demonstrating that the condition(s) has been remedied prior to the closing date. In lieu of correction, the parties may agree on any other remedy for the disapproved condition(s), including but not limited to cash payments from Seller to Buyer or adjustments in the purchase price. If such an agreement on non-repair remedies is secured in writing before the expiration of the time period set forth in this subparagraph, then this contingency will be deemed satisfied.

If the Seller does not give notice that the Seller will correct the conditions identified in Buyer's risk assessment or inspection, or if the parties cannot reach an agreement on alternative remedies, then Buyer may elect to give notice of termination of this Agreement within _____ days (3 days if not filled in) after expiration of the time limit in the preceding subparagraph or delivery of the Seller's notice pursuant to the preceding subparagraph, whichever first occurs. The earnest money shall then be returned to the Buyer and the parties shall have no further obligations to each other. Buyer's failure to give a written notice of termination means that the Buyer will be required to purchase the Property without the Seller having corrected the conditions identified in Buyer's risk assessment or inspection and without any alternative remedy for those conditions.

Buyer waives the right to receive an amended Real Property Transfer Disclosure Statement (NWMLS Form No. 17 or equivalent) pursuant to RCW 64.06 based on any conditions identified in inspection and/or risk assessment report(s).

Buyer has reviewed the information above and certifies, to the best of Buyer's knowledge, that the statements made by Buyer are true and accurate.

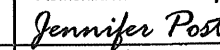
 3/26/18

Buyer/Lessee Date

Buyer/Lessee Date

Brokers' Acknowledgment

Brokers have informed the Seller/Lessor of the Seller's/Lessor's obligations under 42 U.S.C. 4852(d) and are aware of their responsibility to ensure compliance.

 03/26/2018

Selling Broker PM PDT Date

Listing Broker Date

Buyer/Lessee Initials Date

Buyer/Lessee Initials Date

Seller/Lessor Initials Date

Seller/Lessor Initials Date

Form 22K
Identification of Utilities Addendum
Rev. 5/14
Page 1 of 1

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IDENTIFICATION OF UTILITIES ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated March 26, 2018 1
between City of Granite Falls ("Buyer") 2
and Galilee Construction LLC ("Seller") 3
concerning 408 Prospect Ave Granite Falls WA 98252 (the "Property"). 4

Pursuant to RCW 60.80, Buyer and Seller request the Closing Agent to administer the disbursement of closing funds 5
necessary to satisfy unpaid utility charges, if any, affecting the Property. The names and addresses of all utilities 6
providing service to the Property and having lien rights are as follows: 7

WATER DISTRICT: City of Granite Falls 8
Name 206 S Granite Ave, PO Box 1440 9
Address Granite Falls WA 98252 10
City, State, Zip Fax No. 11
SEWER DISTRICT: Same As Above 12
Name 13
Address 14
City, State, Zip Fax No. 15
IRRIGATION DISTRICT: N/A 16
Name 17
Address 18
City, State, Zip Fax No. 19
GARBAGE: Waste Management NW 20
Name 21
Address 22
City, State, Zip Fax No. 23
ELECTRICITY: Snohomish County PUD #1 24
Name 2320 California Street, PO Box 1107 25
Address Everett, WA 98201 26
City, State, Zip Fax No. 27
GAS: 28
Name 29
Address 30
City, State, Zip Fax No. 31
SPECIAL DISTRICT(S): 32
(local Improvement districts or 33
utility local Improvement districts) 34
Name 35
Address 36
City, State, Zip Fax No.

If the above information has not been filled in at the time of mutual acceptance of this Agreement, then (1) 29
within _____ days (5 if not filled in) of mutual acceptance of this Agreement, Seller shall provide the Listing 30
Broker or Selling Broker with the names and addresses of all utility providers having lien rights affecting the Property 31
and (2) Buyer and Seller authorize Listing Broker or Selling Broker to insert into this Addendum the names and 32
addresses of the utility providers identified by Seller. 33

Nothing in this Addendum shall be construed to diminish or alter the Seller's obligation to pay all utility charges 34
(including unbilled charges). Buyer understands that the Listing Broker and Selling Broker are not responsible for, or 35
to insure payment of, Seller's utility charges. 36

[Signature] 3/26/18 [Signature] 03/26/2018
Buyer's Initials Date Buyer's Initials Date Seller's Initials Date

Form 31
Earnest Money Promissory Note
Rev. 7/10
Page 1 of 1

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EARNEST MONEY PROMISSORY NOTE

\$ 5,000.00 Granite Falls, Washington 1

FOR VALUE RECEIVED, City of Granite Falls 2
Buyer

Buyer ("Buyer") 3

agree(s) to pay to the order of Curtis & Casteel law Firm (Selling Firm or Closing Agent) 4

the sum of Five Thousand Dollars Dollars 5

(\$ 5,000.00), as follows: 6

☐ within 3 days following mutual acceptance of the Purchase and Sale Agreement. 7

☒ * within 3 days of approval of PSA by Granite Falls City Council 8

This Note is evidence of the obligation to pay Earnest Money under a real estate Purchase and 9

Sale Agreement between the Buyer and Galilee Construction LLC 10
Seller

Seller ("Seller") 11

dated March 26, 2018. Buyer's failure to pay the Earnest Money 12
strictly as above shall constitute default on said Purchase and Sale Agreement as well as on this Note. 13

If this Note shall be placed in the hands of an attorney for collection, or if suit shall be brought to collect 14
any of the balance due on this Note, the Buyer promises to pay reasonable attorneys' fees, and all 15
court and collection costs. 16

Date: 03/26/2018 17

BUYER  18

BUYER _____ 19

* "On closing" or similar language is not recommended. Use a definite date.

