



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
William Evans, Assistant City Attorney
Chris Dodd, Facilities Services Manager

Date: October 17, 2018

Subject: SURPLUSING AND SALE OF 8411 NE 141ST STREET, KIRKLAND, WA 98034

RECOMMENDATION:

As allowed by RCW 35A.11.010, Council declares the City-owned property at 8411 NE 141st Street, Kirkland, WA 98034 surplus and authorizes the City Manager to execute all documents necessary to complete the sale.

By approving the attached resolution as part of the consent calendar, the Council surpluses the property and authorizes the City Manager to complete the sale.

BACKGROUND DISCUSSION:

When the City of Kirkland ("City") annexed the Finn Hill neighborhood in 2011, it absorbed Fire District 41 and its assets. Fire Station 24 located at 8411 NE 141st Street, Kirkland, WA 98034 was one of those assets.

Built in 1993/1994, the Fire Station was staffed part-time by Fire District 41 crews and volunteers. Most recently, the property was used as a temporary home for crews during the renovation of Fire Station 25. With the Fire Station 25 renovation project coming to a close, the property is now vacant.

The Council has received updates on the relocation of Fire Station 24 located at 9820 NE 132nd Street, Kirkland, WA 98034. In those discussions, it was identified that the sale of Fire Station 24 is a component of the New Fire Station 24 project financing, while satisfying the agreement between the City and Fire District 41 that all funds from the sale of the property would be used to bring better fire rescue services to the former Fire District 41 service area.

The City has received many inquiries about the property over the years. With a very competitive real estate climate, staff decided it would be prudent to hire a real estate professional to introduce the property to as many buyers as possible.

On September 10, 2018, the City entered into an exclusive sales listing agreement with Metropolist to list the property. Metropolist was chosen to represent the City as the property is unique in nature and has a wide range of possibilities. Metropolist has experience soliciting both residential and commercial buyers, creating competition, and bringing multiple offers to the table.

The property was publicly listed in September of 2018, with a call for offers on September 24, 2018 and final offers due September 28, 2018. 6 offers were received with offer prices from \$680,000 to \$715,000 with escalation in several of the offers of up to \$850,000.

Purchase price was only one of many important proposed terms including:

- Escalation clause
- Earnest money
- Feasibility period
- Closing date
- Financing ability for a unique property
- Ability to navigate the change of use with the City and King County

After evaluating the offers with Metropolist, the offer submitted by Lwin-Nemoto Investment Group was deemed to be the strongest offer. The terms offered included: \$737,500, no financing contingencies, \$10,000 in earnest money and a closing date of November 9, 2018. The purchase and sale agreement and addendums for Lwin-Nemoto Investment Group is included as Exhibit A to the enclosed Resolution.

The attached resolution declares the property surplus and authorizes the City Manager to execute all documents necessary to complete the sale. The net proceeds from the sale, minus broker's commission, will go directly to the capital project for constructing a new Fire Station 24. Note that the original financing plan assumed proceeds of \$470,300, so the higher sales price will help defray some of the cost increases due to construction inflation. Note that all proceeds from the sale must be used to improve service to the former Fire District 41 service area.

RESOLUTION R-5342

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
DECLARING THE PROPERTY AT 8411 NE 141ST STREET, KIRKLAND,
WASHINGTON TO BE SURPLUS TO THE NEEDS OF THE CITY AND
AUTHORIZING THE CITY MANAGER TO COMPLETE THE SALE OF THAT
PROPERTY

1 WHEREAS, the City of Kirkland obtained Fire Station 24
2 ("Station") located at 8411 NE 141ST Street, Kirkland, WA from Fire
3 District 41 during the 2011 annexation; and
4

5 WHEREAS, the sale of the Station was identified by Council as a
6 component of the New Fire Station 24 financing in conformity with an
7 annexation agreement between the City and Fire District 41, which
8 requires that former District 41 assets would be used to bring better fire
9 rescue services to District 41's former service area; and
10

11 WHEREAS, now that the Station is vacant, the City finds that the
12 property located at 8411 NE 141ST Street, Kirkland, Washington, is not
13 needed for current or future City purposes and is therefore surplus to
14 its needs; and
15

16 WHEREAS, the City retained the real estate sales firm of
17 Metropolist to market the property on behalf of the City; and
18

19 WHEREAS, in response to a public listing of the property by
20 Metropolist, a total of six purchase offers were received with proposed
21 sales prices ranging from \$680,000 to \$715,000 with escalation clauses
22 in some offers of up to \$850,000 together with other substantive and
23 varying terms, including those related to escalation clauses, earnest
24 money, feasibility periods, closing dates, financing and change of use;
25 and
26

27 WHEREAS, City staff has evaluated the purchase offers and has
28 recommended that the property be sold by the City to the Lwin-Nemoto
29 Investment Group for a purchase price of \$737,500, with no financing
30 contingencies, a \$10,000 earnest money deposit, and a closing dated
31 of November 8, 2018, terms satisfactory to the City; and
32

33 WHEREAS, it is in the public interest for the City to enter into a
34 purchase and sale agreement with the Lwin-Nemoto Investment Group
35 at this time to secure terms which the City desires.
36

37 NOW, THEREFORE, be it resolved by the City Council of the City
38 of Kirkland as follows:
39

40 Section 1. Ownership of the property at 8411 NE 141ST Street is
41 declared surplus to the needs of the City.
42

43 Section 2. The City Manager is hereby authorized and directed
44 to complete the sale of the above described property to the Lwin-
45 Nemoto Investment Group on terms which are substantially similar to
46 those included in the purchase and sale agreement attached hereto as
47 Exhibit A.

