

EVERETT SCHOOL DISTRICT NO. 2

RESOLUTION NO. 636

A resolution of the Board of Directors (the "Board") of the Everett School District No. 2 (the "District") to purchase real property for an addition to North Middle School campus.

WHEREAS, the District has identified a need for additional real property for school purposes; and

WHEREAS, H & M Associates, a Washington general partnership (the "Seller"), owns property (the "H&M Property") legally described on Exhibit A of the Earnest Money Receipt and Agreement attached hereto as Attachment 1 and incorporated herein by this reference (the "Agreement"), which H&M Property appears suitable for the District's use for such purposes; and

WHEREAS, the District's Superintendent and the Seller have executed the Agreement, for the Board's approval, for the District to purchase the H&M Property, subject to and in accordance with the terms of the Agreement, for Fifteen and No/100 Dollars (\$15.00) per square foot of the Property (the total square feet of the Property is 64,063 s.f. as determined by the survey referenced in Section 17 of the Agreement, representing a purchase price of \$960,945); and

WHEREAS, the Board desires to acquire the H&M Property, but only if it is free of hazardous and dangerous materials and wastes, the District will acquire adequate title, the property (after investigation) is otherwise suitable for the District's use, and the financial terms of the Agreement (upon review of a professionally designated real estate appraisal (as defined in RCW 74.46.020)) are consistent with applicable law;

NOW, THEREFORE, BE IT RESOLVED that the actions of the District's Superintendent, Paul Sjunnessen (and his authorized designees), in negotiating and executing the Agreement are hereby ratified, affirmed and approved;

AND FURTHER RESOLVED that the District should acquire the H&M Property for Fifteen and No/100 Dollars (\$15.00) per square foot, subject to and in accordance with the terms of the Agreement, provided that the following conditions, at a minimum, are satisfied:

(a) the H&M Property shall be professionally inspected for hazardous and dangerous materials and wastes within sixty days of the date of this Resolution, and the District shall not purchase the H&M Property unless the H&M Property is free of such materials and wastes; provided that the District, in the District's determination in its sole discretion, may, but shall not be obligated to, accept materials and wastes typically found in older structures such as those on the H&M Property as long as such materials and wastes may be disposed of during building demolition completely, legally, safely, and for a cost which is not inconsistent with the District's experience with demolition projects generally;

(b) the District's title to the H&M Property shall be free and clear of all liens and encumbrances except those which are not, in the District's determination in its sole discretion, inconsistent with the District's intended use of the H&M Property, and shall be insurable to meet such standard;

(c) the District shall have obtained (at the District's expense) a market value appraisal of the H&M Property by James McCallum, MAI, (a professionally-designated real estate appraiser as defined by RCW 74.46.020), and the District shall have determined, upon review of such appraisal, that the terms and conditions of the Agreement are consistent with applicable law; and

(d) the "Seller" as defined in the Agreement shall comply with the Agreement;

AND FURTHER RESOLVED that the District's Superintendent, Paul Sjunnessen (or his authorized designees), be, and he hereby is, authorized and directed to purchase the H&M Property subject to and in accordance with the terms of this resolution on behalf of the District and take such other and further actions as may be necessary or appropriate to accomplish the purchase.

ADOPTED this _____ day of _____, 1998.

EVERETT SCHOOL DISTRICT NO. 2
a municipal corporation in the State of
Washington

By Wm. J. Jense,
President

By Paula Kelley-Clarke,
Vice-President

By Loren P. Madsen,
Member

By Lee M. Coyle,
Member

By A. J. Jense,
Member

ATTEST:

By Paul Sjunnessen
Secretary for the Board

Attachment 1

EARNST MONEY RECEIPT AND AGREEMENT
FOR REAL PROPERTY

Everett, Washington

December 2, 1998 *M.H.S.*

EVERETT SCHOOL DISTRICT NO. 2, a municipal corporation of the State of Washington ("Purchaser"), hereby agrees to purchase and H & M Associates, a Washington general partnership ("Seller"), hereby agrees to sell, the real estate located in Snohomish County, Washington and more particularly described on EXHIBIT A attached hereto and incorporated herein by this reference ("Property").

AGREEMENT

In consideration of the foregoing and the performance of the mutual covenants herein contained, Seller and Purchaser agree as follows:

1. Timeline/Earnest Money

(a) Timeline

On or before sixty (60) days from the date of this Agreement (the "Feasibility Period"), Purchaser shall conduct the studies and perform the other items set forth in Section 8 of this Agreement with respect to the Property, and satisfy itself with respect to the condition of and other matters related to the Property and its suitability for Purchaser's intended use. If, during the Feasibility Period, in Purchaser's sole discretion, Purchaser determines that the Property is not suitable for Purchaser's intended uses, Purchaser, at Purchaser's option, may terminate this Agreement by written notice to Seller. Absent such notice, Purchaser shall be deemed to have elected to continue with this Agreement.

