

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (hereinafter "Agreement") is made and entered into as of the Effective Date (defined in Section 36 below) by and between THE CITY OF TACOMA, a municipal corporation and Washington First Class Charter City (hereinafter "Tacoma"); PIERCE COUNTY, a municipal corporation and political subdivision of the state of Washington (hereinafter "Pierce County"); and PENINSULA METROPOLITAN PARK DISTRICT, a Washington municipal corporation (hereinafter "PenMet Parks"). Tacoma, Pierce County and PenMet Parks may hereinafter collectively be referred to as "Parties" or individually as a "Party."

FOR AND IN CONSIDERATION OF the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tacoma, Pierce County and PenMet Parks agree as follows:

1. Purchase and Sale. Tacoma shall sell and convey to Pierce County and PenMet Parks, and Pierce County and PenMet Parks shall purchase and accept from Tacoma, all of Tacoma's right, title and interest in and to the real property, tangible personal property and intangible personal property described in Sections 1.1 through 1.3 below:

1.1 Real Property. Those certain parcels of real property situated in unincorporated Pierce County, Washington, collectively and commonly known as the Tacoma Narrows Airport and the Madrona Links Golf Course and legally described in attached **Exhibit A** (hereinafter "Real Property") together with all of Tacoma's right, title and interest in and to: (a) any improvements and fixtures located in, on, under or about the Real Property owned by Tacoma; and (b) any rights, licenses, privileges, reversions, easements and rights of way appurtenant to the Real Property including, without limitation, all surface and subsurface mineral, oil, gas and other hydrocarbon substances, excluding Hazardous Substances (defined in Paragraph 14.1 below) in, on, under or about the Real Property, all surface and subsurface development rights, air rights, water rights, water and water stock, and any other easements, rights of way or appurtenances used in connection with the beneficial use and enjoyment thereof; and

1.2 Tangible Personal Property. Any tangible personal property owned by Tacoma and located in, on, under or about the Real Property or used in conjunction with the ownership, operation, use, maintenance or occupancy thereof including, without limitation: (a) furniture and furnishings; (b) fixtures and equipment; (c) heating, air conditioning, cooling and electrical systems and components; (d) water distribution, irrigation and pumping systems and components; (e) plumbing and piping systems and components; (f) waste disposal systems and components; (g) lighting and lighting fixtures; and (h) tools, supplies and spare parts; and (i) vehicles (hereinafter "Tangible Personal Property");

1.3 Intangible Personal Property. Any intangible personal property owned by Tacoma and relating in any way to the ownership, operation, use, maintenance or occupancy of the Real Property and/or the Tangible Personal Property including, without limitation: (a) licenses, permits, certificates, franchises and rights, including water rights, issued by any federal, state or local authorities; (b) reports and studies, including, without limitation, physical and engineering inspections, soil studies, utility and zoning studies, traffic and wetland studies, plans and specifications, surveys, appraisals and environmental reports; (c) Tacoma's interest in all tenant leases, service contracts, and all other written contracts, agreements and legal undertakings of any kind, type or nature whatsoever relating to the Real Property and/or the Tangible Personal Property, including any and all security deposits and prepaid rents thereunder; and (d) any and all escrow accounts, insurance policies, deposits, instruments and business records (hereinafter "Intangible Personal Property");

52 **1.4 Collective References.**

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54 **1.4.1 Personal Property.** In addition to their individual references, the
55 Tangible Personal Property and the Intangible Personal Property may hereinafter be collectively referred
56 to as "the Personal Property."

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58 **1.4.2 Real and Personal Property.** In addition to their individual references,
59 the Real Property, the Tangible Personal Property and the Intangible Personal Property may hereinafter
60 be collectively referred to as "the Real and Personal Property."

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62 **1.5 Schedule of Personal Property.** Within thirty (30) business days after the
63 Effective Date, Tacoma shall deliver to Pierce County and PenMet Parks a complete and accurate
64 schedule of the Personal Property (hereinafter "Schedule of Personal Property").
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66 **2. Purchase Price and Payment.** The total purchase price for the Real and Personal
67 Property shall be FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) (hereinafter "Purchase Price")
68 and shall be paid by Pierce County and PenMet Parks to Tacoma by cashier's check, certified check or
69 wire transfer of immediately available funds to Closing Agent (defined in Section 3 below), as follows: (a)
70 THREE MILLION AND NO/100 DOLLARS (\$3,000,000.00) through escrow at Closing (defined in Section
71 18.1 below); (b) ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) on or before one (1) year after
72 Closing; and (c) ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) on or before two (2) years after
73 Closing.
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75 **3. Preliminary Commitment for Title Insurance.** Within five (5) business days after the
76 Effective Date, Tacoma shall order from Ticor Title Insurance Company, 1120 Pacific Avenue, Tacoma,
77 Washington 98402 (hereinafter "Closing Agent") a preliminary commitment for an owner's extended
78 coverage policy of title insurance for the Real Property in the amount of the Purchase Price (hereinafter
79 "Preliminary Commitment"), together with complete and legible copies (to the extent they are available) of
80 any recorded exceptions identified in Schedule B thereof. Tacoma shall request of Closing Agent that the
81 Preliminary Commitment be completed and delivered to Pierce County and PenMet Parks within ten (10)
82 business days after Tacoma's request. Pierce County and PenMet Parks shall, at their sole cost and
83 expense, be responsible for obtaining and delivering to Closing Agent an acceptable survey of the Real
84 Property and for paying any increased cost associated with any extended coverage policy including, but
85 not limited to, the excess premium over that charged for a standard coverage policy.
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87 **4. Approval of Title.** The Parties shall conduct their review and approval of the Preliminary
88 Commitment in accordance with the following procedures:
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90 **4.1 Purchasers' Title Cure Notice.** Pierce County and PenMet Parks shall have
91 thirty (30) business days after receipt of the Preliminary Commitment within which to notify Tacoma in
92 writing whether, in their sole and absolute judgment and discretion, they disapprove of any exception in
93 Schedule B thereof (hereinafter "Purchaser's Title Cure Notice"). All FAA Grant Assurances described in
94 Section 7 below shall automatically be deemed approved. Pierce County's and PenMet Parks' failure to
95 timely deliver their Purchaser's Title Cure Notice shall, subject to Section 4.3 below, constitute the
96 unconditional approval of all exceptions in Schedule B except monetary liens or encumbrances.
97 Exceptions not disapproved by Purchasers shall be "Permitted Exceptions." Tacoma shall cooperate by
98 delivering to Closing Agent a customary owner's affidavit required by the title company in connection with
99 issuing an extended coverage policy of title insurance.
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101 **4.2 Seller's Title Cure Notice.** Tacoma shall have ten (10) business days after
102 receipt of a Purchaser's Title Cure Notice within which to notify Pierce County and PenMet Parks in
103 writing whether, in its sole and absolute judgment and discretion, it will cure or remove any exceptions
104 disapproved pursuant to Section 4.1 above (hereinafter "Seller's Title Cure Notice"). Notwithstanding
105 Tacoma's discretion in the foregoing sentence, Tacoma shall remove on or before Closing any and all
106 monetary liens or encumbrances on the Real Property. Except for monetary liens and encumbrances,
107 Tacoma's failure to deliver Seller's Title Cure Notice shall constitute Tacoma's election not to remove any
108 such exceptions. Tacoma shall remove all exceptions it elects to remove on or before Closing.

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4.3 Purchaser's Title Termination Notice. If Tacoma elects not to remove all exceptions disapproved pursuant to Section 4.1 above, Pierce County and PenMet Parks may, in their sole and absolute judgment and discretion and not later than the expiration of the Due Diligence Period, elect to terminate this Agreement by written notice to Tacoma (hereinafter "Purchaser's Title Termination Notice"), in which event the Parties shall have no further rights or remedies against one another, except those that expressly survive the termination of this Agreement. If Pierce County and PenMet Parks fail to timely deliver their Purchasers' Title Termination Notice, disapproved exceptions (except monetary liens and encumbrances) that Tacoma has not elected to remove shall become Permitted Exceptions.

4.4 Supplemental Commitments. If any supplement to the Preliminary Commitment issued after the date of Purchaser's Title Cure Notice contains an encumbrance other than those contained in the Preliminary Commitment or any previous supplement thereto, or materially modifies an encumbrance contained in the Preliminary Commitment or previous supplement thereto, Pierce County and PenMet Parks shall be entitled to disapprove any such matter by written notice to Tacoma delivered within five (5) business days after receipt of any such supplement. If Pierce County and PenMet Parks timely disapprove, the provisions of Sections 4.2 and 4.3 above shall apply, except that Tacoma shall have only two (2) business days to deliver its notice, whereupon Pierce County and PenMet Parks shall have only two (2) business days following receipt of Tacoma's notice to make their election.

4.5 Cost of Removal. All encumbrances removed by Tacoma in accordance with this Section 4 shall be removed shall be removed at Tacoma's sole cost and expense.

5. Conveyance of Title.

5.1 Title to Real Property. At Closing, Tacoma shall convey fee simple title to the Real Property to Pierce County and PenMet Parks, as tenants in common, by bargain and sale deed (hereinafter "Bargain and Sale Deed") to be prepared by Closing Agent in the form set forth in attached **Exhibit B**, subject only to the Permitted Exceptions.

5.2 Title to Personal Property. At Closing, Tacoma shall convey title to the Personal Property to Pierce County and PenMet Parks, as tenants in common, by bill of sale and assignment (hereinafter "Bill of Sale") to be prepared by Closing Agent in the form set forth in attached **Exhibit C**, free and clear of all encumbrances and defects in title.

