

TOWN OF EATONVILLE

Agenda Staff Report

Agenda Item No.:	<u>Resolution 2013-RR</u>	Meeting Date:	<u>November 12, 2013</u>
Subject:	<u>Resolution 2013-RR Approving a</u>	Prepared by:	<u>Gregory Jacoby</u>
	<u>Purchase and Sale Agreement with the</u>		<u>Town Attorney</u>
	<u>Eatonville Chamber of Commerce for</u>	Atty Routing No:	<u>020-13</u>
	<u>the purchase of real property.</u>	Atty Review Date:	<u>November 7, 2013</u>

Summary: The Eatonville Chamber of Commerce owns real property located at 43407 Mountain Highway East, which has a 2014 tax year assessed value of \$5,200. The property is in foreclosure due to the Chamber's failure to pay real property taxes for the years 2010, 2011, 2012, and 2013. As of November 27, 2013, the delinquent taxes, including interest and fees amounts to \$3,224.45. The Chamber has insufficient funds to pay the past due real property taxes in order to avoid foreclosure. The Chamber has long maintained a sign on the property directing travelers to the Town of Eatonville, which will be lost in the event the property is sold as part of a foreclosure. The Town desires to purchase the property from the Chamber for a sale price equal to the unpaid real property taxes, including interest and fees. The Town will be responsible for all closing costs and fees. At closing the purchase funds will be used to satisfy all unpaid property taxes, interest, and fees owing on the property.

Recommendation: Staff recommends the passage of Resolution 2013-RR, approving the Purchase and Sale Agreement with the Eatonville Chamber of Commerce for the purchase of the real property located at 43407 Mountain Highway East (Tax Parcel No. 0416212003).

Motion for consideration: I move to adopt Resolution 2013-RR, approving the Purchase and Sale Agreement with the Eatonville Chamber of Commerce and authorizing the Mayor to execute the Agreement, along with any other documents necessary to complete the purchase of the real property located at 43407 Mountain Highway East.

Fiscal Impact: The purchase price for the real property will be approximately \$3,224.45 plus closing costs and fees.

Attachments: Proposed Resolution 2013-RR.
Purchase and Sale Agreement

RESOLUTION 2013-RR

**A RESOLUTION OF THE TOWN OF EATONVILLE, WASHINGTON,
APPROVING A PURCHASE AND SALE AGREEMENT WITH THE
EATONVILLE CHAMBER OF COMMERCE FOR REAL PROPERTY
LOCATED AT 43407 MOUNTAIN HIGHWAY EAST**

WHEREAS, the Eatonville Chamber of Commerce, Inc. (the Chamber) is the fee title owner of real property located at 43407 Mountain Highway East, Eatonville, Washington, Pierce County parcel number 0416212003 (the Subject Property); and

WHEREAS, for the tax year 2014, the Subject Property has an assessed value of \$5,200; and

WHEREAS, the Subject Property is in foreclosure because real property taxes are owed to Pierce County for the tax years 2010, 2011, 2012 & 2013 in the total amount of \$3,224.45 (as of November 27, 2013), plus accrued interest; and

WHEREAS, the Chamber has insufficient revenue to pay the past due real property taxes and avoid foreclosure; and

WHEREAS, the Chamber has long maintained a sign on the Subject Property directing travelers to the Town of Eatonville, which sign would be lost if the property is foreclosed on; and

WHEREAS, at the Chamber's request, the Town of Eatonville (the Town) has agreed to purchase the Subject Property for an amount equal to the real property taxes owed and the Town will pay for a title insurance policy and all escrow and recording fees; and

WHEREAS, in consideration of the Town's payments, at closing the purchase price will be applied to the unpaid real property taxes and the Chamber will execute a statutory warranty deed conveying title to the Subject Property to the Town; now, therefore;

**THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, WASHINGTON,
HEREBY RESOLVES AS FOLLOWS:**

THAT: The Purchase and Sale Agreement attached hereto as Exhibit A between the Town of Eatonville and The Eatonville Chamber of Commerce is approved. The real property located at 43407 Mountain Highway East, Eatonville, Washington, Pierce County tax parcel number 0416212003, shall be conveyed to the Town of Eatonville by statutory warranty deed in consideration of the Town's payment equal to the unpaid real property taxes owing on the day of closing; and further

THAT: The Mayor of the Town of Eatonville is hereby authorized to execute the Purchase and Sale Agreement and all such documents as are necessary to complete the transfer of title to the Town.

PASSED by the Town Council of Town of Eatonville and attested by the Town Clerk in authentication of such passage this 12th day of November 2013.