(b) Earnest Money

Purchaser will deposit a refundable earnest money note in the form of EXHIBIT C attached hereto with Bay Town Escrow in the amount of five percent (5%) of the Purchase Price for the Property promptly after the survey referred to below is completed. Within five (5) days of Purchaser's satisfaction with or waiver of the contingencies set forth in this Agreement, the earnest money note shall be paid and the earnest money shall become nonrefundable absent a default by Seller. Any interest earned on the earnest money shall be credited against the Purchase Price or returned to Purchaser, as the case may be.

2. Title

Title of Seller at closing is to be free of encumbrances or defects, except encumbrances and defects approved in writing by Purchaser after examination of the preliminary title commitment. Purchaser shall provide Seller with approval or title in writing within fifteen (15) days of Purchaser's receipt of the preliminary title commitment. Encumbrances to be discharged by Seller may be paid out of the purchase price at closing.

3. Personal Property

There is no personal property included with the sale of the Property.

4. Purchase Price

The total purchase price for the Property is Fifteen and No/100 Dollars (\$15.00) per square foot of the Property, of which the earnest money is part thereof. The total square feet of the Property shall be determined by the survey referenced in Section 17 of this Agreement and such determination shall be binding on the parties. The purchase price, including earnest money, shall be paid to Seller in cash through escrow.

5. Title Insurance

Purchaser's title shall be insured by First American Title Insurance Company. Seller shall make available to Purchaser a preliminary commitment for title insurance issued by First American Title Insurance Company showing the condition of Seller's title to the Property. Seller shall deliver to Purchaser at closing an owner's ALTA extended coverage policy of title insurance in the face amount of the purchase price insuring Purchaser's title subject to no exceptions other than the exceptions set forth in Section 2 above. If title is not insurable as provided above and cannot be made so insurable by the intended closing date of this Agreement, the earnest money shall be refunded and all rights of Purchaser terminated; provided, however, Purchaser may waive defects and elect to purchase.

6. Conveyance of Title

Seller shall convey good and merchantable title to Purchaser at closing by statutory warranty deed, subject only to matters specified in Section 2 hereof.

7. Risk of Loss

Seller shall deliver the Property to Purchaser at closing in the same condition existing as of the date hereof. Risk of loss of or damage to the Property shall be borne by Seller until the date of closing. Thereafter, Purchaser shall bear the risk of loss. In the event of loss of or damage to the Property, or a portion thereof, prior to the date upon which Purchaser assumes the risk, Purchaser may terminate this Agreement and the earnest money shall be refunded; provided, however, that Purchaser shall not terminate this Agreement if Seller agrees in writing to restore the Property substantially to the present condition by the date of closing. Notwithstanding Purchaser's right to terminate this Agreement in the event of loss of or damage to all or a portion of the Property, Purchaser may elect to purchase the Property in the condition existing on the date of closing, and the purchase price shall be reduced by an amount equal to the proceeds paid or payable under any policies of insurance carried by Seller.

8. Right to Inspect Property and Make Tests Thereon

(a) Right of Entry

Purchaser and Purchaser's agents, representatives, engineers and surveyors shall have the right from time to time, from and after the date of this Agreement, to conduct studies, make analyses and to enter upon the Property for the purposes of inspection and appraisal (including without limitation professional inspection of the property for hazardous and dangerous materials and wastes in form and content satisfactory to Purchaser in its sole discretion) and such persons shall have the right to make surveys of the Property and make borings, drive test piles and conduct soil bearing or other tests to ascertain the feasibility and suitability of the Property for Purchaser's intended use, including without limitation Purchaser's satisfaction with the environmental condition of the Property. Purchaser shall have the right, at any time through the last day of the Feasibility Period, to terminate this Agreement by giving written notice to Seller in the event that Purchaser in its sole judgment determines that the Property is not feasible or suitable for Purchaser's intended use. Upon such termination Purchaser shall be entitled to a refund of any earnest money paid or deposited.

(b) Lien Releases and Indemnity

As a condition of such right of entry, Purchaser hereby agrees to obtain full and irrevocable lien releases (if requested by Seller and legally available) from all contractors for work done or to be done on the Property by Purchaser or its agents and deliver same to Seller prior to entry, and, from time to time, at Seller's request, to obtain further releases and deliver same to Seller. Seller hereby agrees to obtain consent to such entry by the tenants of the Property to the extent that Purchaser desires to inspect areas of the Property occupied by tenants; and Purchaser hereby agrees to the extent permitted by law to defend, indemnify and save Seller harmless from all liability and expense (including attorney's fees) in connection with all claims, suits and actions of every name, kind and description brought against Seller or its agents by any person or entity as a result of or on account of actual or alleged injuries or damages to persons, entities and/or property to the extent received, sustained, arising out of, in connection with, or as a result of the negligent acts or omissions of Purchaser or its agents in exercising its rights under the right of entry granted herein. Notwithstanding anything to the contrary in this Agreement, this obligation shall survive any termination whatsoever of this Agreement.