6. Title Insurance Policy. At Closing, or as soon thereafter as permitted by Closing Agent, Tacoma shall deliver to Pierce County and PenMet Parks an owner's ALTA extended coverage policy of title insurance in the standard form currently in use by Closing Agent (hereinafter "Title Policy") in the amount of the Purchase Price insuring, as of the Closing Date, fee simple title to the Real Property free and clear of liens, encumbrances and defects except the Permitted Exceptions. Tacoma shall be responsible for paying the premium for the standard owner's policy and Pierce County and PenMet Parks shall be responsible for paying the premium for the extended coverage.

7. Federal Aviation Administration Grant Assurances. The Parties acknowledge and agree: (a) Tacoma has from time to time in the past received grant funding from the United States Department of Transportation, Federal Aviation Administration (hereinafter "FAA"), to construct facilities upon and make improvements to portions of the Real Property; (b) as a condition to receiving such grant funding from the FAA, Tacoma has agreed to use, operate, maintain and alienate the Real Property in accordance with certain written terms, covenants and conditions (hereinafter "FAA Grant Assurances"); (c) the FAA Grant Assurances constitute encumbrances against the Real Property; and (d) the FAA Grant Assurances shall continue to encumber the Real Property from and after Closing until such time as the FAA may grant a release therefrom. With respect to the FAA Grant Assurances, the Parties agree as follows:

163 **7.1 Approval by FAA.** The Parties' obligation to complete the transaction
164 contemplated by this Agreement is subject to and conditioned upon: (a) receipt of the FAA's written
165 consent to this transaction prior to Closing; and (b) the Parties' written approval, in their sole and absolute
166 judgment and discretion, of any conditions to this transaction imposed by the FAA; and
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168 **7.2 Assumption of FAA Grant Assurances.** If, in accordance with Section 7.1
169 above, the FAA consents to this transaction and the Parties approve of any conditions imposed by the
170 FAA then, at Closing, Pierce County and PenMet Parks shall: (a) become co-public agency sponsors of
171 the Real Property for purposes of the FAA Grant Assurances and all applicable federal statutes, rules and
172 regulations; (b) jointly and severally assume and agree to comply with all FAA Grant Assurances relating
173 to the Real Property and to hold Tacoma harmless therefrom; and (c) execute and deliver such
174 documents as the FAA shall require to effect assumption of the FAA Grant Assurances at Closing in
175 accordance with this Section 7.2.
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177 **8. Representations and Warranties.**
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179 **8.1 Tacoma.** In addition to any other representations and/or warranties made by
180 Tacoma elsewhere in this Agreement, Tacoma represents and warrants to Pierce County and PenMet
181 Parks that, as of the Effective Date, to the best of Tacoma's knowledge the following statements are true
182 and correct:
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184 **8.1.1 Authority.** Subject to Section 10.1.1 below, Tacoma has full power and
185 authority to execute and perform this Agreement, and the individuals who on Tacoma's behalf execute
186 and deliver this Agreement and all documents to be delivered to Pierce County and PenMet Parks
187 hereunder are and shall be duly authorized to do so;
188

189 **8.1.2 Litigation.** There are no actions, suits or proceedings pending or
190 threatened against Tacoma before any court or administrative agency which might result in Tacoma being
191 unable to consummate the transaction contemplated by this Agreement, or which relates to the Real
192 and/or Personal Property or Tacoma's ability to transfer the same;
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194 **8.1.3 Title.** Tacoma is sole owner of the Real and Personal Property and has
195 good and marketable title thereto;
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197 **8.1.4 Hazardous Materials.** Except as may be specifically reflected in the
198 reports and/or studies furnished to Pierce County and PenMet Parks by Tacoma as part of the Due
199 Diligence Materials, there are no Hazardous Materials present in, on, under or about the Real Property;
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201 **8.1.5 Licenses and Permits.** All licenses, approvals, permits and certificates
202 from governmental and quasi-governmental agencies or private parties necessary for the use and
203 operation of the Real and Personal Property by Tacoma as it is currently being used and operated are
204 currently possessed by Tacoma;
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206 **8.1.6 No Violation of Law.** Tacoma has received no notice of any violations
207 of any applicable federal, state or local laws, rules or ordinances affecting the Real and/or Personal
208 Property or the use, occupancy or ownership thereof, including, without limitation, violations of the zoning,
209 building, health, toxic and hazardous waste, environmental and other laws, codes, ordinances,
210 regulations, orders and requirements of any city, county, state, federal or any other governmental
211 authority having jurisdiction thereof;
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213 **8.1.7 No Violation of Contract.** Tacoma has received no notice of any
214 violations of any written or verbal contract, agreement, lease or other legal undertaking to which Tacoma
215 is a party and which does or may affect the Real and/or Personal Property; and

216 **8.1.8 Change in Circumstances.** If, prior to Closing, Tacoma becomes
217 aware of any fact or circumstance that would change a representation or warranty made in this
218 Agreement, then Tacoma shall promptly give written notice thereof to Pierce County and PenMet Parks.
219 If Tacoma gives written notice of any such change, or if Pierce County or PenMet Parks otherwise have
220 actual notice of any such change, Pierce County and PenMet Parks shall have the option to terminate this
221 Agreement within ten (10) business days after receipt of written notice of the changed fact or
222 circumstance (or the end of the Due Diligence Period, if later) and upon such termination the Parties'
223 obligations under Agreement shall terminate, except those that expressly survive termination hereof.
224

225 **8.2 Pierce County and PenMet Parks.** In addition to any other representations
226 and/or warranties made by Pierce County and PenMet Parks elsewhere in this Agreement, Pierce County
227 and PenMet Parks represent and warrant to Tacoma that, as of the Effective Date, to the best of their
228 knowledge the following statements are true and correct:
229

230 **8.2.1 Authority.** Subject to Sections 10.2.1 and 10.3.1 below, Pierce County
231 and PenMet Parks have full power and authority to execute and deliver this Agreement and the
232 individuals who on Pierce County's and PenMet Parks' behalf execute and deliver this Agreement and all
233 documents to be delivered to Tacoma hereunder are and shall be duly authorized to do so;
234

235 **8.2.2 Litigation.** There are no actions, suits or proceedings pending or
236 threatened against Pierce County or PenMet Parks before any court or administrative agency which might
237 result in their being unable to consummate the transaction contemplated by this Agreement;
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239 **8.2.3 Change in Circumstances.** If, prior to Closing, Pierce County and
240 PenMet Parks become aware of any fact or circumstance that would change a representation or warranty
241 made in this Agreement, then Pierce County and PenMet Parks shall promptly give written notice thereof
242 to Tacoma. If Pierce County and PenMet Parks gives written notice of any such change, or if Tacoma
243 otherwise has actual notice of any such change, Tacoma shall have the option to terminate this
244 Agreement within ten (10) business days after receipt of such written notice of the changed fact or
245 circumstance and upon such termination the Parties' obligations under this Agreement shall terminate,
246 except those that expressly survive termination hereof.
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248 **9. Due Diligence.**

249 **9.1 Due Diligence Period.** Pierce County and PenMet Parks shall have one-
250 hundred twenty (120) calendar days after the Effective Date (hereinafter "Due Diligence Period") within
251 which to determine, in their sole and absolute judgment and discretion, that they are satisfied with their
252 investigation of all aspects of the Real and Personal Property (hereinafter "Due Diligence Contingency")
253 including, but not limited to, the environmental, geotechnical, and physical condition thereof, the suitability
254 thereof for any and all intended uses, the funding of their acquisition and/or development thereof, the
255 terms and conditions of any leases or contracts applicable thereto, and any zoning, regulatory and/or
256 other land use matters pertaining thereto. Satisfaction with or waiver of the Due Diligence Contingency
257 shall be accomplished by delivering written notice thereof to Tacoma on or before expiration of the Due
258 Diligence Period. If Pierce County and PenMet Parks fail to deliver written notice of satisfaction or waiver
259 of the Due Diligence Contingency to Tacoma on or before expiration of the Due Diligence Period, this
260 Agreement shall automatically terminate and the Parties shall have no further rights or remedies against
261 one another, except those that expressly survive the termination of this Agreement.
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263 **9.2 Due Diligence Materials.** Tacoma shall provide to Pierce County and PenMet
264 Parks within fifteen (15) business days after the Effective Date all materials specified below that exist and
265 that are in Tacoma's possession and/or control or that Tacoma knows exist and to which it has
266 reasonable access (hereinafter "Due Diligence Materials"). If Tacoma thereafter discovers any additional
267 items that should have been included among the Due Diligence Materials, it shall promptly deliver them to
268 Pierce County and PenMet Parks. The Due Diligence materials shall include complete, legible copies of
269 the following: (a) any existing and proposed easements, covenants, restrictions, agreements, permits or
270 other documents that, to Tacoma's knowledge, affect title to the Real Property and that are not disclosed
271 in the Preliminary Commitment; (b) all reports, appraisals, surveys, plats or plans relating to the Real
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273 Property; (c) the Schedule of Personal Property; (d) all tenant leases, service contracts, and all other
274 written contracts, agreements and/or legal undertakings of any kind, type or nature whatsoever relating to
275 the Real and/or Personal Property, together with all plans, specifications, change orders, claims and
276 correspondence relating thereto; (e) all documents arising out of or relating in any way to current FAA
277 grant funding obligations and/or the FAA Grant Assurances; (f) all labor contracts affecting the Real
278 and/or Personal Property; (g) all agreements for the rental of equipment used in connection with the
279 operation of the Real and/or Personal Property; (h) all warranties and guarantees affecting any portion of
280 the Real and/or Personal Property; (i) notice of any existing, pending or threatened litigation affecting or
281 relating to the Real and/or Personal Property and copies of any pleadings with respect to that litigation; (j)
282 all environmental assessment reports with respect to the Real Property that were performed during the
283 five (5) years preceding the Effective Date or that are currently being performed by or for Tacoma; (k) any
284 raw validated sampling data collected during the ten (10) years preceding the Effective Date that relate to
285 the environmental condition of the Real Property; (l) any governmental correspondence relating to
286 environmental condition on the Real Property, including notices sent pursuant to the Model Toxics Control
287 Act, (MTCA) at Chapter 70.105D RCW and/or the Comprehensive Environmental Response,
288 Compensation, and Liability Act (CERCLA), at 42 U.S.C. § 9601 et seq., if any, administrative orders and
289 environmental permits; (m) any governmental correspondence, orders, requests for information or action
290 and other legal documents that relate to the presence of Hazardous Materials in, on, under or about the
291 Real Property, and any other information arising out of or relating in any way to the environmental
292 condition or potential contamination of the Real Property; and (n) any preliminary title insurance reports
293 relating to the Real Property.