48
49 Passed by majority vote of the Kirkland City Council in open meeting
50 this ____ day of _____, 2018.

51
52 Signed in authentication thereof this ____ day of _____,
53 2018.

Amy Walen, Mayor

Attest:

Kathi Anderson, City Clerk



RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT SPECIFIC TERMS

- Date:** September 24, 2018 **MLS No.:** 1347743 **Offer Expiration Date:** 9/28/2018
- Buyer:** Lwin-Nemoto Investment Group
Buyer Buyer Status
- Seller:** City of Kirkland
Seller Seller
- Property:** Legal Description attached as Exhibit A. Tax Parcel No(s): 6675500210, _____, _____
8411 NE 141st Street Kirkland King WA 98034
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:** \$ 700,000.00 Seven Hundred Thousand Dollars
- Earnest Money:** \$ 10,000.00 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:** ~~TBD~~ Chicago Title LI 10/10/2018 TD TD 10/09/2018
- Closing Agent:** ~~TBD~~ Paula Adams LI 10/10/2018 TD TD 10/09/2018
Company Individual (optional)
- Closing Date:** 10/15/2018; **Possession Date:** on Closing; Other _____
- 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:** 34(Addendum) 22K(Utilities) 22T(Title Contingency) 35(Inspection)

Authentisign 09/24/2018
 Lwin-Nemoto Investment Group
 09/24/2018 09:28:07 PM PDT Date
 Buyer's Signature Date
 Buyer's Address
 City, State, Zip
 Phone No. Fax No.
 kekoa@lwin-nemoto.com
 Buyer's E-mail Address
 Caliber Real Estate 2924
 Selling Firm MLS Office No.
 Ted Marshall 102557
 Selling Broker (Print) MLS LAG No.
 (425) 320-3204 (206) 999-9307 (425) 671-9513
 Firm Phone No. Broker Phone No. Firm Fax No.
 files@caliberre.com
 Selling Firm Document E-mail Address
 mybrokerted@outlook.com
 Selling Broker's E-mail Address
 118688 19065
 Selling Broker DOL License No. Selling Firm DOL License No.

Authentisign
 Tracey Dunlap Deputy City Manager
 Seller's Signature 10/9/2018 4:44:15 PM PDT Date
 Seller's Signature Date
 123 5th Avenue
 Seller's Address
 Kirkland WA, 98033
 City, State, Zip
 (425) 587-3000
 Phone No. Fax No.
 tdunlap@kirklandwa.gov
 Seller's E-mail Address
 METROPOLIST 3459
 Listing Firm MLS Office No.
 Kelly Gaddis 114803
 Listing Broker (Print) MLS LAG No.
 (206) 623-5118 (206) 877-2757
 Firm Phone No. Broker Phone No. Firm Fax No.
 NinjaWorks@metropolistgroup.com
 Listing Firm Document E-mail Address
 Kellyg@metropolistgroup.com
 Listing Broker's E-mail Address
 129429 19557
 Listing Broker DOL License No. Listing Firm DOL License No.

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. 1 2 3 4

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. 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19

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. 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

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. 37 38 39 40 41 42 43

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. 44 45 46 47 48 49 50 51

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 52 53 54 55 56 57 58 59

 L? 09/24/2018
Buyer's Initials Date

Buyer's Initials Date

 JD 10/09/2018
Seller's Initials Date

Seller's Initials Date

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.

 LD 09/24/2018
Buyer's Initials Date

Buyer's Initials Date

 JD 10/09/2018
Seller's Initials Date

Seller's Initials Date

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

- 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:

 - i. 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.
 - ii. 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.

L? 09/24/2018
 Buyer's Initials Date

 Buyer's Initials Date

JD 10/09/2018
 Seller's Initials Date

 Seller's Initials Date

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS**

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- 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. 172-177
- 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. 178-180
- 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." 181-189
- 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. 190-197
- 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. 198-200
- 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. 201-204
- 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. 205-223

 LD 09/24/2018
Buyer's Initials Date

 JD 10/09/2018
Seller's Initials Date



ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

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

PERSONAL PROPERTY: Unless otherwise agreed, Seller shall remove all personal property from 6
the Property prior to the Possession Date. Any personal property remaining on the Property 7
thereafter shall become the property of Buyer, and may be retained or disposed of as Buyer 8

determines JD 10/09/2018 L? 10/10/2018 9

~~This transaction is Contingent on the Seller providing documentation 7 days prior to closing that the 10
Property can be used as a single family residence. 11~~

~~This transaction is Contingent on the Seller providing documentation 7 days prior to closing 16
that the Property can be used as a single family residence if the conditions identified by Seller 17
and King County in that documentation are completed by Buyer. 18~~

JD 10/11/2018 19

JD 10/09/2018 L? 10/10/2018 20

~~Upon Mutual Acceptance, Seller shall grant permission to Buyer to obtain electrical permit and 25
perform the electrical modifications to the property as detailed in the letter from the City of Kirkland, 26
dated 9/28/18 and attached as Exhibit B. All work shall be performed by licensed and bonded 27
electrical contractors, and shall be paid for at the sole expense of the Buyer. 28~~

JD 10/11/2018 29

L? 10/10/2018 L? 10/12/2018 30

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

L? 09/24/2018 JD 10/09/2018
Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date



