

CITY OF SNOQUALMIE
SNOQUALMIE RIVERFRONT REACH
HAILSTONE TRUST PROPERTY

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (“Agreement”) is made as of the date this instrument is fully executed by and between Teri L. Hailstone and D. Hooker Hailstone, Trustees of the HAILSTONE REVOCABLE TRUST, dated April 19, 2024 (“Seller”), and THE CITY OF SNOQUALMIE, a municipal corporation of the State of Washington (“Buyer”), for the purchase and sale of that certain property situated in King County, Washington, described on Exhibit A, and all rights appurtenant (“the Property”). Seller and Buyer may be collectively referred to herein as the “Parties” and individually as a “Party.”

1. **PURCHASE PRICE:** The purchase price for the Property is **Three Hundred Sixty Thousand and No/100 Dollars (US \$360,000.00)** (“Purchase Price”). The Purchase Price is payable at Closing in cash.

2. **TITLE:**

2.1 **Deed:** At Closing, Seller will execute and deliver to Buyer a Statutory Warranty Deed conveying and warranting good and marketable title to the Property free and clear of all defects or encumbrances except for the lien of real estate taxes and drainage service charges not yet due and payable and those defects and/or encumbrances (if any) identified on Exhibit B (collectively, “Permitted Exceptions”).

2.2 **Title Insurance:** At Closing, Buyer shall receive (at Buyer's expense) an owner's Standard ALTA policy of title insurance, dated as of the Date of Closing and insuring Buyer in the amount of the Purchase Price against loss or damage by reason of defect in Buyer's title to the Property subject only to the printed exclusions appearing in the policy form and any Permitted Exceptions.

3. **CONTINGENCIES:**

3.1 **Due Diligence Inspection and Feasibility:** Buyer shall satisfy itself by investigation and inspection, at its cost and expense, in its sole and absolute discretion that the condition of the Property for Buyer’s contemplated use meets with its approval (“Due Diligence Contingency”). During the Due Diligence Period (as hereafter defined), Buyer may have a Phase I Environmental Site Assessment (“ESA”) of the Property performed by a qualified environmental consultant (the “ESA Consultant”). If the ESA Consultant recommends further assessment or remediation of the Property (including, but not limited to, a Phase II ESA) (the “Phase I Recommendations”), then Buyer may provide Seller notice of the Phase I Recommendations and thereafter negotiate with Seller regarding an appropriate “Corrective Action Plan.” If Buyer and Seller are not able to agree upon a Corrective Action Plan that would address the Phase I Recommendations to Buyer’s

satisfaction, or if Buyer is not satisfied with the condition of the Property for any other reason, this Agreement shall terminate pursuant to Section 5.9. Seller hereby grants Buyer's employees, agents, and contractors a right of entry onto the Property for any site inspections performed in connection with this Due Diligence Contingency. In connection with such inspections, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Buyer, caused by or arising out of any act, error, or omission of Buyer, its officers, agents, contractors, subcontractors, or employees in entering the Property for the above purposes, to the extent not caused by or arising out of any act, error, or omission of Seller, its officers, agents, and employees.

3.2 Funding: The sale of the Property is contingent on appropriation by the Snoqualmie City Council, Snoqualmie Mayor Katherine Ross' approval of said appropriation, and spending authority of funds sufficient to close the sale.

3.3 Removal of Contingencies: Buyer shall have a period of 150 days from the date all Parties have signed this Agreement to remove all contingencies (the "Due Diligence Period"). Buyer may remove such contingencies by sending written notice thereof to Seller pursuant to Section 7 herein. If the contingencies are not removed within the Due Diligence Period, this Agreement will terminate, and the Parties shall have no further obligations hereunder.

4. RISK OF LOSS: Seller will bear the risk of loss of or damage to the Property prior to Closing. If such loss or damage occurs to the Property, Seller shall promptly notify Buyer thereof and Buyer may, in its sole discretion, terminate this Agreement by giving notice of termination to the Seller.

5. SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS: Seller represents, warrants, and covenants to Buyer at the date of execution of this Agreement and the Date of Closing that:

5.1 Authority: Seller, and the person(s) signing on behalf of Seller, have full power and authority to execute this Agreement and perform Seller's obligations, and if Seller is a corporation, all necessary corporate action to authorize this transaction has been taken.

5.2 No Material Defect: Seller is unaware of any material defect in the Property.

5.3 Debris and Personal Property: Prior to Closing, Seller shall remove all debris and personal property located on the Property (if any). Removal of all personal property and debris shall be at Seller's cost and expense, and Seller will indemnify and hold Buyer harmless from all claims and expenses arising from such removal.