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295 **9.3 Right of Access.** Pierce County and PenMet Parks, and their respective
296 agents, employees, contractors and consultants shall, upon twenty-four (24) hours prior telephonic notice
297 to Tacoma, and subject to the provisions of any existing leases, be afforded such reasonable entry upon
298 and/or access to the Real and Personal Property during the Due Diligence Period as may be necessary
299 to conduct studies, tests, appraisals, investigations and inspections thereof. All such studies, tests,
300 appraisals, investigations and inspections shall be performed in a manner not unreasonably disruptive to
301 Tacoma's possession, use, occupancy or operation of the Real and/or Personal Property by Tacoma or
302 by any lessee of Tacoma.

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304 **9.4 Repair and Indemnity.** Pierce County and PenMet Parks shall repair any
305 damage to the Real and/or Personal Property caused by their studies, tests, appraisals, investigations
306 and inspections and shall defend, indemnify and hold Tacoma harmless from any claims, demands,
307 liabilities, losses and expenses including, without limitation, reasonable costs and attorney fees, asserted
308 against Tacoma or the Real and/or Personal Property in connection with the Due Diligence Review;
309 provided, however, that such repair and indemnification shall not cover any claims, demands, liabilities,
310 losses or expenses including, without limitation, reasonable costs and attorney fees, attributable to pre-
311 existing conditions affecting the Real and/or Personal Property or to Tacoma's conduct. Pierce County
312 and PenMet Parks shall keep confidential all matters they may discover during their Due Diligence
313 Review of the Real and Personal Property and, except as required by law, shall not disclose such matters
314 to any third party, other than those assisting them in their Due Diligence Review, without Tacoma's prior
315 written consent (and with written notice to Tacoma prior to any legally compelled disclosure). Except as
316 expressly provided elsewhere in this Agreement, Tacoma shall be under no obligation to correct any
317 deficiency in the Real and/or Personal Property identified by Purchasers during the Due Diligence
318 Review.

319 320 **10. Conditions to Closing.**

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322 **10.1 Tacoma's Conditions.** Tacoma's obligation to complete the transaction
323 contemplated by this Agreement is subject to and conditioned upon its written satisfaction with or waiver
324 of each of the following conditions precedent:

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326 **10.1.1 Council Approval.** Passage of a resolution by the Tacoma City Council
327 prior to expiration of the Due Diligence Period ratifying and approving this Agreement as executed by the
328 Parties (hereinafter "City Approval Resolution"). Tacoma shall, within thirty (30) calendar days after the
329 Effective Date, submit the City Approval Resolution to the Tacoma City Council for passage and shall,

330 within three (3) business days after passage of the City Approval Resolution, notify Pierce County and
331 PenMet Parks thereof in writing (hereinafter "Notice of Passage of City Approval Resolution"), such notice
332 being conclusive for purposes of this Agreement that Tacoma has satisfied this condition.
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334 **10.1.2 FAA Approval.** Tacoma's receipt of FAA approval of the transaction
335 contemplated by this Agreement in accordance with Section 7 above;
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337 **10.1.3 Compliance.** Compliance by Pierce County and PenMet Parks with all
338 material terms of this Agreement;
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340 **10.1.4 Closing Deliveries.** Delivery by Pierce County and PenMet Parks, on or
341 before Closing, of the documents and monies described in Section 18.2.2; and
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343 **10.1.5 Other Conditions.** Satisfaction or waiver, on or before Closing, of all
344 other conditions to Closing for the benefit of Tacoma as set forth in this Agreement.
345

346 **10.2 Pierce County's Conditions.** Pierce County's obligation to complete the
347 transaction contemplated by this Agreement is subject to and conditioned upon its written satisfaction with
348 or waiver of each of the following conditions precedent:
349

350 **10.2.1 Council Approval.** Passage of an ordinance by the Pierce County
351 Council prior to expiration of the Due Diligence Period ratifying and approving this Agreement as
352 executed by the Parties and appropriating sufficient funds to purchase the Real and Personal Property in
353 accordance with the terms, covenants and conditions set forth herein (hereinafter "County Approval
354 Ordinance"). Pierce County shall, within thirty (30) calendar days after the Effective Date, submit the
355 County Approval Ordinance to the County Council for passage. Pierce County shall, within three (3)
356 business days after passage of the County Approval Ordinance, notify Tacoma and PenMet Parks thereof
357 in writing (hereinafter "Notice of Passage of County Approval Ordinance"), such notice being conclusive
358 for purposes of this Agreement that Pierce County has satisfied this condition;
359

360 **10.2.2 FAA Approval.** Pierce County's receipt of the FAA's written approval of
361 the transaction contemplated by this Agreement in accordance with Section 7 above;
362

363 **10.2.3 Joint Operating Agreement.** Execution of a written agreement
364 between Pierce County and PenMet Parks prior to expiration of the Due Diligence Period outlining terms,
365 covenants and conditions acceptable to Pierce County in its sole and absolute judgment and discretion
366 under which Pierce County and PenMet Parks will jointly own and operate the Real and Personal
367 Property after Closing;
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369 **10.2.4 Compliance.** Compliance by Tacoma and PenMet Parks with all
370 material terms of this Agreement;
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372 **10.2.5 Due Diligence Review.** Written satisfaction with or waiver of the Due
373 Diligence Contingency in accordance with Section 9 above;
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375 **10.2.6 Closing Deliveries.** Tacoma and PenMet Parks' delivery to Closing
376 Agent, on or before Closing, of the documents described in Sections 18.2.1 and 18.2.2 below; and
377

378 **10.2.7 Other Conditions.** Written satisfaction with or waiver of all other
379 conditions to Closing for the benefit of Pierce County as set forth in this Agreement on or before Closing.
380

381 **10.3 PenMet Parks' Conditions.** PenMet Parks' obligation to complete the
382 transaction contemplated by this Agreement is subject to and conditioned upon its written satisfaction with
383 or waiver of each of the following conditions precedent:

384 **10.3.1 Board Approval.** Passage of a resolution by PenMet Parks' Board of
385 Park Commissioners prior to expiration of the Due Diligence Period ratifying and approving this
386 Agreement as executed by the Parties and appropriating sufficient funds to purchase the Real and
387 Personal Property in accordance with the terms, covenants and conditions set forth herein (hereinafter
388 "PenMet Parks Approval Resolution"). PenMet Parks shall, within thirty (30) calendar days after the
389 Effective Date, submit the PenMet Parks Approval Resolution to its Park Board for passage. PenMet
390 Parks shall, within three (3) business day after passage of the PenMet Parks Approval Resolution, notify
391 Tacoma and Pierce County thereof in writing (hereinafter "Notice of Passage of PenMet Parks Approval
392 Resolution"), such notice being conclusive for purposes of this Agreement that PenMet Parks has
393 satisfied this condition;

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395 **10.3.2 FAA Approval.** PenMet Parks' receipt of the FAA's written approval of
396 the transaction contemplated by this Agreement in accordance with Section 7 above;

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398 **10.3.3 Joint Operating Agreement.** Execution of a written operating
399 agreement between Pierce County and PenMet Parks prior to expiration of the Due Diligence Period
400 outlining terms, covenants and conditions acceptable to PenMet Parks in its sole and absolute judgment
401 and discretion under which Pierce County and PenMet Parks will jointly own and operate the Real and
402 Personal Property after Closing;

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404 **10.3.4 Compliance.** Compliance by Tacoma and Pierce County with all
405 material terms of this Agreement;

406
407 **10.3.5 Due Diligence Review.** Written satisfaction with or waiver of the Due
408 Diligence Contingency in accordance with Section 9 above;

409
410 **10.3.6 Closing Deliveries.** Tacoma and Pierce County's delivery to Closing
411 Agent, on or before Closing, of the documents described in Sections 18.2.1 and 18.2.2 below; and

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413 **10.3.7 Other Conditions.** Written satisfaction with or waiver of all other
414 conditions to Closing for the benefit of PenMet Parks as set forth in this Agreement on or before Closing.