Ray Harper, Mayor

ATTEST:

Kathy Linnemeyer, Town Clerk

REAL ESTATE PURCHASE AND SALE AGREEMENT

1. **Date and Parties.** This Real Estate Purchase and Sale Agreement (“Agreement”) is dated, for reference purposes only, the _____ day of _____, 2013, and is made and entered into by and between the Town of Eatonville, a Washington municipal corporation (“Purchaser”) and the Eatonville Chamber of Commerce, Inc., a Washington non-profit corporation (“Seller”) which are referred to hereinafter as “Party” or “Parties” as the context requires.

2. **Property to be Conveyed.**

2.1 Seller is the owner of the real estate legally described in Exhibit A and mapped in Exhibit B attached hereto (“Property”).

2.2 The Seller agrees to sell and the Purchaser agrees to purchase the Property on the terms and conditions set forth in this Agreement.

3. **Purchase Price.** The purchase price for the Property shall be the amount of real property taxes, including interest and penalties owed to Pierce County as of the date of purchase, payable in full at Closing or earlier as described below (“Purchase Price”). As of November 27, 2013, the total amount of real property taxes, interest and penalties owed to Pierce County equaled \$3,224.45. The term “Closing” shall mean the closing of the transaction contemplated by this Agreement as provided in Paragraph 10.

4. **Legal Description.** The Parties hereby authorize the Closing Agent to insert, attach, or correct the legal description of the Property as required to consummate the conveyance thereof.

5. **Title.** Seller shall convey title to the Property by statutory warranty deed, free of all liens, encumbrances or defects, except as expressly approved by Purchaser in writing. Encumbrances to be discharged by Seller, if any, may be paid out of the Purchase Price at date of Closing.

6. **Title Insurance.** Fees for a standard or ALTA extended coverage owner's title insurance policy shall be paid by Purchaser. The title policy to be issued

shall contain no exceptions other than the usual general exceptions provided for in the specified title policy form, plus encumbrances or defects approved by Purchaser in Paragraph 5 above. If title cannot be made so insurable by the date of Closing, Purchaser may elect to terminate this Agreement, or may waive any such defects and elect to purchase as described herein.

7. **Included Items.** This transaction includes any improvements and appurtenances, if any, on the Property.

8. **Possession.** The Purchaser shall be entitled to possession of the Property on the Closing date.

9. **Town Council Approval.** This Agreement is subject to approval by the Town Council of the Town of Eatonville.

10. **Closing.** Closing shall occur within 30 days after approval by the Eatonville Town Council, at First American Title Insurance Company, 2910 S. Meridian Avenue, Ste. 180, Puyallup, WA 98373, telephone (253) 471-1234 (“Closing Agent”), or such other location as the parties may mutually agree. The Purchaser and Seller shall, on demand, deposit in escrow all instructions and moneys necessary to complete the purchase in accordance with this Agreement. Closing shall be deemed to have occurred when all documents are recorded and the sale proceeds have been paid to Pierce County in satisfaction of all unpaid real property taxes, interest and penalties.

11. **Closing Costs & Pro-Rated Items.** Purchaser shall pay all of the escrow fee and the recording fees for the statutory warranty deed, as well as any real estate excise tax applicable to this transaction. Taxes for the current year, water and other utilities constituting liens, if any, shall be paid by Purchaser as of Closing.

12. **Seller’s Representations.** This sale is an “as is” sale. Seller makes no warranties or representations as to the physical condition of the Property or any improvements therein. Purchaser has not relied upon any representations of Seller, its agents or its attorney as to the physical condition of the Property, boundary lines, zoning, or any other item, except as set forth in this Agreement.

13. **Survival of Representations and Warranties.** All of the Parties’ representations and warranties contained herein shall survive the Closing.

14. **Attorneys' Fees and Expenses.** In the event any Party brings a lawsuit to enforce or defend any rights herein, the prevailing Party shall be awarded all costs and expenses and reasonable attorney fees at both the trial and appellate court levels.

15. **Successors and Assigns.** This Agreement and all of the terms and provisions set forth herein shall inure to the benefit of and be binding upon the Parties, their heirs, successors, legal representatives and assigns.

16. **Advance Payment to Avoid Foreclosure.** The Property is currently in foreclosure as a result of Seller's failure to pay real property taxes for the tax years 2010, 2011, 2012, and 2013. It may become necessary for Purchaser to pay all or a portion of the unpaid property taxes to Pierce County in advance of Closing in order to prevent the property from being sold at auction. The Parties agree to cooperate with such payment in the event it becomes necessary. In the event advance payment is made by Purchaser, any and all funds paid shall be credited toward the Purchase Price described above in Paragraph 3 at time of Closing.

17. **Further Acts.** In addition to the acts specifically required in this Agreement, the Parties agree to perform or cause to be performed at and after Closing any and all further acts as may be reasonably necessary to consummate the transaction described herein.

18. **Complete Agreement.** This Agreement and any addenda and exhibits to it state the entire understanding of Seller and Purchaser regarding the sale of the Property. There are no verbal or written agreements which modify or affect the Agreement.