Form 34
Addendum/Amendment to P&S
Rev. 7/10
Page 1 of 1

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ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated March 26, 2018 1
between City of Granite Falls ("Buyer") 2
Buyer Buyer
and Galilee Construction LLC ("Seller") 3
Seller Seller
concerning 408 Prospect Ave Granite Falls WA 98252 (the "Property"). 4
Address City State Zip

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5

- 1.) This agreement is contingent upon approval by the Granite Falls City Council 6
- 2.) This agreement is contingent upon completion of an appraisal and/or comparative market analysis that meets the 7
requirements of the the buyer to verify that the purchase price for the property is consistent with current fair market 8
value. 9
- 3.) The appraisal/market analysis is to be completed within the timeframe outlined in Feasibility Contingency 10
Addendum (Form 35F). 11

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

<u>3/26/18</u>	<u>3/26/18</u>	<u>03/26/2018</u>		
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials Date Seller's Initials Date

Form 35F
Feasibility Contingency Addendum
Rev. 7/10
Page 1 of 1

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FEASIBILITY CONTINGENCY ADDENDUM

The following is part of the Purchase and Sale Agreement dated March 26, 2018 1
between City of Granite Falls ("Buyer") 2
Buyer Buyer
and Galilee Construction LLC ("Seller") 3
Seller Seller
concerning 408 Prospect Ave Granite Falls WA 98252 (the "Property"). 4
Address City State Zip

Feasibility Contingency. Buyer shall verify within 15 days (10 days if not filled in) after mutual acceptance 5
(the "Feasibility Contingency Expiration Date") the suitability of the Property for Buyer's intended purpose including, 6
but not limited to, whether the Property can be platted, developed and/or built on (now or in the future) and what it will 7
cost to do this. This Feasibility Contingency SHALL CONCLUSIVELY BE DEEMED WAIVED unless Buyer gives 8
notice of disapproval on or before the Feasibility Contingency Expiration Date. If Buyer gives a timely notice of 9
disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. Buyer should not 10
rely on any oral statements concerning feasibility made by the Seller, Listing Broker or Selling Broker. Buyer should 11
inquire at the city or county, and water, sewer or other special districts in which the Property is located. Buyer's inquiry 12
shall include, but not be limited to: building or development moratoria applicable to or being considered for the 13
Property; any special building requirements, including setbacks, height limits or restrictions on where buildings may be 14
constructed on the Property; whether the Property is affected by a flood zone, wetlands, shorelands or other 15
environmentally sensitive area; road, school, fire and any other growth mitigation or impact fees that must be paid; the 16
procedure and length of time necessary to obtain plat approval and/or a building permit; sufficient water, sewer and 17
utility and any services connection charges; and all other charges that must be paid. 18

Buyer and Buyer's agents, representatives, consultants, architects and engineers shall have the right, from time to 19
time during the feasibility contingency, to enter onto the Property and to conduct any tests or studies that Buyer may 20
need to ascertain the condition and suitability of the Property for Buyer's intended purpose. Buyer shall restore the 21
Property and all improvements on the Property to the same condition they were in prior to the inspection. Buyer shall 22
be responsible for all damages resulting from any inspection of the Property performed on Buyer's behalf. 23

☒ **AGREEMENT TERMINATED IF NOTICE OF SATISFACTION NOT TIMELY PROVIDED.** If checked, this 24
Agreement shall terminate and Buyer shall receive a refund of the Earnest Money unless Buyer gives notice to Seller 25
on or before the Feasibility Contingency Expiration Date that the Property is suitable for Buyer's intended purpose. 26

BAF 3/26/18
Buyer's Initials Date

Buyer's Initials Date

CLL

03/26/2018

Seller's Initials

Date

Seller's Initials

Date

Form No. 1068-2
ALTA Plain Language Commitment

Commitment No.: 4229-3026124
Page 8 of 8

FIRST AMERICAN TITLE INSURANCE COMPANY
Exhibit "A"

Vested Owner: GALILEE CONSTRUCTION LLC, A WASHINGTON LIMITED LIABILITY COMPANY

Real property In the County of Snohomish, State of Washington, described as follows:

LOTS 1 THROUGH 6, BLOCK 13, THE ORIGINAL PLAT OF TOWNSITE OF GRANITE FALLS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 99, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

Tax Parcel Number: 00459301300100

Situs Address: 408 Prospect Ave, Granite Falls, WA 98252



03/26/2018

First American Title

BA 3/26/18