**IDENTIFICATION OF UTILITIES
ADDENDUM TO PURCHASE AND SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

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: 8

Name _____ 9
Address _____ 10
City, State, Zip _____ Fax. No. _____ 11

SEWER DISTRICT: 11

Name _____ 12
Address _____ 13
City, State, Zip _____ Fax. No. _____ 14

IRRIGATION DISTRICT: 14

Name _____ 15
Address _____ 16
City, State, Zip _____ Fax. No. _____ 17

GARBAGE: 17

Name _____ 18
Address _____ 19
City, State, Zip _____ Fax. No. _____ 20

ELECTRICITY: 20

Name _____ 21
Address _____ 22
City, State, Zip _____ Fax. No. _____ 23

GAS: 23

Name _____ 24
Address _____ 25
City, State, Zip _____ Fax. No. _____ 26

SPECIAL DISTRICT(S):
(local improvement districts or utility local improvement districts) 26

Name _____ 27
Address _____ 28
City, State, Zip _____ Fax. No. _____ 29

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

LI 09/24/2018 _____ 10/09/2018 _____
Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date



**TITLE CONTINGENCY ADDENDUM TO
PURCHASE & SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

1. **Title Contingency.** This Agreement is subject to Buyer's review of a preliminary commitment for title insurance, 5
together with any easements, covenants, conditions and restrictions of record. Buyer shall have _____ 6
days (5 days if not filled in) from the date of Buyer's receipt of the preliminary commitment for title insurance; 7
or mutual acceptance (from the date of Buyer's receipt, if neither box checked) to give notice of Buyer's 8
disapproval of exceptions contained in the preliminary commitment. 9

Seller shall have _____ days (5 days if not filled in) after Buyer's notice of disapproval to give Buyer 10
notice that Seller will clear all disapproved exceptions. Seller shall have until the Closing Date to clear all 11
disapproved exceptions. 12

If Seller does not give timely notice that Seller will clear all disapproved exceptions, Buyer may terminate this 13
Agreement within 3 days after the deadline for Seller's notice. In the event Buyer elects to terminate the 14
Agreement, the Earnest Money shall be returned to Buyer. If Buyer does not timely terminate the Agreement, 15
Buyer shall be deemed to have waived all objections to title, which Seller did not agree to clear. 16
2. **Supplemental Title Reports.** If supplemental title reports disclose new exception(s) to the title commitment, 17
then the above time periods and procedures for notice, correction, and termination for those new exceptions 18
shall apply to the date of Buyer's receipt of the supplemental title report. The Closing date shall be extended as 19
necessary to accommodate the foregoing times for notices. 20
3. **Marketable Title.** This Addendum does not relieve Seller of the obligation to provide marketable title at Closing 21
as provided for in the Agreement. 22

[L?] 09/24/2018
Buyer's Initials Date

Buyer's Initials Date

[JD] 10/09/2018
Seller's Initials Date

Seller's Initials Date

INSPECTION ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

1. a. **INSPECTION CONTINGENCY.** This Agreement is conditioned on Buyer's subjective satisfaction with 5
inspections of the Property and the improvements on the Property. Buyer's inspections may include, at 6
Buyer's option and without limitation, the structural, mechanical and general condition of the 7
improvements to the Property, compliance with building and zoning codes, an inspection of the Property 8
for hazardous materials, a pest inspection, and a soils/stability inspection. The inspection must be 9
performed by Buyer or a person licensed (or exempt from licensing) under Chapter 18.280 RCW. 10

Sewer Inspection. Buyer's inspection of the Property may; may not (may, if not checked) include 11
an inspection of the sewer system, which may include a sewer line video inspection and assessment and 12
may require the inspector to remove toilets or other fixtures to access the sewer line. 13

Buyer's Obligations. All inspections are to be (a) ordered by Buyer, (b) performed by inspectors of 14
Buyer's choice, and (c) completed at Buyer's expense. Buyer shall not alter the Property or any 15
improvements on the Property without first obtaining Seller's permission. Buyer is solely responsible for 16
interviewing and selecting all inspectors. Buyer shall restore the Property and all improvements on the 17
Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all 18
damages resulting from any inspection of the Property performed on Buyer's behalf. 19

BUYER'S NOTICE. This inspection contingency SHALL CONCLUSIVELY BE DEEMED WAIVED 20
unless within _____ days (10 days if not filled in) after mutual acceptance of this Agreement (the "Initial 21
Inspection Period"), Buyer gives notice (1) approving the inspection and waiving this contingency; (2) 22
disapproving the inspection and terminating the Agreement; (3) that Buyer will conduct additional inspections; 23
or (4) proposing repairs to the property or modifications to the Agreement. If Buyer disapproves the inspection 24
and terminates the Agreement, the Earnest Money shall be refunded to Buyer. If Buyer proposes repairs to the 25
property or modifications to the Agreement, including adjustments to the purchase price or credits for repairs to 26
be performed after Closing, the parties shall negotiate as set forth in paragraph 1.c, below. The parties may 27
use NWMLS Form 35R to give notices required by this Addendum. 28

ATTENTION BUYER: If Buyer fails to give timely notice, then this inspection contingency shall be 29
deemed waived and Seller shall not be obligated to make any repairs or modifications. 30

b. **Additional Inspections.** If an inspector so recommends, Buyer may obtain further evaluation of any item 31
by a specialist at Buyer's option and expense if, on or before the end of the Initial Inspection Period, 32
Buyer provides Seller a copy of the inspector's recommendation and notice that Buyer will seek additional 33
inspections. If Buyer gives timely notice of additional inspections, Buyer shall have _____ (5 days if 34
not filled in) after giving the notice to obtain the additional inspection(s) by a specialist. 35

c. **Buyer's Requests for Repairs or Modifications.** If Buyer requests repairs or modifications under 36
paragraph 1.a or 1.b. above, the parties shall negotiate as set forth in this paragraph. All requests, 37
responses, and replies made in accordance with the following procedures are irrevocable for the time 38
period provided. 39