19. **Facsimile Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either Party, or the Closing Agent, the Parties will confirm facsimile transmitted signatures by signing an original document.

PURCHASER:

Eatonville Chamber of Commerce, Inc.

By: _____
John Bratholm, President

Date signed: _____

SELLER:

Town of Eatonville

By: _____
Ray Harper, Mayor

Date signed: _____

ATTEST:

Kathy Linnemeyer, Town Clerk

Date signed: _____

APPROVED AS TO FORM:

Gregory A. Jacoby, Town Attorney

Date signed: _____

Exhibit A

Legal Description

That portion of the Northeast Quarter of the Northwest Quarter of Section 21, Township 16 North, Range 4 East, W.M., described as follows:

That certain triangular shaped parcel formed by the “Y” of the National Park Highway and Eatonville Highway.

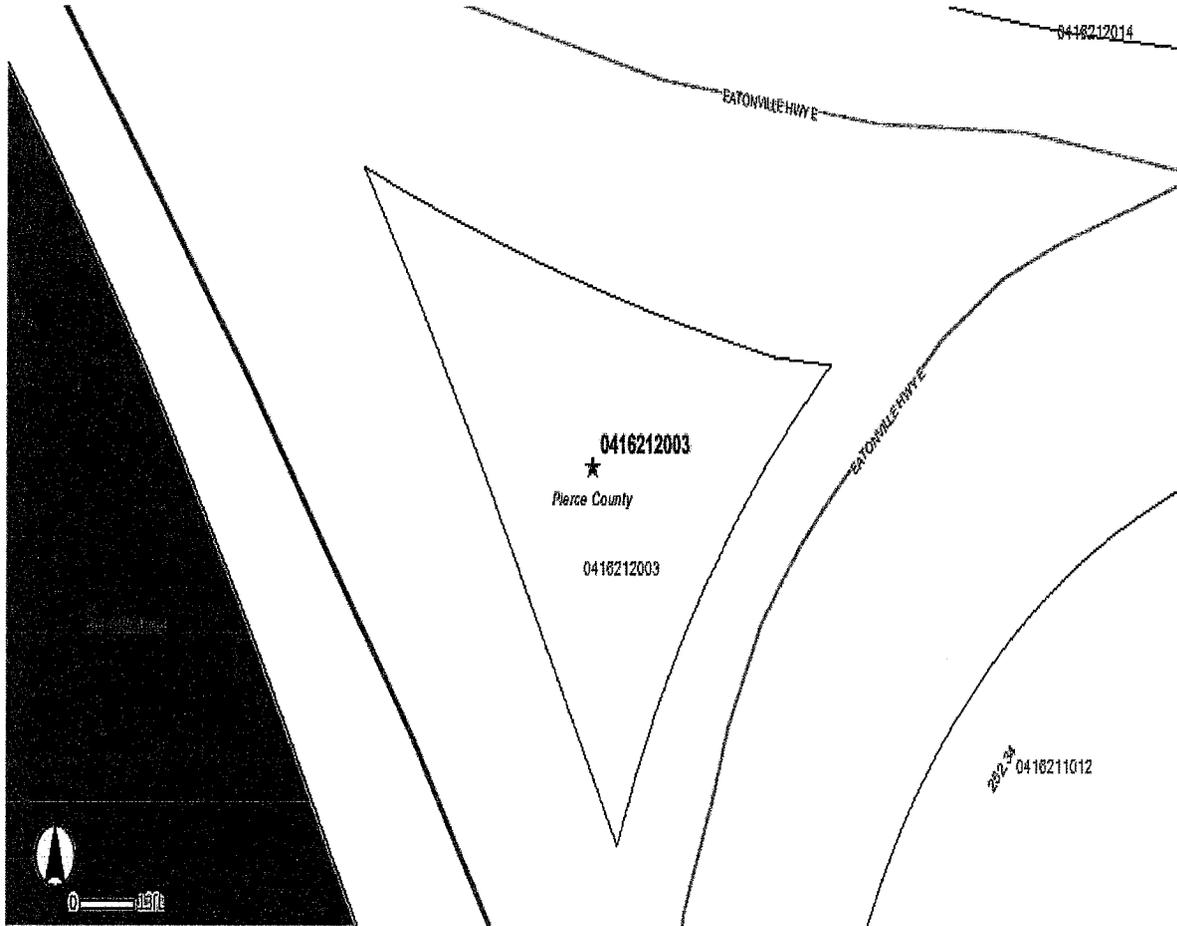
Situate in County of Pierce, State of Washington.