(c) Documents

To assist Purchaser in its inspection of the Property, as soon as practicable after the date of this Agreement and upon Purchaser's written request, Seller shall provide Purchaser with documents and information in Seller's possession relating to the Property. If this Agreement is terminated for any reason whatsoever, Purchaser shall return all such documents and information to Seller within five (5) days of such termination. Notwithstanding anything to the contrary in this Agreement, this obligation shall survive termination of this Agreement.

9. Condemnation

In the event that the Property is or becomes the subject of a condemnation proceeding, Purchaser shall have the right, at Purchaser's option, to terminate this Agreement by giving written notice thereof to Seller on or before the date fixed for closing, in which event Purchaser's obligations hereunder shall be null and void and of no further effect and Purchaser's earnest money deposit shall be returned to Purchaser. If Purchaser does not so terminate this Agreement, the purchase price for the Property shall be reduced by the total of any awards or other proceeds received by Seller at or prior to closing with respect to any taking and at closing Seller shall assign to Purchaser all rights of Seller in and to any awards or other proceeds payable by reason of any taking. Seller agrees to notify Purchaser of eminent domain proceedings within five (5) days after Seller learns thereof.

10. Possession

Subject to the provisions of Section 24 below, Purchaser shall be entitled to possession on closing.

11. Broker/Commissions

The parties verify and acknowledge that no broker was involved in this transaction. If any other claims for brokerage commissions or finder's fees or like payments arise out of or in connection with this transaction, all such claims and costs including reasonable attorney fees shall be defended by, and if sustained, paid by, the party whose alleged actions or commitment form the basis of such claims.

12. Closing Agent

The sale shall be closed in escrow in the office of Bay Town Escrow, as soon as possible after the satisfaction or waiver of the contingency set forth in Section 8 of this Agreement or within thirty (30) days after the last day of the Feasibility Period, whichever is later, but in no event later than April 15, 1998, which shall be the termination date of this Agreement. Purchaser and Seller shall, on demand, deposit in escrow with the closing agent all instruments and monies necessary to complete the sale in accordance with this Agreement.

13. Proration of Taxes, etc.

Taxes for the current year and interest shall be prorated as of closing.

14. Closing Costs

(a) Seller shall pay: the premium for a standard form owner's policy of title insurance in the face amount of the purchase price; State of Washington real estate excise taxes; and one-half of the closing agent's escrow fee.

(b) Purchaser shall pay: the cost of recording the deed, one-half of the closing agent's escrow fee and the extra amount to be paid for the extended title insurance coverage over and above what would have been paid for standard coverage.

15. Seller's Representations and Warranties

Seller represents and warrants to Purchaser that:

- (a) Seller has received no notice from any governmental authority that the Property, or any part thereof, is in violation of any law or regulation applicable to the Property, and Seller has no knowledge of any facts which might be a basis for any such notice;
- (b) There are no actions, suits, claims or legal proceedings or any other proceedings affecting the Property, at law or equity, before any court or governmental agency;
- (c) Seller has not failed to disclose to Purchaser any material adverse fact or condition known to Seller affecting Seller or the Property which would affect the transaction contemplated by this Agreement;
- (d) Except to the extent determined in the Terra Associates, Inc., Level I Environmental Assessment, dated February 27, 1992, Seller has no knowledge of any release(s) of "Hazardous Substances," as defined below, on the Property during the prior twenty (20) years;
- (e) Except to the extent determined in the Terra Associates, Inc., Level I Environmental Assessment, dated February 27, 1992, to the best of Seller's knowledge without investigation: (i) the Property is free of the presence of Hazardous Substances; (ii) the Property has not at any time been used for the generation, transportation, management, handling, treatment, storage, manufacture, emission, disposal or deposit of any Hazardous Substances or material containing Hazardous Substances; and (iii) the Property is in compliance with all environmental laws, however and wherever promulgated;
- (f) No Hazardous Substances have been deposited or treated on the Property by Seller or any of Seller's agents during Seller's ownership, and Seller is not and has not been a transporter, operator or generator of Hazardous Substances; and
- (g) Seller has no knowledge of any underground storage tanks on the Property, including, without limitation, abandoned or empty tanks or tanks filled with inert substances such as sand.