(i) **Seller's Response to Request for Repairs or Modifications.** Seller shall have _____ days (3 40
days if not filled in) after receipt of Buyer's request for repairs or modifications to give notice that Seller 41
(a) agrees to the repairs or modifications proposed by Buyer; (b) agrees to some of the repairs or 42
modifications proposed by Buyer; (c) rejects all repairs or modifications proposed by Buyer; or (d) 43
offers different or additional repairs or modifications. If Seller agrees to the terms of Buyer's request for 44
repairs or modifications, this contingency shall be satisfied and Buyer's Reply shall not be necessary. If 45
Seller does not agree to all of Buyer's repairs or modifications, Buyer shall have an opportunity to 46
reply, as follows: 47

LN 09/24/2018
Buyer's Initials Date

____ 10/09/2018
Buyer's Initials Date

JD 10/09/2018
Seller's Initials Date

____ 10/09/2018
Seller's Initials Date

INSPECTION ADDENDUM TO PURCHASE AND SALE AGREEMENT

Continued

(ii) Buyer's Reply. If Seller does not agree to all of the repairs or modifications proposed by Buyer, Buyer shall have _____ days (3 days if not filled in) from either the day Buyer receives Seller's response or, if Seller fails to respond, the day Seller's response period ends, whichever is earlier, to (a) accept the Seller's response at which time this contingency shall be satisfied; (b) agree with the Seller on other remedies; or (c) disapprove the inspection and terminate the Agreement, in which event, the Earnest Money shall be refunded to Buyer.

ATTENTION BUYER: These time periods for negotiating repairs or modifications shall not repeat. The parties must either reach a written agreement or Buyer must terminate this Agreement by the Buyer's Reply deadline set forth in paragraph 1.c.ii. Buyer's inaction during Buyer's reply period shall result in waiver of this inspection condition, in which case Seller shall not be obligated to make any repairs or modifications whatsoever AND THIS CONTINGENCY SHALL BE DEEMED WAIVED.

d. Repairs. If Seller agrees to make the repairs proposed by Buyer, then repairs shall be accomplished at Seller's expense in a commercially reasonable manner and in accordance with all applicable laws no fewer than _____ days (3 days if not filled in) prior to the Closing Date. In the case of hazardous materials, "repair" means removal or treatment (including but not limited to removal or, at Seller's option, decommissioning of any oil storage tanks) of the hazardous material at Seller's expense as recommended by and under the direction of a professional selected by Seller. Seller's repairs are subject to re-inspection and approval, prior to Closing, by the inspector who recommended the repair, if Buyer elects to order and pay for such re-inspection. If Buyer agrees to pay for any repairs prior to Closing, the parties are advised to seek the counsel of an attorney to review the terms of that agreement.

e. Oil Storage Tanks. Any inspection regarding oil storage tanks or contamination from such tanks shall be limited solely to determining the presence or non-presence of oil storage tanks on the Property, unless otherwise agreed in writing by Buyer and Seller.

f. On-site Sewage Disposal Systems Advisory: Buyer is advised that on-site sewage disposal systems, including "septic systems," are subject to strict governmental regulation and occasional malfunction and even failure. Buyer is advised to consider conducting an inspection of any on-site sewage system in addition to the inspection of the Property provided by this Form 35 by including an appropriate on-site sewage disposal inspection contingency such as NWMLS Form 22S (Septic Addendum).

2. NEIGHBORHOOD REVIEW CONTINGENCY: Buyer's inspection includes Buyer's subjective satisfaction that the conditions of the neighborhood in which the Property is located are consistent with the Buyer's intended use of the Property (the "Neighborhood Review"). The Neighborhood Review may include Buyer's investigation of the schools, proximity to bus lines, availability of shopping, traffic patterns, noise, parking and investigation of other neighborhood, environmental and safety conditions the Buyer may determine to be relevant in deciding to purchase the Property. If Buyer does not give notice of disapproval of the Neighborhood Review within _____ (3 days if not filled in) of mutual acceptance of the Agreement, then this Neighborhood Review condition shall conclusively be deemed satisfied (waived). If Buyer gives a timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

3. PREINSPECTION CONDUCTED. Buyer, prior to mutual acceptance of this Agreement, conducted a building, hazardous substances, building and zoning code, pest or soils/stability inspection of the Property, and closing of this Agreement is not conditioned on the results of such inspections. Buyer elects to buy the Property in its present condition and acknowledges that the decision to purchase the property was based on Buyer's prior inspection and that Buyer has not relied on representations by Seller, Listing Broker or Selling Broker.

4. WAIVER OF INSPECTION. Buyer has been advised to obtain a building, hazardous substances, building and zoning code, pest or soils/stability inspection, and to condition the closing of this Agreement on the results of such inspections, but Buyer elects to waive the right and buy the Property in its present condition. Buyer acknowledges that the decision to waive Buyer's inspection options was based on Buyer's personal inspection and Buyer has not relied on representations by Seller, Listing Broker or Selling Broker.