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416 **10.4 Failure or Waiver of Conditions Precedent.** If any of the conditions precedent
417 set forth in this Section 10 are not satisfied or waived in writing by the Party intended to be benefited
418 thereby, this Agreement shall automatically terminate and all of the Parties' obligations hereunder shall
419 terminate, except those that expressly survive a termination hereof. Any Party may, at its election, at any
420 time or times on or before the date (and, if indicated, the time) specified for the satisfaction, waive in
421 writing the benefit of any of the conditions set forth in this Agreement. The foregoing notwithstanding, any
422 Party's consent to the Closing of the transaction contemplated by this Agreement shall waive any
423 remaining unfulfilled conditions for its benefit.

424 425 **11. Existing Contracts Pertinent to Tacoma Narrows Airport.**

426
427 **11.1 Runway Safety Improvement Contract.** Tacoma represents and warrants to
428 Pierce County and PenMet Parks: (a) on or about October 18, 2007, Tacoma entered into a written
429 contract with Scarsella Brothers, Inc., for construction of safety improvements at the approach end of
430 Tacoma Narrows Airport Runway 17 (hereinafter "Runway Safety Improvement Contract"); (b) the
431 Runway Safety Improvement Contract is in full force and effect; (c) Scarsella Brothers, Inc., is currently
432 performing its obligations thereunder; and (d) to the best of Tacoma's knowledge neither party to the
433 Runway Safety Improvement Contract is in material breach thereof. With respect to the Runway Safety
434 Improvement Contract, the Parties agree as follows:

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436 **11.1.1 Performance.** From and after the Effective Date until Closing, Tacoma
437 shall: (a) perform all of its obligations under the Runway Safety Improvement Contract according to its
438 terms; and (b) supervise and manage the Runway Safety Improvement Contract so as to ensure full
439 performance thereof by Scarsella Brothers, Inc.;

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441 **11.1.2 Observation.** From and after the Effective Date until Closing, Tacoma
442 shall permit Pierce County and PenMet Parks to observe all aspects of Tacoma's supervision and
443 management of the Runway Safety Improvement Contract so as to allow Pierce County to become more
444 familiar therewith;

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446 **11.1.3 Permits and Approvals.** Prior to Closing, Tacoma shall secure all
447 governmental approvals and/or permits necessary for completion of the Runway Safety Improvement
448 Contract;

449
450 **11.1.4 Easements; Rights of Way.** Prior to Closing, Tacoma shall secure all
451 easements and/or rights of way necessary for completion of the Runway Safety Improvement Contract;

452
453 **11.1.5 Utilities.** Prior to Closing, Tacoma shall finalize all utility-related matters
454 including, without limitation, relocation of existing utilities currently within Pierce County's rights of way,
455 necessary for completion of the Runway Safety Improvement Contract;

456
457 **11.1.6 Storm Water Retention.** Prior to Closing, Tacoma shall negotiate, upon
458 terms and conditions acceptable to Pierce County and PenMet Parks in their sole and absolute judgment
459 and discretion, a change order with Scarsella Brothers, Inc., relating to construction of storm water
460 retention facilities. Any increase in the cost of the Runway Safety Improvement Contract arising from said
461 change order shall be the sole responsibility of Tacoma;

462
463 **11.1.7 Assignment.** At Closing, Tacoma shall assign the Runway Safety
464 Improvement Contract to Pierce County and PenMet Parks;

465
466 **11.1.8 Continuing Support Services.** After Closing, and throughout the
467 remaining life of the Runway Safety Improvement Contract, Tacoma shall provide to Pierce County and
468 PenMet Parks such design consultation and administrative support services for the Runway Safety
469 Improvement Contract as may be reasonably necessary to assure successful completion thereof; and

470
471 **11.1.9 Indemnity and Hold Harmless.**

472
473 **11.1.9.1 Prior to Closing.** Tacoma shall defend, indemnify and hold
474 Pierce County and PenMet Parks harmless from all claims, demands, liabilities, losses and expenses
475 including, without limitation, reasonable costs and attorney fees, of any kind, type or nature whatsoever
476 arising out of or relating in any way to Tacoma's performance, supervision or management of the
477 Runway Safety Improvement Contract prior to Closing.

478
479 **11.1.9.2 After Closing.** Pierce County and PenMet Parks shall defend,
480 indemnify and hold Tacoma harmless from all claims, demands, liabilities, losses and expenses including,
481 without limitation, reasonable costs and attorney fees, of any kind, type or nature whatsoever arising out
482 of or relating in any way to Pierce County's and PenMet Parks' performance, supervision or management
483 of the Runway Safety Improvement Contract after Closing.

484
485 **11.2 Construction Management Contract.** Tacoma represents and warrants to
486 Pierce County and PenMet Parks: (a) on or about July 6, 2005, Tacoma entered into a written contract
487 with Berger/ABAM Engineers, Inc., for engineering design and construction management services
488 relating to the Runway Safety Improvement Contract (hereinafter "Construction Management Contract");
489 (b) the Construction Management Contract is in full force and effect; (c) Berger/ABAM is currently
490 performing its obligations thereunder; and (d) to the best of Tacoma's knowledge neither party to the
491 Construction Management Contract is in material breach thereof. With respect to the Construction
492 Management Contract, the Parties agree as follows:

493
494 **11.2.1 Performance.** Prior to Closing, Tacoma shall: (a) perform all of its
495 obligations under the Construction Management Contract according to its terms; and (b) supervise and
496 manage the Construction Management Contract so as to ensure full performance thereof by
497 Berger/ABAM Engineers, Inc.;

498 **11.2.2 Observation.** From and after the Effective Date until Closing, Tacoma
499 shall permit Pierce County and PenMet Parks to observe the supervision and management of the
500 Construction Management Contract so as to allow Pierce County and PenMet Parks to become more
501 familiar therewith;

502
503 **11.2.3 Assignment.** At Closing, Tacoma shall assign the Construction
504 Management Contract to Pierce County and PenMet Parks; and

505
506 **11.2.4 Indemnity and Hold Harmless.**

507
508 **11.2.4.1 Prior to Closing.** Tacoma shall defend, indemnify and hold
509 Pierce County and PenMet Parks harmless from all claims, demands, liabilities, losses and expenses
510 including, without limitation, reasonable costs and attorney fees, of any kind, type or nature whatsoever
511 arising out of or relating in any way to Tacoma's performance, supervision, management or termination of
512 the Construction Management Contract prior to Closing.

513
514 **11.2.4.2 After Closing.** Pierce County and PenMet Parks shall defend,
515 indemnify and hold Tacoma harmless from all claims, demands, liabilities, losses and expenses including,
516 without limitation, reasonable costs and attorney fees, of any kind, type or nature whatsoever arising out
517 of or relating in any way to Pierce County's and PenMet Parks' performance, supervision, management or
518 termination of the Construction Management Contract after Closing.

519
520 **11.3 Water System Contract.** Tacoma represents and warrants to Pierce County
521 and PenMet Parks: (a) on or about January 31, 2007, Tacoma entered into a written contract with
522 Peninsula Light Company for management of the water system located upon the Tacoma Narrows Airport
523 and owned by Tacoma (hereinafter "Water System Contract"); (b) the Water System Contract is in full
524 force and effect; (c) Peninsula Light Company is currently performing its obligations thereunder; (d) to the
525 best of Tacoma's knowledge neither party to the Water System Contract is in material breach thereof; and
526 (e) Tacoma has given written notice to Peninsula Light Company terminating the Water System Contract
527 pursuant to its terms effective October 31, 2008. With respect to the Water System Contract, the Parties
528 agree as follows:

529
530 **11.3.1 Performance.** From and after the Effective Date until the termination
531 thereof pursuant to written notice described in Section 11.3 above, Tacoma shall: (a) perform all of its
532 obligations under the Water System Contract according to the terms; and (b) supervise and manage the
533 Water System Contract so as to ensure full performance thereof by Peninsula Light Company;

534
535 **11.3.2 Observation.** From and after the Effective Date until termination thereof
536 pursuant to written notice described in Section 11.3 above, Tacoma shall permit Pierce County and
537 PenMet Parks to observe Tacoma's supervision and management of the Water System Contract so as to
538 allow Pierce County and PenMet Parks to become more familiar therewith; and

539
540 **11.3.4 Indemnity and Hold Harmless.** Tacoma shall defend, indemnify and
541 hold Pierce County and PenMet Parks harmless from all claims, demands, liabilities, losses and
542 expenses including, without limitation, reasonable costs and attorney fees, of any kind, type or nature
543 whatsoever arising out of or relating in any way to Tacoma's performance, supervision, management or
544 termination of the Water System Contract.

545
546 **11.4. Airport Management Contract.** Tacoma represents and warrants to Pierce
547 County and PenMet Parks: (a) on or about June 24, 2003 Tacoma entered into a written contract with
548 Neil Walter Company for management and operation of the Tacoma Narrows Airport ("Airport
549 Management Contract"); (b) the Airport Management Contract is in full force and effect; (c) Neil Walter
550 Company is currently performing its obligations thereunder; and (d) to the best of Tacoma's knowledge
551 neither party to the Airport Management Contract is in material breach thereof. With respect to the Airport
552 Management Contract, Tacoma, the Parties agree as follows:

553

554 **11.4.1 Performance.** From and after the Effective Date until Closing, Tacoma
555 shall: (a) perform all of its obligations under the Airport Management Contract according to the terms,
556 covenants and conditions set forth therein; and (b) supervise and manage the Airport Management
557 Contract so as to ensure full performance thereof by Neil Walter Company;

558
559 **11.4.2 Observation.** From and after the Effective Date until Closing, Tacoma
560 shall permit Pierce County to observe Tacoma's supervision and management of the Airport Management
561 Contract so as to allow Pierce County and PenMet Parks to become more familiar therewith;

562
563 **11.4.3 Assignment.** At Closing, Tacoma shall assign the Airport Management
564 Contract to Pierce County and PenMet Parks; and

565
566 **11.4.4 Indemnity and Hold Harmless.**

567
568 **11.4.4.1 Prior to Closing.** Tacoma shall defend, indemnify and hold
569 Pierce County and PenMet Parks harmless from all claims, demands, liabilities, losses and expenses
570 including, without limitation, reasonable costs and
571 attorney fees, of any kind, type or nature whatsoever arising out of or relating in any way to Tacoma's
572 performance, supervision, management or termination of the Airport Management Contract prior to
573 Closing.