Tax Parcel Number: 041621-2003

Situs Address: 43407 Mountain Highway, Eatonville, WA 98328

Exhibit B

Map



SELLER

PURCHASER

RESOLUTION NO. 2013-1

A RESOLUTION OF THE EATONVILLE CHAMBER OF COMMERCE AUTHORIZING THE SALE OF REAL PROPERTY TO THE TOWN OF EATONVILLE

WHEREAS, the Eatonville Chamber of Commerce, Inc. (the Chamber) is the fee title owner of real property located at 43407 Mountain Highway East, Eatonville, Washington, Pierce County parcel number 0416212003 (the Subject Property); and

WHEREAS, for the tax year 2014, the Subject Property has an assessed value of \$5,200; and

WHEREAS, the Subject Property is in foreclosure because real property taxes are owed to Pierce County for the tax years 2010, 2011 in the total amount of \$ 2735.85 plus accrued interest; and 2012, 2013

WHEREAS, the Chamber has insufficient revenue to pay the past due real property taxes and avoid foreclosure; and

WHEREAS, at the Chamber's request, the Town of Eatonville has agreed to purchase the Subject Property for an amount equal to the real property taxes owed and the Town will pay for a title insurance policy and all escrow and recording fees; and

WHEREAS, in consideration of the Town's payments, at closing the purchase price will be applied to the unpaid real property taxes and the Chamber will execute a statutory warranty deed conveying title to the Subject Property to the Town; and

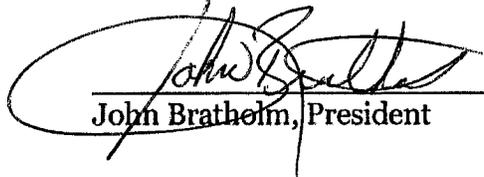
WHEREAS, pursuant to Article IV of the Chamber's By-Laws, the Board of Directors is vested with the authority to control the Chamber's property and direct its financial affairs; now, therefore;

THE BOARD OF DIRECTORS OF THE EATONVILLE CHAMBER OF COMMERCE HEREBY RESOLVES AS FOLLOWS:

THAT: The real property located at 43407 Mountain Highway East, Eatonville, Washington, Pierce County tax parcel number 0416212003, shall be conveyed to the Town of Eatonville by statutory warranty deed in consideration of the Town's payment equal to the unpaid real property taxes owing on the day of closing; and further

THAT: The officers of the Eatonville Chamber of Commerce are hereby authorized to execute all such documents as are necessary to complete the transfer of title to the Town.

PASSED by the Board of Directors of the Eatonville Chamber of Commerce,
SIGNED by the President and attested by the Secretary in authentication of such passage
this 7th day of November 2013.



John Brathelm, President

ATTEST:

Jacqueline Sparrow, Secretary

Pierce County

Property Subject To Foreclosure

Jul 29, 2013

EATONVILLE CHAMBER OF
COMMERCE INC
PO BOX 845
EATONVILLE WA 98328-0845

Parcel Number: 0416212003

Situs: 43407 MOUNTAIN HWY E, PIERCE COUNTY

Taxes, interest and costs due with interest calculated to: 8/31/2013

2013		2012	
Property Tax Principal	\$371.48	Property Tax Principal	\$419.23
Property Tax Interest	\$14.86	Property Tax Interest	\$67.08
Property Tax Penalty	\$11.15	Property Tax Penalty	\$46.12
Weed Control Principal	\$1.64	Weed Control Principal	\$1.64
Weed Control Interest	\$0.07	Weed Control Interest	\$0.26
Pierce Conservation District Principal	\$3.95	Pierce Conservation District Principal	\$5.00
Pierce Conservation District Interest	\$0.16	Pierce Conservation District Interest	\$0.81
Pierce Conservation District Penalty	\$0.12	Pierce Conservation District Penalty	\$0.55
Taxes for Year: 2013	\$403.43	Taxes for Year: 2012	\$540.69
2011		2010	
Property Tax Principal	\$378.39	Property Tax Principal	\$383.33
Property Tax Interest	\$105.96	Property Tax Interest	\$153.34
Property Tax Penalty	\$41.63	Property Tax Penalty	\$42.16
Weed Control Principal	\$1.64	Weed Control Principal	\$1.39
Weed Control Interest	\$0.46	Weed Control Interest	\$0.55
Pierce Conservation District Principal	\$5.00	Pierce Conservation District Principal	\$5.00
Pierce Conservation District Interest	\$1.40	Pierce Conservation District Interest	\$2.00
Pierce Conservation District Penalty	\$0.56	Pierce Conservation District Penalty	\$0.55
Taxes for Year: 2011	\$535.03	Foreclosure Costs	\$668.38
		Taxes for Year: 2010	\$1,256.70
Total Taxes and Charges Due:	\$2,735.85		

Section 21 Township 16 Range 04 Quarter 22 : TRI FORMED BY Y OF NATIONAL PARK HWY & EATONVILLE HWY IN NE OF NW

-- Redemption must be made by Cashier's Check or Cash Only --