 LG 09/24/2018
Buyer's Initials Date

Buyer's Initials Date

 JD 10/09/2018
Seller's Initials Date

Seller's Initials Date



First American

ISSUED BY
First American Title Insurance Company

EXHIBIT A

File No: 4209-3116550

Exhibit A

File No.: 4209-3116550

City of Kirkland

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KING, STATE OF WA, AND IS DESCRIBED AS FOLLOWS:

LOT 21, EXCEPT THE SOUTH 71 FEET THEREOF, PATRICIA PARK, ACCORDING TO THE PLAT THEREOF RECORDED IN [VOLUME 43 OF PLATS, PAGE 31](#), IN KING COUNTY, WASHINGTON.

EXCEPT THE PORTION CONVEYED TO KING COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON AS RECORDED IN DEED UNDER RECORDING NO. [9405101395](#).

667550021006

8411 NE 141st St
Kirkland, Washington 98034

[L?]

09/24/2018

[JD]

10/09/2018

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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5 Arch Funding Corp.
19800 MacArthur Blvd., Suite 1150
Irvine, CA 92612
949.387.3295

September 24, 2018

Via Email:

Lwin-Nemoto Investment Group
Attn: Mr. Kekoa-Michael Lwin
Email: kekoa@lwin-nemoto.com

**RE: 8411 NE 141st Street
Kirkland WA 98034**

Ladies and Gentlemen:

Lwin-Nemoto Investment Group has met all of 5 Arch Funding Corp.'s qualification requirements for private money funding of unencumbered liquid funds up to \$700,000 to acquire this single family property which was formerly a fire station at 8411 NE 141st Street, Kirkland.

This means that this will be an all-cash at closing sale to the seller.

If you have any questions, please contact Spencer Weaver at (949) 537-3654 or sweaver@5archgroup.com.

Sincerely,

Gene Clark
President

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and City of Kirkland ("Seller") 3
Seller Seller
concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

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

A. Purchase price to be raised to \$750,000.00 6

B. Closing date to be 21 days from Mutual Acceptance [JD] 10/09/2018 7
Wednesday, October 10th, 2018 8

C. Change Offer Expiration Date to ~~Friday, October 5th, 2018.~~ [L?] 10/10/2018 9
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12

"This transaction is Contingent on the Seller providing documentation 7 days prior to closing that the Property can be used as a single family residence if the conditions identified by Seller and in that documentation are completed by Buyer to the satisfaction of King County. 13
14

Upon Mutual Acceptance Seller shall grant permission to Buyer to obtain electrical permit and perform the electrical modifications to the property as detailed in the letter from the City of Kirkland, dated 9/28/18 and attached as Exhibit B. All work shall be performed by licensed and bonded electrical contractors, and shall be paid for at the sole expense of the Buyer regardless of whether there is a Closing of the purchase and sale." [JD] 10/11/2018 15
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[L?] 10/12/2018 19
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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

[L?] 09/27/2018 [JD] 10/09/2018
Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date

9/28/2018

EXHIBIT B



Chris Dodd
City of Kirkland, Facilities
CDodd@kirklandwa.gov

Subject: Change of use, Fire Station 24
Address: 8411 NE 141ST ST Kirkland WA. 98034

[LJ]

10/10/2018

[JD]

10/11/2018

Chris,

The following page contains general modifications required, but not limited to, requirements to convert Fire Station 24 into a residential dwelling. Please note the information provided in this document is based on a walk through and is not a complete inspection, other issues could become apparent in a more complete & thorough inspection.

To change the use of Fire Station 24 into a residence, a single family alteration permit application needs to be submitted through MyBuildingPermit.com (MBP) by the new property owner or their agent. The submittal documents need to include plans of the existing layout/uses (which could be based on the plans we have, but may need to adjusted to depict the true "as-built" existing condition) and plans showing the proposed single family uses along with identifying what changes need to be made to comply with the IRC and the Residential Energy Code. Depending on what other work they propose doing, we may need additional information submitted. Once these submittal materials have been deemed complete and they pay the Intake fee, the permit application will be routed for plan review. Once the plan reviewer(s) determine that the proposed work appears to comply with all codes, the plans are approved, they pay the permit fee and any other applicable fees and the permit is issued. Once issued, the permitted work may progress and inspections requested to check that the approved plans are being implemented properly.

Feel free to contact me if you have any questions involving the change of use process.

Sincerely,

Patrick J. McJunkin,
Plans Examiner, Building Department
City of Kirkland
pmcjunkin@kirklandwa.gov

[L7]

EXHIBIT A
10/16/2018

Subject: Change of use, Fire Station 24

BUILDING DEPARTMENT MODIFICATIONS:

[JD]

10/11/2018

1. Carbon monoxide detectors required.
2. Show compliance with Washington State Energy Code section R505. Simulated performance is an option to research per section R405.
3. Garage may need to be converted to non-heated to comply with WSEC. This may cause sprinkler system implications.
4. Show compliance with the 2015 IRC including Whole House Ventilation System.
5. Pre-Submittal Meeting is recommend.

ELECTRICAL MODIFICATIONS:

1. Relocate or add receptacles to meet spacing requirements identified in NEC 210.52. These requirements are based on the designation or use of specific rooms and areas.
2. Certain circuit requirements are spelled out in NEC 210.11 (C) addressing (1) Small appliance branch circuits, (2) Laundry, (3) Bathroom receptacles, (4) Garage Branch circuits. It is suspected that the necessary circuits are in place but the circuit directories are not clear to verify.
3. AFCI protection would be required in all the areas specified in NEC 210.12 (A).
4. Tamper resistant receptacles are required in all areas specified in NEC 210.52 ref NEC 406.12.
5. GFCI protection as required in NEC 210.8.
6. Other code violations observed would be required to be addressed. Example would include clearance issues such as HVAC disconnect. Hot water boiler accessibility, etc.