574
575 **11.4.4.2 After Closing.** Pierce County and PenMet Parks shall defend,
576 indemnify and hold Tacoma harmless from all claims, demands, liabilities, losses and expenses including,
577 without limitation, reasonable costs and attorney fees, of any kind, type or nature whatsoever arising out
578 of or relating in any way to Pierce County's and PenMet Parks' performance, supervision or management
579 of the Airport Management Contract after Closing.

580
581 **11.5 Other Contracts.** All other contracts pertinent to the Airport Real and Personal
582 Property not specifically mentioned in Sections 11.1 through 11.4 above shall be assigned by Tacoma to
583 Pierce County and PenMet Parks at Closing.

584
585 **12. Existing Lease Pertinent to Madrona Links Golf Course.** Tacoma represents and
586 warrants to Pierce County and PenMet Parks: (a) on or about April 1, 1977, Tacoma entered into a
587 written lease of the Madrona Links Golf Course (hereinafter "Golf Course Lease") with Denmark, Inc.; (b)
588 the Golf Course Lease was lawfully assigned by Denmark, Inc., to Tyson Limited Partnership and by
589 Tyson Limited Partnership to JDL, Inc.; (c) JDL, Inc. is currently performing its obligations thereunder; and
590 (d) to the best of Tacoma's knowledge neither party to the Golf Course Lease is in material breach
591 thereof. With respect to the Golf Course Lease, the Parties agree as follows:

592
593 **12.1 Performance.** From and after the Effective Date until Closing, Tacoma shall: (a)
594 perform all of its obligations under the Golf Course Lease according to its terms; and (b) notify Pierce
595 County and PenMet Parks of any material breach of the Golf Course Lease by JDL, Inc.;

596
597 **12.2 Observation.** From and after the Effective Date until Closing, Tacoma shall
598 permit Pierce County and PenMet Parks to observe all aspects of Tacoma's supervision and
599 management of the Golf Course Lease so as to allow Pierce County and PenMet Parks to become more
600 familiar therewith;

601
602 **12.3 Assignment.** At Closing, Tacoma shall assign the Golf Course Lease to Pierce
603 County and PenMet Parks;

604
605 **12.4 Indemnity and Hold Harmless.**

606
607 **12.4.1 Prior to Closing.** Tacoma shall defend, indemnify and hold Pierce
608 County and PenMet Parks harmless from all claims, demands, liabilities, losses and expenses including,
609 without limitation, reasonable costs and attorney fees, of any kind, type or nature whatsoever arising out

610 of or relating in any way to Tacoma's performance, supervision or management of the Golf Course Lease
611 prior to Closing.

612
613 **12.4.2 After Closing.** Pierce County and PenMet Parks shall defend, indemnify
614 and hold Tacoma harmless from all claims, demands, liabilities, losses and expenses including, without
615 limitation, reasonable costs and attorney fees, of any kind, type or nature whatsoever arising out of or
616 relating in any way to Pierce County's and PenMet Parks performance, supervision or management of the
617 Golf Course Lease after Closing.

618
619 **13. Conduct of Business.** From and after the Effective Date until Closing Tacoma shall: (a)
620 supervise, manage, operate, maintain and repair the Real and Personal Property in a businesslike
621 manner in accordance with its prior practices and with this Agreement; (b) not materially violate or breach
622 any zoning ordinance or fire code, nor commit any waste or nuisance in, on, under or about the Real
623 Property; (c) not enter into any leases, contracts, agreements or undertakings of any kind, type or nature
624 whatsoever relating in any way to the Real and/or Personal Property with terms extending beyond
625 Closing without the prior written consent of Pierce County and PenMet Parks, which consent may be
626 granted, withheld, conditioned or delayed in their sole and absolute judgment and discretion.

627
628 **14. Hazardous Materials.**

629
630 **14.1 Hazardous Materials Defined.** As used in this Agreement, the term "Hazardous
631 Materials" shall mean any hazardous or toxic substances, materials, wastes, pollutants or contaminants
632 that are now or hereafter defined, listed, or regulated by any federal, state, or local Environmental Law.
633 As used in this Agreement the term "Environmental Law" includes any federal, state or local law,
634 regulation or ordinance that requires the removal of Hazardous Materials, regulates the existence or
635 management of Hazardous Materials to address and/or protect against an actual or threat of harm to
636 human health or to the environment. Federal and state Environmental Laws include CERCLA (42 U.S.C,
637 § 9601 et seq.), MTCA (Chapter 70.105D RCW), the Resource Conservation and Recovery Act (42
638 U.S.C. § 6901 et seq.), the Hazardous Waste Management Act (Chapter 70.105 RCW), the Federal
639 Water Pollution Control Act (33 U.S.C § 1251 et seq.), and the Water Pollution Control Act (Chapter 90.48
640 RCW).

641
642 **14.2 Environmental Due Diligence.** During the Due Diligence Period, Pierce County
643 and PenMet Parks may, in accordance with Section 9 above, conduct such environmental inspections
644 and tests of the Real Property as they deem appropriate to determine the presence of any Hazardous
645 Materials. If, based upon the results of those inspections and tests, Pierce County and PenMet Parks
646 determine the condition of the Real Property is unsatisfactory, or if they believe ownership of the Real
647 Property would result in undue risk of government intervention or third-party liability, they may, in their
648 sole and absolute judgment and discretion, terminate this Agreement, in which event the Parties shall
649 have no further rights or remedies against one another under this Agreement except those that expressly
650 survive termination hereof.

651
652 **14.3 Environmental Release and Indemnity.** If, however, based upon the results of
653 any environmental inspections or tests of the Real Property during the Due Diligence Period, Pierce
654 County and PenMet Parks determine the condition thereof is acceptable, then they, for themselves and
655 their successors and assigns, shall, as of Closing, release, defend, indemnify and hold Tacoma harmless
656 from any and all known environmental claims and liabilities, of whatever nature arising out of the
657 Tacoma's ownership and operation of the Real Property that Pierce County and PenMet Parks may have
658 against Tacoma including, without limitation, sums paid responding to, defending against and in
659 settlement of environmental claims and liabilities, including claims for response or remedial action costs,
660 attorney fees, consultant fees and expert fees, by reason or on account of, or in connection with, or
661 arising out of or in any way relating to: (a) the presence or suspected presence of Hazardous Materials
662 in, on or about the Real Property; or (b) the migration of Hazardous Materials from or onto the Real
663 Property; or (c) the violation of any Environmental Law; provided, however, that said release and
664 indemnity shall not apply to claims arising out of a breach of Tacoma's warranty contained in Section
665 8.1.4 above and/or a release of Hazardous Materials in, on, under or about the Real Property by Tacoma

666 that could not have reasonably become known to Pierce County and PenMet Parks through the Due
667 Diligence Review process set forth in Section 9 above.

668
669 **15. Possession.** Subject to existing tenancies, Pierce County and PenMet Parks shall be
670 entitled to possession of the Real and Personal Property at Closing.

671
672 **16. Condition of Property.** The Parties acknowledge and agree that, except as otherwise
673 expressly provided elsewhere in this Agreement, no Party has made any representation, warranty or
674 agreement as to any matter concerning the Real and Personal Property, or the suitability thereof for
675 Pierce County's and/or PenMet Parks' intended uses. Pierce County and PenMet Parks represent and
676 warrant to Tacoma that they have made or will make their own independent inspections and
677 investigations of the Real and Personal Property and are acquiring the same in its present "AS-IS,"
678 "WHERE-IS" condition, with all faults and without any warranty whatsoever, express or implied.

679
680 **17. Foreign Investment in Real Property Tax Act.** If requested by Closing Agent, the
681 Parties agree to comply in all respects with the Foreign Investment in Real Property Tax Act (hereinafter
682 "FIRPTA"), as set forth in Section 1445 of the Internal Revenue Code and the regulations issued
683 thereunder.

684
685 **18. Closing.**

686
687 **18.1 Closing Defined.** "Closing" shall mean the date upon which the Bargain and
688 Sale Deed is recorded by Closing Agent and the proceeds of sale are available for disbursement to
689 Tacoma. Closing shall take place at the offices of Closing Agent, or at such other place as the Parties
690 may mutually agree in writing, within thirty (30) calendar days after expiration of the Due Diligence Period.
691 The Parties agree to execute and deliver to Closing Agent such closing escrow instructions as may be
692 necessary to implement and coordinate the Closing as set forth in this Agreement.