5.4 Contamination: Seller hereby represents and warrants that (a) Seller has not caused or allowed the generation, treatment, storage, or disposal of Hazardous Substances on the Property, except in accordance with local, state, and federal statutes and regulations; (b) Seller has not caused

or allowed the release of any Hazardous Substance onto, at, or near the Property; (c) Seller is in compliance with all applicable laws, rules, and regulations regarding the handling of Hazardous Substances; (d) Seller has secured all necessary permits, licenses, and approvals necessary to its operation on the Property, and is in compliance with such permits; (e) Seller has not received notice of any proceedings, claims, or lawsuits arising out of its operations on the Property; and (f) to the Seller's knowledge, the Property is not, nor has it ever been subject to the release of Hazardous Substances. For the purposes of this Agreement, the term "Hazardous Substance" means any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any local, state, or federal environmental law or regulation.

5.5 Fees and Commissions: Seller shall pay for any broker's and other commissions and fees incurred by the Seller in connection with the sale of the Property and Seller shall indemnify and hold Buyer harmless from all such claims for commission and fees.

5.6 No Leases: The Property is not subject to any valid leases, tenancies, or rights of persons in possession, or if the Property is subject to any valid leases, tenancies, or rights of persons in possession as of the date of mutual execution of this Agreement, Seller will have terminated the leases, tenancies, and/or rights of persons in possession prior to Closing. Seller shall not enter into or establish any leases, tenancies, or rights of persons in possession prior to Closing. At Closing, Seller will deliver the Property to Buyer vacant and not subject to any leases, licenses, or other occupancy agreements or contracts which would be binding on Buyer or the Property after Closing. Seller agrees to indemnify, defend, and hold harmless Buyer, its officers, elected officials, employees, agents, contractors, and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other fees, arising out of or in any way connected with leases, licenses, or other occupancy agreements or contracts affecting the Property as of the date of mutual execution of this Agreement.

5.7 Indemnification: Seller agrees to indemnify, defend, and hold harmless Buyer, its officers, elected officials, employees, agents, contractors, and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other fees, arising out of or in any way connected to the breach of any representation or warranty contained herein. Such duty of indemnification shall include, but not be limited to damage, liability, or loss including reasonable attorney's and other fees incurred, pursuant to all federal environmental laws, Washington State environmental laws, strict liability, and common law.

5.8 Contents of Septic Systems and Fuel Tanks: No more than 30 days prior to Closing, Seller shall cause all septic systems and fuel tanks located on the Property to be emptied, and the contents of said systems and tanks to be properly disposed of or removed from the Property. Seller shall provide to Buyer prior to Closing adequate documentation that all requirements under this Section 5.7 have been fulfilled.

5.9 Termination: If Buyer determines in its sole and absolute discretion that any representation, warranty, or covenant contained herein has been breached prior to Closing, Buyer may elect to terminate this Agreement by sending written notice of the breach to Seller pursuant to Section 7 herein.

6. **CLOSING:**

6.1 **Time for Closing:** The sale will be closed in the office of the Closing Agent not later than twenty-one (21) days from the date all contingencies set forth in Section 3 herein have been removed, or as soon thereafter as practicable.

Buyer and Seller shall deposit in escrow with the Closing Agent all instruments, documents, and moneys necessary to complete the sale in accordance with this Agreement. As used in this Agreement, "Closing" and "Date of Closing" means the date on which all appropriate documents are recorded and proceeds of the sale are available for disbursement to Seller. The Closing Agent shall be:

Fidelity National Title Company
600 University Street, Suite 2424
Seattle, WA 98101

6.2 **Prorations and Closing Costs:** Seller will pay real estate excise taxes (if any are due) and the full first half or second half real property tax installment due and owing, as determined by the Date of Closing. Seller will receive a prorated refund directly from King County Treasury Operations for the number of days post-Closing for the applicable installment period. Buyer will pay the premium for its owner's title insurance policy, the cost of recording the Statutory Warranty Deed from the Seller, and the Closing Agent's escrow fees.

6.3 **Possession:** Buyer shall be entitled to possession of the Property at Closing.

6.4 **Seller Questionnaire:** The "Seller Questionnaire" is attached to this Agreement as Exhibit C and shall be completed by Seller and delivered to Buyer at the time this Agreement has been executed by both Parties. Nothing in the Seller Questionnaire creates a representation or warranty by Seller with respect to the Property, nor does it create any rights or obligations for the Parties.

7. **NOTICES:** Any notices required herein shall be given to the Parties: (a) personally, (b) by certified mail with return receipt, or (c) electronically, with read receipt or delivery confirmation or both. Notices shall be effective (a) upon personal delivery, (b) after five (5) calendar days following deposit in the U.S. mail, or (c) immediately upon electronic transmittal to the email addresses below. The Party providing notice shall bear the burden to prove the date that notice was delivered.