FIRE DEPARTMENT MODIFICATIONS:**Fire Sprinkler & Alarm System**

1. To maintain systems, a contract with a yearly I.T.M. (Inspection, Testing & Maintenance) Contractor is required. Buyer to check on costs associated.
2. To convert system to 13D sprinkler, remove Alarm system, interconnected smoke detectors would be required.
3. To decommission system, requires confirmation from NUD that fire flow is greater than requirements for structures >3600 SF. This would also require removing all visual evidence of the system from the structure.
4. Loft in attic may contain dry heads.

PLANNING DEPARTMENT MODIFICATIONS:

1. See previous comments provided by Jeremy McMahan.

PUBLIC WORKS DEPARTMENT MODIFICATIONS:

1. If there is an addition to the building and its Building Code Valuation exceeds \$250,000 then the project would need to put in frontage improvements and underground the power (if not currently) to the building.
2. See previous comments provided by John Burkhalter.

Addendum B

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1

between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer

and City of Kirkland ("Seller") 3
Seller Seller

concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

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

This sale shall be closed on November 8, 2018 ("Closing"), unless extended by the agreement of the parties, which will not be unreasonably withheld. 6

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

<u>[L?]</u>	<u>10/20/2018</u>	<u>[JD]</u>	<u>10/18/2018</u>		
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials	Date

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

SELLER: CITY OF KIRKLAND 1
Seller Seller

To be used in transfers of improved residential real property, including residential dwellings up to four units, new construction, 2
condominiums not subject to a public offering statement, certain timeshares, and manufactured and mobile homes. See RCW 3
Chapter 64.06 for further information. 4

INSTRUCTIONS TO THE SELLER 5

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property check 6
"NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of 7
the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure 8
statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless 9
otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller. 10

NOTICE TO THE BUYER 11

THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT 12
8411 NE 141ST STREET, CITY KIRKLAND, 13

STATE WA, ZIP 98034, COUNTY KING ("THE PROPERTY") OR AS 14
LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. 15

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED 16
ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE 17
STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM 18
THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT 19
BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE 20
SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND 21
PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT. 22

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE 23
LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF 24
ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER. 25

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED 26
TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, 27
WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, 28
BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. 29
THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE 30
PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY 31
ADVICE, INSPECTION, DEFECTS OR WARRANTIES. 32

SELLER IS/ IS NOT OCCUPYING THE PROPERTY. 33

I. SELLER'S DISCLOSURES: 34

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not 35
otherwise publicly recorded. If necessary, use an attached sheet. 36

	YES	NO	DONT KNOW	N/A	
1. TITLE					37
A. Do you have legal authority to sell the property? If no, please explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	39
*B. Is title to the property subject to any of the following?					40
(1) First right of refusal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	41
(2) Option	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	42
(3) Lease or rental agreement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	43
(4) Life estate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	44
*C. Are there any encroachments, boundary agreements, or boundary disputes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	45
*D. Is there a private road or easement agreement for access to the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	46
*E. Are there any rights-of-way, easements, or access limitations that may affect the Buyer's use of the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	47 48
*F. Are there any written agreements for joint maintenance of an easement or right-of-way?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	49
*G. Is there any study, survey project, or notice that would adversely affect the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	50
*H. Are there any pending or existing assessments against the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	51

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SELLER'S INITIALS

Date

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Date

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

YES NO DON'T KNOW N/A 52
53

- *I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that would affect future construction or remodeling? 54
55
- *J. Is there a boundary survey for the property? 56
- *K. Are there any covenants, conditions, or restrictions recorded against the property? 57

PLEASE NOTE: Covenants, conditions, and restrictions which purport to forbid or restrict the conveyance, encumbrance, occupancy, or lease of real property to individuals based on race, creed, color, sex, national origin, familial status, or disability are void, unenforceable, and illegal. RCW 49.60.224. 58
59
60
61

2. WATER 62

A. Household Water 63

- (1) The source of water for the property is: Private or publicly owned water system 64
 Private well serving only the subject property * Other water system 65
*If shared, are there any written agreements? 66
- *(2) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source? 67
68
- *(3) Are there any problems or repairs needed? 69
- (4) During your ownership, has the source provided an adequate year-round supply of potable water? .. 70
If no, please explain: _____ 71
- *(5) Are there any water treatment systems for the property? 72
If yes, are they: Leased Owned 73
- *(6) Are there any water rights for the property associated with its domestic water supply, such as a water right permit, certificate, or claim? 74
(a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? .. 76
*(b) If yes, has all or any portion of the water right not been used for five or more successive years? 77
- *(7) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)? 78

B. Irrigation Water 79

- (1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim? 80
81
*(a) If yes, has all or any portion of the water right not been used for five or more successive years? 82
83
*(b) If so, is the certificate available? (If yes, please attach a copy.) 84
*(c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed? ... 85
- *(2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity? 86
If so, please identify the entity that supplies water to the property: 87
NORTHSHORE UTILITY DISTRICT 88

C. Outdoor Sprinkler System 89

- (1) Is there an outdoor sprinkler system for the property? 90
- *(2) If yes, are there any defects in the system? 91
- *(3) If yes, is the sprinkler system connected to irrigation water? 92

3. SEWER/ON-SITE SEWAGE SYSTEM 93

A. The property is served by: 94

- Public sewer system On-site sewage system (including pipes, tanks, drainfields, and all other component parts) 95
- Other disposal system 96
- Please describe: _____ 97