693
694 **18.2 Closing Deliveries.**

695
696 **18.2.1 By Tacoma.** On or before Closing, Tacoma shall deliver to Closing
697 Agent the following documents duly executed and acknowledged by Tacoma and/or any other Party as
698 may be required hereunder: (a) the Bargain and Sale Deed, conveying fee simple title in the Real
699 Property to Pierce County and PenMet Parks, as tenants in common, subject only to the Permitted
700 Exceptions; (b) a Real Estate Excise Tax Affidavit relating to the Real Property; (c) the Bill of Sale,
701 conveying title to the Personal Property to Pierce County and PenMet Parks, as tenants in common, free
702 and clear of all encumbrances and defects in title; (d) the originals of all written leases, contracts and
703 other legal undertakings relating to the Real and Personal Property; (e) a complete rent roll for the Real
704 Property certified by Tacoma as true and accurate along with a certification as to common areas
705 maintenance, insurance, tax, security deposits and other tenant charges collected by Tacoma; (f) a
706 FIRPTA nonforeign affidavit, if required by Closing Agent; and (g) a letter, executed by Tacoma, in such
707 form and substance reasonably acceptable to Pierce County and PenMet Parks, advising all tenants of
708 the Real Property that the same has been sold and containing appropriate instructions relating to the
709 payment of future rent, the giving of future notices and all other matters reasonably required by Pierce
710 County or PenMet Parks or as required by law. Said notices shall specify the amount of each tenant's
711 security deposit, if any, and that the security deposit has been delivered to Pierce County and PenMet
712 Parks; (i) all keys to the Real and Personal Property; and (j) such other documents as may be required by
713 Closing Agent consistent with the provisions of this Agreement or which may be necessary on or following
714 Closing to consummate the transaction contemplated by this Agreement.

715
716 **18.2.2 By Pierce County and PenMet Parks.** On or before Closing, Pierce
717 County and PenMet Parks shall deliver to Closing Agent the portion of the Purchase Price due at Closing
718 and the following documents duly executed and acknowledged by Pierce County and PenMet Parks
719 and/or any other Party as may be required hereunder: (a) a Real Estate Excise Tax Affidavit relating to
720 the Real Property; and (b) such other documents as may be required by Closing Agent consistent with
721 the provisions of this Agreement or which may be necessary on or following Closing to consummate the
722 transaction contemplated by this Agreement.

723
724 **18.3 Closing Costs.**
725

726 **18.3.1 Tacoma's Closing Costs.** Tacoma shall pay any real estate excise or
727 conveyance taxes applicable to this transaction, the premium for an owner's standard coverage policy of
728 title insurance, one-half the escrow fee, its own attorney fees, and all other costs and expenses allocated
729 to Tacoma pursuant to the terms of this Agreement.
730

731 **18.3.2 Pierce County and PenMet Parks' Closing Costs.** Pierce County and
732 PenMet Parks shall pay the additional premium, if any, attributable to the extended coverage owner's
733 policy of title insurance or to title endorsements requested by Pierce County and PenMet Parks, any sales
734 or use taxes arising from the transfer of the Personal Property, the cost of recording the Bargain and Sale
735 Deed, one-half the escrow fee, its own attorney fees, and all other costs and expenses allocated to Pierce
736 County and PenMet Parks pursuant to the terms of this Agreement.
737

738 **18.3.3 Prorations.** Real property taxes and assessments (if any), utility
739 charges and all tenant rents shall be prorated as of Closing, with such prorations to be a final settlement
740 between the Parties. At Closing, Tacoma shall deliver to Pierce County and PenMet Parks an amount
741 equal to all tenant security deposits relating to the Real Property. To the extent items are prorated or
742 adjusted at Closing on the basis of estimates, or are not prorated or adjusted at Closing pending actual
743 receipt of funds or compilation of information upon which such prorations or adjustments are to be based,
744 each Party shall, upon a proper accounting, pay such amounts as may be necessary such that Tacoma
745 will receive the benefit of all income and will pay all expenses of the Real and Personal Property prior to
746 Closing and Pierce County and PenMet Parks will receive all income and will pay all expenses of the
747 same after Closing. If Pierce County and PenMet Parks receive any bill or invoice which relates to
748 periods prior to Closing, they will refer such bill to Tacoma and Tacoma agrees to pay, promptly upon
749 receipt, such a portion of the bill or invoice as relates to the period prior to Closing for which it is
750 responsible. If Tacoma does not pay such bill in a timely manner, Pierce County and PenMet Parks may,
751 at their option, pay such bill or invoice and Tacoma shall become liable for the full amount thereof.
752

753 **19. Casualty/Adverse Change in Condition.** Risk of loss of or damage to the Real and
754 Personal Property shall be borne by Tacoma until Closing, and risk of loss of or damage to such property
755 shall be borne by Pierce County and PenMet Parks thereafter. In the event of a material loss of or
756 damage to the Real and/or Personal Property prior to Closing, or in the event of a material adverse
757 change in the condition of said property prior to Closing, Tacoma shall promptly notify Pierce County and
758 PenMet Parks thereof in writing. Upon receipt of any such notice, Pierce County and PenMet Parks may,
759 in their sole and absolute judgment and discretion, by notice in writing to Tacoma within thirty (30)
760 calendar days after Tacoma's notice or, if Tacoma does not notify said purchasing Party, within thirty (30)
761 calendar days after said Party otherwise has actual notice of the material loss or damage or material
762 adverse change, elect to either terminate this Agreement or to purchase the affected property in the
763 condition existing at Closing. If Pierce County and PenMet Parks do not give such notice to Tacoma,
764 they shall be deemed to have elected to proceed with the purchase. If a loss or casualty or other material
765 adverse change occurs prior to Closing and Pierce County and PenMet Parks elect to purchase the
766 affected property, Tacoma shall assign at Closing Tacoma's interest in any proceeds of any casualty and
767 other insurance covering the said property and carried by or for the benefit of Tacoma (together with a
768 cash payment or credit equal to the deductible amount payable under such insurance).
769

770 **20. Condemnation.** If, prior to Closing, all or, any portion of the
771 Real Property is taken by condemnation or other governmental acquisition proceedings, then Pierce
772 County and PenMet Parks may, in their sole and absolute judgment and discretion, elect either: (a) to
773 terminate this Agreement by written notice to Tacoma within thirty (30) calendar days after receipt of
774 written notice from Tacoma of such action, whereupon the Parties shall have no further rights or
775 obligations under this Agreement, except those which expressly survive termination hereof; or (b) to
776 agree to close and deduct from the Purchase Price an amount equal to any sum paid to Tacoma for such
777 governmental acquisition, in which event Tacoma shall assign, transfer and set over to Pierce County and
778 PenMet Parks all of Tacoma's right, title and interest in and to any awards which may in the future be
779 made on account of such governmental acquisition.

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21. Notices. All notices required to be given shall be in writing, addressed to the person entitled thereto, and shall be sent by: (a) United States mail, return receipt requested; (b) recognized overnight courier service that maintains contemporaneous permanent delivery records; or (c) facsimile. Notices shall be deemed delivered on the earlier of: (a) three (3) business days after deposited in the United States mail; (b) the delivery date as shown in the regular business records of the overnight courier service; or (c) the date of automatic confirmed receipt by the recipient's fax, as the case may be. Notices shall be sent to:

- Tacoma: City of Tacoma Public Works Department
Real Property Services Division
747 Market Street, Room 744
Tacoma, WA 98402
Telephone: 253-591-5260
Facsimile: 253-594-7941

- Copy to: City of Tacoma City Attorney's Office/Civil Division
747 Market Street, Room 1120
Tacoma, WA 98402
Telephone: 253-591-5855
Facsimile: 253-591-5755

- Pierce County: Pierce County Public Works & Utilities Division
Tacoma Mall Plaza Building
2702 South 42nd Street, Suite 201
Tacoma, WA 98409-7322
Telephone: 253-798-7250
Facsimile: 253-798-2740

- Copy to: Pierce County Prosecuting Attorney/Civil Division
955 Tacoma Avenue South, Suite 301
Tacoma, WA 98402-2160
Telephone: 253-798-6732
Facsimile: 253-798-6713

- PenMet Parks: Peninsula Metropolitan Park District
3614 Grandview Street
Gig Harbor, WA 98335
Telephone: 253-858-3400
Facsimile: 253-858-3401

- Copy to: Mark R. Roberts
Davis Roberts & Johns, PLLC
7525 Pioneer Way, Suite 202
Gig Harbor, WA 98335
Telephone: 253-858-8606
Facsimile: 253-858-8646

- Closing Agent: Ticor Title Insurance Company
1120 Pacific Avenue
Tacoma, WA 98402
Telephone: 253-383-1476
Facsimile: 253-596-0647

Any Party, by written notice to the others in the manner herein provided, may designate an address different from that set forth above. Any notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party.