TO SELLER:

Teri L. Hailstone and
D. Hooker Hailstone, Trustees
Hailstone Revocable Trust
c/o Gary Penitsch, Broker
Coldwell Banker Bain
8862 161st Ave Ste 103
Redmond, WA 98052

TO BUYER:

City of Snoqualmie
c/o King County Water and Land Resources Division
Open Space Acquisitions
201 South Jackson Street, Suite 6300
Seattle, WA 98104
Attn: Lori King
Email: lori.king@kingcounty.gov

Email: gary.penitsch@cbrealty.com

WITH A COPY TO:
City of Snoqualmie
Attn: City Clerk
P.O. Box 897
Snoqualmie, WA 98065
Email: CityClerk@SnoqualmieWA.gov

8. DEFAULT AND ATTORNEYS' FEES:

8.1 Default by Buyer: If Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement.

8.2 Default by Seller: If Closing does not occur due to default of Seller, Buyer shall have the right to bring an action for specific performance, damages, and any other remedies available at law or in equity. In seeking any equitable remedies, Buyer shall not be required to prove or establish that Buyer does not have an adequate remedy at law. Seller hereby waives the requirement of any such proof and acknowledges that Buyer would not have an adequate remedy at law for Seller's breach of this Agreement.

8.3 Attorneys' Fees: In an action to enforce this Agreement, each Party shall bear its own attorneys' fees and costs.

9. GENERAL: This is the entire agreement of the Buyer and Seller with respect to the Property and supersedes all prior or contemporaneous agreements between them, written or oral. This Agreement may be modified only in writing, signed by Buyer and Seller. Any waivers under this agreement must be in writing. A waiver of any right or remedy in the event of a default will not constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement is for the benefit of, and binding upon, Buyer (including its officers, elected officials, employees, agents, contractors, and assigns) and Seller (including its heirs, personal representatives, successors, and assigns). The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision. Time is of the essence in this Agreement.

10. WASTE; ALTERATION OF PROPERTY: Seller shall not (a) commit waste on the Property; (b) remove trees or other vegetation, coal, minerals, or other valuable materials; or (c) substantially alter the surface or subsurface of the Property without the express written consent of Buyer.

11. SURVIVAL OF WARRANTIES: The terms, covenants, representations, and warranties shall not merge in the deed of conveyance but shall survive Closing.

12. **LEGAL RELATIONSHIP:** The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture, or joint undertaking shall be constructed from this Agreement.

13. **GOVERNING LAW AND VENUE:** This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington, shall have exclusive jurisdiction and venue.

14. **COUNTERPARTS:** To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

15. **TERMINATION OF OFFER:** This offer shall terminate if not accepted by Seller on or before **Month XX, 2025**.

BUYER: City of Snoqualmie, a municipal corporation
of the State of Washington.

BY: _____
Katherine Ross, Mayor Date

SELLER: Hailstone Revocable Trust

Teri L. Hailstone, Trustee Date

D. Hooker Hailstone, Trustee Date

EXHIBITS: **Exhibit A**, Legal Description
Exhibit B, Permitted Exceptions
Exhibit C, Seller Questionnaire

EXHIBIT A

LEGAL DESCRIPTION

Lot 10, Block 8, Snoqualmie Falls, according to the plat thereof recorded in Volume 6 of Plats, Page 51, records of King County, Washington;

Except the Southwesterly 8 feet thereof conveyed to the Town of Snoqualmie for widening of Railroad Blvd by deed recorded under King County Recording Number 2559913.

EXHIBIT B

PERMITTED EXCEPTIONS

Those special exceptions listed on Fidelity National Title Company Report # 25000040-SC Dated January 8, 2025, and any supplements thereto (which Title Report and Supplements are incorporated into this Agreement by this reference) numbered 1, 2, 3, 4, 5, 6, 7, and 9 (Paid Current), Schedule B-II.

EXHIBIT C
Landowner Questionnaire

Title

1. Are there any encroachments, boundary agreements, or boundary disputes? ☐ Yes ☐ No ☐ Don't know

If yes, please explain: _____

2. Is there a private road or easement agreement for access to the property? ☐ Yes ☐ No ☐ Don't know
3. Are there any written agreements for joint maintenance of an easement or road? ☐ Yes ☐ No ☐ Don't know

Annual Cost: _____

Utilities

1. The source of water for the property is: ☐ Private or publicly owned water system
☐ Private well serving only the subject property
☐ Other water system: _____
2. The property is served by: ☐ Public sewer system
☐ On-site septic system
☐ Other disposal system: _____
3. Utilities are provided, as follows:

Oil: _____

Gas: _____

Electric: _____

Sewage: _____

Water: _____

4. List any leased equipment and terms: _____

Homeowner's Association

- Is there a Homeowners' Association? ☐ Yes ☐ No ☐ Don't know

Name of Association: _____

Contact name: _____

Name of Association: _____

Contact phone number and/or address: _____

Annual membership dues: _____

Pending special assessments: _____