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

- | | YES | NO | DONT
KNOW | N/A | 98 |
|--|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|-----|
| B. If public sewer system service is available to the property, is the house connected to the sewer main? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 99 |
| If no, please explain: _____ | | | | | 100 |
| | | | | | 101 |
| *C. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 102 |
| | | | | | 103 |
| D. If the property is connected to an on-site sewage system: | | | | | 104 |
| *(1) Was a permit issued for its construction, and was it approved by the local health department or district following its construction? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 105 |
| (2) When was it last pumped? _____ | | | | | 106 |
| *(3) Are there any defects in the operation of the on-site sewage system? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 107 |
| (4) When was it last inspected? _____ | | | | <input checked="" type="checkbox"/> | 108 |
| By whom: _____ | | | | <input checked="" type="checkbox"/> | 109 |
| (5) For how many bedrooms was the on-site sewage system approved? _____ bedrooms | | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 110 |
| E. Are all plumbing fixtures, including laundry drain, connected to the sewer/on-site sewage system? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 111 |
| If no, please explain: _____ | | | | | 112 |
| | | | | | 113 |
| *F. Have there been any changes or repairs to the on-site sewage system? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 114 |
| G. Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 115 |
| If no, please explain: _____ | | | | | 116 |
| | | | | | 117 |
| *H. Does the on-site sewage system require monitoring and maintenance services more frequently than once a year? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 118 |
| | | | | | 119 |
| | | | | | 120 |

NOTICE: IF THIS RESIDENTIAL REAL PROPERTY DISCLOSURE IS BEING COMPLETED FOR NEW CONSTRUCTION WHICH HAS NEVER BEEN OCCUPIED, SELLER IS NOT REQUIRED TO COMPLETE THE QUESTIONS LISTED IN ITEM 4 (STRUCTURAL) OR ITEM 5 (SYSTEMS AND FIXTURES).

4. STRUCTURAL

- | | | | | | |
|---|---|--|-------------------------------------|-------------------------------------|-----|
| *A. Has the roof leaked within the last 5 years? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 121 |
| *B. Has the basement flooded or leaked? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 122 |
| *C. Have there been any conversions, additions or remodeling? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 123 |
| *(1) If yes, were all building permits obtained? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 124 |
| *(2) If yes, were all final inspections obtained? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 125 |
| D. Do you know the age of the house? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 126 |
| If yes, year of original construction: <u>1994</u> | | | | | 127 |
| *E. Has there been any settling, slippage, or sliding of the property or its improvements? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 128 |
| *F. Are there any defects with the following: (If yes, please check applicable items and explain) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 129 |
| <input type="checkbox"/> Foundations | <input type="checkbox"/> Decks | <input type="checkbox"/> Exterior Walls | | | 130 |
| <input type="checkbox"/> Chimneys | <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Fire Alarms | | | 131 |
| <input type="checkbox"/> Doors | <input type="checkbox"/> Windows | <input type="checkbox"/> Patio | | | 132 |
| <input type="checkbox"/> Ceilings | <input type="checkbox"/> Slab Floors | <input type="checkbox"/> Driveways | | | 133 |
| <input type="checkbox"/> Pools | <input type="checkbox"/> Hot Tub | <input type="checkbox"/> Sauna | | | 134 |
| <input type="checkbox"/> Sidewalks | <input type="checkbox"/> Outbuildings | <input type="checkbox"/> Fireplaces | | | 135 |
| <input type="checkbox"/> Garage Floors | <input type="checkbox"/> Walkways | <input type="checkbox"/> Siding | | | 136 |
| <input type="checkbox"/> Wood Stoves | <input type="checkbox"/> Elevators | <input type="checkbox"/> Incline Elevators | | | 137 |
| <input type="checkbox"/> Stairway Chair Lifts | <input type="checkbox"/> Wheelchair Lifts | <input type="checkbox"/> Other _____ | | | 138 |
| | | | | | 139 |
| *G. Was a structural pest or "whole house" inspection done? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 140 |
| If yes, when and by whom was the inspection completed? | | | | | 141 |
| _____ | | | | | 142 |
| | | | | | 143 |
| H. During your ownership, has the property had any wood destroying organism or pest infestation? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 144 |
| I. Is the attic insulated? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 145 |
| J. Is the basement insulated? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 146 |
| | | | | | 147 |

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SELLER'S INITIALS

Date

SELLER'S INITIALS

Date

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	N/A	
5. SYSTEMS AND FIXTURES					148
*A. If any of the following systems or fixtures are included with the transfer, are there any defects?					149
If yes, please explain: _____					150
Electrical system, including wiring, switches, outlets, and service	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	151
Plumbing system, including pipes, faucets, fixtures, and toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	152
Hot water tank	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	153
Garbage disposal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	154
Appliances.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	155
Sump pump.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	156
Heating and cooling systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	157
Security system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	158
Other.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	159
*B. If any of the following fixtures or property is included with the transfer, are they leased? (If yes, please attach copy of lease.)					160
Security System: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	161
Tanks (type): _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	162
Satellite dish: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	163
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	164
*C. Are any of the following kinds of wood burning appliances present at the property?					165
(1) Woodstove?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	166
(2) Fireplace insert?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	167
(3) Pellet stove?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	168
(4) Fireplace?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	169
If yes, are all of the (1) woodstoves or (2) fireplace inserts certified by the U.S. Environmental Protection Agency as clean burning appliances to improve air quality and public health?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	170
D. Is the property located within a city, county, or district or within a department of natural resources fire protection zone that provides fire protection services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	171
E. Is the property equipped with carbon monoxide alarms? (Note: Pursuant to RCW 19.27.530, Seller must equip the residence with carbon monoxide alarms as required by the state building code.).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	172
F. Is the property equipped with smoke alarms?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	173
6. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS					174
A. Is there a Homeowners' Association?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	175
Name of Association and contact information for an officer, director, employee, or other authorized agent, if any, who may provide the association's financial statements, minutes, bylaws, fining policy, and other information that is not publicly available: _____					176
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	177
\$ _____ per <input type="checkbox"/> month <input type="checkbox"/> year					178
<input type="checkbox"/> Other: _____					179
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	180
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	181
7. ENVIRONMENTAL					182
*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	183
*B. Does any part of the property contain fill dirt, waste, or other fill material?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	184
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	185
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	186
*E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	187
*F. Has the property been used for commercial or industrial purposes?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	188