837 **22. Agency Disclosure/Brokerage Commissions.** No Party has had any contact or
838 dealing regarding the Real Property and/or Personal Property, or any communication in connection with
839 the subject matter of this transaction, through any licensed real estate broker or other person who can
840 lawfully claim a right to a commission or finder's fee as a procuring cause of the purchase and sale
841 contemplated by this Agreement. If any broker or finder perfects a claim for a commission or finder's fee
842 based upon any other contract, dealing or communication, the Party through whom the broker or finder
843 makes his or her claim shall be responsible for that commission or fee and shall indemnify, defend and
844 hold harmless the other Parties from and against any liability, cost or damage (including costs and
845 attorney fees), arising out of or in any way relating to that claim.
846

847 **23. Events of Default; Remedies.**
848

849 **23.1 By Tacoma.** In the event of a material default under this Agreement by Tacoma
850 (including a breach of any representation, warranty or covenant), Pierce County and PenMet Parks shall
851 each be entitled: (a) to seek specific performance of Tacoma's obligations under this Agreement; or (b) to
852 seek damages arising out of Tacoma' default under this Agreement; or (c) to terminate this Agreement by
853 written notice to Tacoma and Closing Agent. If Pierce County and PenMet Parks elect to terminate this
854 Agreement in accordance with this Section 23.1, the escrow shall be terminated, all documents shall be
855 immediately returned to the Party who deposited them, the Parties shall have no further rights or
856 obligations under this Agreement except those that expressly survive termination hereof, and Tacoma
857 shall pay the cost of terminating the escrow and any cancellation fee for the Preliminary Commitment.
858

859 **23.2 By Pierce County or PenMet Parks.** In the event of a material default under
860 this Agreement by Pierce County and PenMet Parks (including a breach of any representation, warranty
861 or covenant), Tacoma shall be entitled: (a) to seek specific performance of Pierce County's and PenMet
862 Parks' obligations under this Agreement; or (b) to seek damages arising out of Pierce County's and
863 PenMet Parks' default under this Agreement; or (c) to terminate this Agreement by written notice to Pierce
864 County and PenMet Parks and Closing Agent. If Tacoma elects to terminate this Agreement in
865 accordance with this Section 23.2, the escrow shall be terminated, all documents shall be immediately
866 returned to the Party who deposited them, the Parties shall have no further rights or obligations under this
867 Agreement except those that expressly survive termination hereof, and Pierce County and PenMet Parks
868 shall pay the cost of terminating the escrow and any cancellation fee for the Preliminary Commitment.
869

870 **24. Attorneys' Fees/Venue.** The substantially prevailing party in any action or proceeding
871 between the Parties for the enforcement of this Agreement shall be entitled to recover reasonable costs
872 and attorney fees (including, without limitation, reasonable costs and attorney fees incurred in appellate
873 proceedings, and expenses for witnesses, including expert witnesses), in addition to all other relief to
874 which it may be entitled. The venue of any action arising out of or relating to this Agreement shall be in
875 the Superior Court of Pierce County, Washington.
876

877 **25. Negotiation and Construction.** This Agreement was negotiated by the Parties with the
878 assistance of their own legal counsel and, therefore, shall not be interpreted strictly for or against any
879 Party. This Agreement shall be construed and interpreted in accordance with the laws of the state of
880 Washington.
881

882 **26. Time.** Time is of the essence of this Agreement and of every term and provision hereof.
883

884 **27. Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with
885 respect to the purchase and sale of the Real and Personal Property and supersedes all written or oral
886 agreements or understandings, if any. This Agreement may be modified only in writing signed by all
887 Parties.
888

889 **28. Date of Performance; Cost of Performance.** If the date for any performance under this
890 Agreement falls on a weekend or holiday, the time shall be extended to the next business day. Except as
891 otherwise expressly provided in this Agreement, all covenants, agreements and undertakings of a Party
892 shall be performed at sole cost and expense of that Party without a right of reimbursement or contribution
893 from the other Parties.

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29. Counterparts. This Agreement may be signed in two or more counterparts, which taken together shall constitute one and the same instrument.

30. Electronic Signatures. Signatures by the Parties transmitted via fax or email to all transaction documents, including this Agreement, shall be acceptable and binding.

31. Recording. Neither this Agreement, nor any memorandum hereof, shall be recorded.

32. Survival of Provisions. The covenants, representations, agreements, terms, provisions and indemnities contained in this Agreement shall survive Closing and shall not be deemed to have merged with or into the Bargain and Sale Deed.

33. Invalid Provision. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid or unenforceable provision or by its severance from this Agreement.

34. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

35. Exhibits. The following exhibits are attached hereto and by this reference made part of this Agreement as if fully set forth herein:

- Exhibit A** - Legal Description of Real Property
- Exhibit B** - Form Bargain and Sale Deed
- Exhibit C** - Form Bill of Sale and Assignment

36. Effective Date. As used in this Agreement, the term "Effective Date" shall mean the date upon which Tacoma's City Manager (who shall be the last individual to sign this Agreement) has executed this Agreement as indicated opposite his name below.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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CITY OF TACOMA:

Final Action:

Tacoma City Manager Date

Recommended:

Interim Public Works Director Date

Finance Director Date

Approved as to Legal Form Only:

Tacoma City Attorney Date

Attest:

City Clerk Date

PIERCE COUNTY:

Approved as to Legal Form Only:

Deputy Prosecuting Attorney Date

Recommended:

Director, Facilities Management Date

Director, Budget & Finance Date

Final Action:

Pierce County Executive Date

PENMET PARKS:

Approved as to Legal Form Only:

Legal Counsel Date

Final Action:

By: _____
Its: _____ Date

[ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGES]

969 STATE OF WASHINGTON)
970) ss.
971 COUNTY OF PIERCE)

972
973 On this ____ day of _____, 2008, before me, the undersigned, a notary public in
974 and for the state of Washington, duly commissioned and sworn, personally appeared Eric A. Anderson,
975 known to me to be the City Manager of the City of Tacoma, Washington, a municipal corporation and
976 Washington First Class Charter City, who executed the within and foregoing instrument and
977 acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation
978 for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said
979 instrument.

980 In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first
981 above written.

982
983 _____
984 NOTARY SIGNATURE

985
986 PRINTED NAME _____
987 NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
988 RESIDING AT _____
989 MY COMMISSION EXPIRES _____

990
991 STATE OF WASHINGTON)
992) ss.
993 COUNTY OF PIERCE)

994
995 On this ____ day of _____, 2008, before me, the undersigned, a notary public in and for the
996 state of Washington, duly commissioned and sworn, personally appeared John W. Ladenburg, known to
997 me to be the Executive of Pierce County, a municipal corporation and political subdivision of the state of
998 Washington, who executed the within and foregoing instrument and acknowledged the said instrument to
999 be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein
1000 mentioned, and on oath stated that he is authorized to execute the said instrument.

1001 In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first
1002 above written.

1003
1004 _____
1005 NOTARY SIGNATURE

1006
1007 PRINTED NAME _____
1008 NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
1009 RESIDING AT _____
1010 MY COMMISSION EXPIRES _____

1011 STATE OF WASHINGTON)
1012) ss.
1013 COUNTY OF PIERCE)

1014
1015 On this ____ day of _____, 2008, before me, the undersigned, a notary public in
1016 and for the state of Washington, duly commissioned and sworn, personally appeared
1017 _____, known to me to be the _____ of Peninsula Metropolitan Park
1018 District, a Washington municipal corporation, who executed the within and foregoing instrument and
1019 acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation
1020 for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the
1021 said instrument.

1022 In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first
1023 above written.

1024
1025 _____
1026 NOTARY SIGNATURE

1027
1028 PRINTED NAME _____
1029 NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
1030 RESIDING AT _____
1031 MY COMMISSION EXPIRES _____

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EXHIBIT A
(Legal Description of Real Property)

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Those portions of Sections 20, 21, 29 and 32, Township 21 North, Range 2 East of the Willamette Meridian, AND Section 5, Township 20 North, Range 2 East of the Willamette Meridian, in Pierce County, Washington, described as follows:

Commencing at the Northwest corner of the Southeast Quarter of the Southeast Quarter of Section 20, Township 21 North, Range 2 East of the Willamette Meridian, thence South along the West line thereof to the South line of 36th Street Northwest, and the True Point of Beginning; thence East along said South line 190 feet, more or less; thence South on a line 190 feet East of and parallel with the West line of said Subdivision 647 feet, more or less, to the North line of the South half of the Southeast Quarter of the Southeast Quarter of said Subdivision; thence East along the North line of said South half to a point 400 feet West of the East line thereof; thence on a line parallel with and 400 feet West of the East line of said Subdivision, South 660 feet, more or less, to the South line of said Section 20; thence on a line parallel with and 400 feet West of the East line of Section 29, Township 21 North, Range 2 East, South 660 feet, more or less, to the North line of the South half of the Northeast Quarter of the Northeast Quarter of said Section 29; thence East on said North line 140 feet; thence on a line parallel with and 260 feet West of the East line of said Section 29, South 660 feet, more or less, to the South line of the Northeast Quarter of the Northeast Quarter of Section 29; thence West along said South line 140 feet; thence on a line parallel with and 400 feet West of the East line of said Section 29, South 3300 feet, more or less, to the North line of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of said Section 29; thence West 260 feet, more or less, to the Northwest corner thereof; thence South along the West line of said Southeast Quarter of the Southeast Quarter of the Southeast Quarter to the Southwest corner thereof; thence East along the South line of said Subdivision to the section corner common to Sections 29 and 32, Township 21 North, Range 2 East; thence in Section 32, Township 21 North, Range 2 East, South along the East line of the North half of the Northeast Quarter of the Northeast Quarter thereof 660 feet, more or less, to the Southeast corner of said North half; thence West along the South line of said North half to a point 410 feet East of the West line of the East half of the Northeast Quarter of said Section 32; thence on a line parallel with and 410 feet East of said West line, South 1320 feet, more or less, to the South line of the North half of the Southeast Quarter of the Northeast Quarter of said Section 32; thence West 335 feet to a point 45 feet West of the East right of way line that is 260 feet South from the intersection of said East right of way line with the North line of the South half of the Southeast Quarter of the Northeast Quarter of said Section 32; thence South on said East right of way line to the South line of the Northeast Quarter of said Section 32; thence West on said South line to the West right of way line of 26th Avenue Northwest; thence South along said West right of way line to the North line of 4th Street Northwest; thence West on said North line 630 feet, more or less, to the West line of the East half of the West half of the Southeast Quarter of said Section 32; thence South along said West line to the Northerly right of way line of 27th Avenue Northwest (Stone Road South) as dedicated in Auditor's Fee No. 1597594, thence Southwesterly along said Northerly right of way line to a point on a line parallel with and 400 feet East of the West line of Lot 4 of said Abandoned Gig Harbor Military Reserve, thence South on said parallel line to the Southerly line of said Lot 4; thence along the Southerly lines of Lots 4, 5 and 6 of said Abandoned Gig Harbor Military Reserve to a point on a line 450 feet West of the East line of said Lot 6 when measured at right angles thereto; thence North along said parallel line to the North line of said Lot 6; thence West to the Northwest corner thereof; thence North along the West line of the Southwest Quarter of the Southeast Quarter of the Southwest Quarter of Section 32, 660 feet, more or less, to the Northwest corner thereof; thence East along the North line of said Subdivision 390 feet, more or less, to the East line of 33rd Avenue Northwest, conveyed to Pierce County by instrument recorded under Auditor's Fee No. 2083933; thence North along said East right of way line 640 feet, more or less, to the South right of way line of 4th Street Northwest; thence East along said South right of way line 270 feet, more or less, to the West line of the East half of the East half of the Southwest Quarter of Section 32; thence North along said West line 1340 feet, more or less, to the Northwest corner of Lot 10A of the Abandoned Gig Harbor Military Reserve; thence East along the North line of said Lot 10A to a point 375 feet West of the center of Section 32; thence North 20 feet to the North right of way line of 8th Street Northwest; thence West along said North right of way line 160 feet, more or less, to a point 790 feet East of the West line of the Southeast Quarter of the Northwest Quarter of Section 32; thence North parallel