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**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

	YES	NO	DONT KNOW	N/A	202
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	203
*H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	204
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	205
*J. Has the property been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	206
*K. Are there any radio towers in the area that cause interference with cellular telephone reception?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	207
8. LEAD BASED PAINT (Applicable if the house was built before 1978).					208
A. Presence of lead-based paint and/or lead-based paint hazards (check one below):					209
<input type="checkbox"/> Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). _____					210
<input type="checkbox"/> Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.					211
B. Records and reports available to the Seller (check one below):					212
<input type="checkbox"/> Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below). _____					213
<input checked="" type="checkbox"/> Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.					214
9. MANUFACTURED AND MOBILE HOMES					215
If the property includes a manufactured or mobile home,					216
*A. Did you make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	217
If yes, please describe the alterations: _____					218
*B. Did any previous owner make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	219
*C. If alterations were made, were permits or variances for these alterations obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	220
10. FULL DISCLOSURE BY SELLERS					221
A. Other conditions or defects:					222
*Are there any other existing material defects affecting the property that a prospective buyer should know about?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	223
B. Verification					224
The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.					225
<i>Tracey Dunlap, Deputy City Manager</i>					226
10/18/2018 3:14:26 PM PDT					227
Date					228
Seller					229
Date					230

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

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**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

II. NOTICES TO THE BUYER

1. SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

2. PROXIMITY TO FARMING

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

III. BUYER'S ACKNOWLEDGEMENT

1. BUYER HEREBY ACKNOWLEDGES THAT:

- A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
- B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
- C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
- D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.
- E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).
- F. If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your Home*.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

Authentisign
 10/20/2018
 _____ Date _____ Buyer _____ Date
 10/20/2018 9:38:13 AM PDT

2. BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

Buyer Date Buyer Date

3. BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

Buyer Date Buyer Date

JD 10/18/2018
 _____ Date _____ Date
 SELLER'S INITIALS Date SELLER'S INITIALS Date

**IDENTIFICATION OF UTILITIES
ADDENDUM TO PURCHASE AND SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1
between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer
and CITY OF KIRKLAND ("Seller") 3
Seller Seller
concerning 8411 NE 141ST STREET KIRKLAND WA 98034 (the "Property"). 4
Address City State Zip

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: NORTHSHORE UTILITY DISTRICT 8
 - Name 6830 NE 185TH STREET 9
 - Address KENMORE, WA, 98028 10
 - City, State, Zip NORTHSHORE UTILITY DISTRICT Fax. No. 11
- SEWER DISTRICT: NORTHSHORE UTILITY DISTRICT 11
 - Name 6830 NE 185TH STREET 12
 - Address KENMORE, WA, 98028 13
 - City, State, Zip NORTHSHORE UTILITY DISTRICT Fax. No. 14
- IRRIGATION DISTRICT: NORTHSHORE UTILITY DISTRICT 14
 - Name 6830 NE 185TH STREET 15
 - Address KENMORE, WA, 98028 16
 - City, State, Zip CITY OF KIRKLAND Fax. No. 17
- GARBAGE: CITY OF KIRKLAND 17
 - Name 123 5th AVE 18
 - Address KIRKLAND, WA, 98033 19
 - City, State, Zip PSE Fax. No. 20
- ELECTRICITY: PSE 20
 - Name P.O. BOX 91269 21
 - Address BELLEVUE, WA 98009-9269 22
 - City, State, Zip PSE Fax. No. 23
- GAS: PSE 23
 - Name P.O. BOX 91269 24
 - Address BELLEVUE, WA, 98009 25
 - City, State, Zip N/A Fax. No. 26
- SPECIAL DISTRICT(S): N/A 26
(local improvement districts or utility local improvement districts)
 - Name _____ 27
 - Address _____ 28
 - 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

LN 10/20/2018 JD 10/18/2018
Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date



ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated September 24, 2018 1

between Lwin-Nemoto Investment Group ("Buyer") 2
Buyer Buyer

and City of Kirkland ("Seller") 3
Seller Seller

concerning 8411 NE 141st Street Kirkland WA 98034 (the "Property"). 4
Address City State Zip

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

- 1. Purchase price to be reduced by \$12,500. New price shall be \$737,500. 6
- 2. Earnest Money shall be deemed non-refundable should Buyer fail to close; however, Earnest Money shall be refundable should Seller fail to close. 7
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- 3. Buyer waives all contingencies and all feasibility is satisfied. 11
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- 4. Closing date to be changed to Friday, November 9th, 2018. 14
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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

LI 11/01/2018
 Buyer's Initials Date

 Buyer's Initials Date

JD 11/01/2018
 Seller's Initials Date

 Seller's Initials Date