1089 with said West line 180 feet; thence West parallel with the North right of way line of 8th Street Northwest
1090 96 feet; thence North parallel with said West line of the Southeast Quarter of the Northwest Quarter of
1091 Section 32 a distance of 430 feet, more or less, to a line parallel with and 30 feet South of the North line
1092 of the South half of the Southeast Quarter of the Northwest Quarter of Section 32; thence West along
1093 said parallel line 209 feet to a point 485 feet East of the West line of said South half of the Southeast
1094 Quarter of the Northwest Quarter of Section 32; thence North parallel with said West line 30 feet to the
1095 North line of said Subdivision; thence East along said North line to the Southwest corner of the Northeast
1096 Quarter of the Southeast Quarter of the Northwest Quarter of said Section 32; thence North along the
1097 West line of said Subdivision 660 feet, more or less, to the Northwest corner thereof; thence East along
1098 the North line of said Subdivision, 285 feet, more or less, to a line parallel with and 375 feet West of the
1099 East line of said Subdivision; thence North along a line parallel with and 375 West of the East lines of the
1100 Northwest Quarter of Section 32 and the Southwest Quarter of Section 29 a distance of 1985 feet, more
1101 or less, to the South line of the North half of the Southeast Quarter of the Southwest Quarter of Section
1102 29; then West along said South line to its intersection with the Southerly right of way line to a line parallel
1103 with and 265 feet West of the East line of the Southwest Quarter of Section 29; thence North along said
1104 parallel line to the Southeasterly right of way line of Point Fosdick Drive Northwest; thence Northeasterly
1105 along said right of way line through said Section 29 to the North line thereof; thence East along the South
1106 line of the Southeast Quarter of the Southwest Quarter of the Southeast Quarter of Section 20 to a point
1107 369.45 feet West of the Southeast corner of said Subdivision; thence West along the South line of the
1108 East half of the Northeast Quarter of the Southwest Quarter of the Southeast Quarter to the Southwest
1109 corner thereof; thence North along the West line of said Subdivision 647 feet, more or less, to the South
1110 right of way line of 36th Street Northwest; thence East along said South right of way line 110 feet, more or
1111 less, to a line 1540 feet West of and parallel with the East line of Section 20; thence North on said parallel
1112 line to the South line of the Northeast Quarter of Section 20; thence East on said South line 70 feet, more
1113 or less, to a line 150 feet West of and parallel with the East line of the Southwest Quarter of the Northeast
1114 Quarter of said Section 20; thence North along said parallel line 780 feet; thence East parallel to the
1115 South line of said Northeast Quarter 975 feet, more or less, to the West line of the East 15 acres of the
1116 Southeast Quarter of the Northeast Quarter of Section 20; thence North 540 feet, more or less, to the
1117 North line of said Subdivision; thence East on said North line to the Southwesterly right of way line of
1118 State Highway S.R. 16; thence Southeasterly along said Southwesterly line in Sections 20 and 21 to the
1119 South line of the North 165 feet of Lot 7 in the Abandoned Gig Harbor Military Reserve; thence West on
1120 said South line to a line 270 feet East of and parallel with the West line of said Lot 7; thence South on
1121 said parallel line 214.5 feet; thence West parallel to the North line of Lot 7 a distance of 270 feet to the
1122 East line of Section 20; thence South on said East line to the North line of 36th Street Northwest; thence
1123 West along said North line 1320 feet, more or less, to the West line of the East half of the Southeast
1124 Quarter of said Section 20; thence South on said West line to the True Point of Beginning;

1125
1126 EXCEPT 36th Street Northwest in the Southeast Quarter of Section 20, Township 21 North, Range 2
1127 East of the Willamette Meridian;

1128
1129 ALSO EXCEPT 26th Avenue Northwest and Stone Road Extension in Sections 29 and 32, including that
1130 portion conveyed to Pierce County under Auditor's Fee No. 2083934;

1131
1132 ALSO EXCEPT Stone Drive Northwest in Section 29;

1133
1134 ALSO EXCEPT 33rd Avenue Northwest conveyed to Pierce County by instrument recorded under
1135 Auditor's Fee No. 2083933, said road lying in Lot 19 of the Abandoned Gig Harbor Military Reserve in
1136 Section 32 and in Lot 6 of said Abandoned Gig Harbor Military Reserve in Section 5, Township 20 North,
1137 Range 2 East;

1138
1139 TOGETHER WITH an easement for road purposes over the North 30 feet of the East 400 feet of the
1140 Southeast Quarter of the Southeast Quarter of Section 20, Township 21 North, Range 2 East of the
1141 Willamette Meridian, EXCEPTING from said easement 22nd Avenue Northwest on the East.

EXHIBIT B
Bargain and Sale Deed
(FORM ONLY -- DO NOT SIGN)

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WHEN RECORDED RETURN TO:
Pierce County Facilities Management
955 Tacoma Avenue S., Suite 212
Tacoma, WA 98402

BARGAIN AND SALE DEED

Grantor: The City of Tacoma, a municipal corporation and
Washington First Class Charter City
Grantees: Pierce County, a municipal corporation and
political subdivision of the state of Washington;
and Peninsula Metropolitan Park District, a
Washington municipal corporation
Abbreviated Legal: _____
Tax Parcel Number(s): _____

GRANTOR, THE CITY OF TACOMA, a municipal corporation and Washington First
Class Charter City, for and in consideration of TEN DOLLARS (\$10.00) and other good and
valuable consideration, the receipt and adequacy are hereby acknowledged, bargains, sells and
conveys to PIERCE COUNTY, a municipal corporation and political subdivision of the state of
Washington and Peninsula Metropolitan Park District, a Washington municipal corporation, as
tenants in common, the following described real property in Pierce County, Washington:

[Insert Legal Description]

Subject to the following:

[Insert Permitted Exceptions]

Dated this ____ day of _____, 2008.

THE CITY OF TACOMA, a municipal
corporation and Washington First Class
Charter City:

By: _____
Its: _____

[ACKNOWLEDGMENT APPEARS ON FOLLOWING PAGE]

1186 STATE OF WASHINGTON)
1187) ss.
1188 COUNTY OF PIERCE)

1189 On this ____ day of _____, 2008, before me, the undersigned, a notary public in
1191 and for the state of Washington, duly commissioned and sworn, personally appeared Eric A. Anderson,
1192 known to me to be the City Manager of the City of Tacoma, Washington, a municipal corporation and
1193 Washington First Class Charter City, who executed the within and foregoing instrument and
1194 acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation
1195 for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said
1196 instrument.

1197 In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first
1198 above written.

1199 _____
1200
1201 NOTARY SIGNATURE

1202
1203 PRINTED NAME _____

1204 NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
1205 RESIDING AT _____

1206 MY COMMISSION EXPIRES _____

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EXHIBIT C
Bill of Sale and Assignment
(FORM ONLY - DO NOT SIGN)

BILL OF SALE AND ASSIGNMENT

THE CITY OF TACOMA, a municipal corporation and Washington First Class Charter City (hereinafter "Seller"), for good and valuable consideration, does hereby bargain, sell, convey and assign to PIERCE COUNTY, a municipal corporation and political subdivision of the state of Washington and PENINSULA METROPOLITAN PARK DISTRICT (hereinafter collectively "Purchasers"), as tenants in common, all of Seller's right, title and interest in and to the following:

All tangible and intangible personal property of Seller listed on Exhibit A attached hereto and by this reference incorporated herein.

All items set forth in Exhibit A are conveyed to Purchasers "AS IS," "WHERE IS" and with all faults, free and clear of all encumbrances and defects in title.

DATED this _____ day of _____, 2008.

THE CITY OF TACOMA:

By: _____
Its _____