"Hazardous Substances" means any industrial waste, toxic waste, chemical contaminant or other substance considered hazardous to life, health or property, including, without limitation, any substance designated as hazardous or toxic under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Safe Water Drinking Act, 42 U.S.C. § 300F, the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Hazardous Waste Management Statute, Chapter 70.95 RCW, the Hazardous Waste Fee Statute, Chapter 70.105A RCW, any "mini-superfund" or other statutes enacted by the Washington Legislature, including, without limitation, Chapter 70.105B

RCW and any substance defined as hazardous, dangerous or toxic by any governmental authority with jurisdiction over the Property.

Should any of the foregoing representations or warranties prove to be untrue or inaccurate, Seller hereby agrees, to the fullest extent permitted by applicable law, to release, defend, indemnify and hold harmless Purchaser (and Purchaser's officers, directors, shareholders, agents, employees, and representatives) and their successors and assigns from and against any and all claims, demands, costs, penalties, fees, expenses, harm, injury, damages or liability (including, but not limited to, attorneys' fees) arising directly or indirectly on account of or in connection with the facts and circumstances giving rise to the untruth or inaccuracy of such representations and warranties.

16. Assignment of Warranties

Seller hereby assigns to Purchaser, without recourse to Seller, all builders' and manufacturers' warranties with respect to the Property and the improvements thereon.

17. Survey

Purchaser and persons designated by Purchaser shall have the right to enter upon the Property at any reasonable time after the date hereof in order to survey the Property. Purchaser's obligations under this Agreement are contingent upon Purchaser's obtaining a current site survey at Purchaser's expense reasonably satisfactory to Purchaser on or before January 31, 1995, prepared by a registered surveyor approved by the title insurance company issuing the title insurance policy, which identifies the Property and all features affecting title thereto.

February 28, 1995
M.H.S.
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18. Contingencies

In addition to the contingencies stated elsewhere in the Agreement, this sale is conditioned upon:

(a) the grantor in said deed, at the time of the making and delivery of the deed conveying the Property to Purchaser, lawfully being seized of an indefeasible estate in fee simple in and to the Property therein described and having the good right and full power to convey the same;

(b) the Property then being free from all encumbrances;

(c) Purchaser, its successors and assigns, having and enjoying the quiet and peaceable possession of the Property;

(d) Seller defending the title thereto against all persons who may lawfully claim the same;

(e) Ratification of the terms of this Agreement and the transaction contemplated hereby by the Board of Directors of Purchaser; and

(f) Purchaser's (i) receipt, at Purchaser's expense, of a market value appraisal of the Property by a professionally designated real estate appraiser (as defined in RCW 74.46.020), to be selected by Purchaser's Board of Directors;

and (ii) determination, upon review of such appraisal, that the terms and conditions of this Agreement are consistent with applicable law.

19. Nonmerger

The provisions of this Agreement shall not be deemed merged into the deed but shall survive the closing and continue in full force and effect.

20. Notices

All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, addressed as set forth below:

- (a) All notices to be given to Seller shall be addressed as follows:

Olson Capital
1201 Colby Avenue, Suite 1201
Everett, WA 98201

- (b) All notices to be given to Purchaser shall be addressed as follows:

Everett School District No. 2
P.O. Box 2098
4730 Colby Avenue
Everett, WA 98203
Attn.: Dr. Paul Sjunnesen
Superintendent

Either party hereto may by proper notice to the other designate such other address for the giving of notices as deemed necessary. All notices shall be deemed given on the day such notice is personally served or on the third day following the day such notice is mailed in accordance with this section.

21. Governing Law

This Agreement shall be construed according to the laws of the State of Washington.

22. Foreign Investment in Real Property Tax Act

The parties agree to comply in all respects with Internal Revenue Code Section 1445 and the regulations issued thereunder, hereinafter referred to as the "Regulations." If Seller is not a "foreign person" (as defined in the Regulations), Seller shall deliver to Purchaser through escrow a nonforeign certificate, properly executed and in form and content as attached hereto, marked EXHIBIT B and incorporated herein by reference. If Seller is a "foreign person" or fails or refuses to

deliver the nonforeign certificate as indicated above, or Purchaser receives notice, or has actual knowledge that such nonforeign certificate is false, a tax equal to ten percent (10%) of the purchase price shall be withheld through escrow and paid by escrow agent to the Internal Revenue Service in the manner prescribed by the Regulations, unless such withholding is reduced or excused in the manner prescribed by the Regulations.

In the event of any such withholding, Seller's obligations to deliver title hereunder shall not be excused or otherwise affected. The provisions of this section shall survive the closing hereunder.

23. Negotiation and Construction

This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either party.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date above set forth.

Purchaser:

EVERETT SCHOOL DISTRICT NO. 2,
a municipal corporation of the State
of Washington

By Paul Sjunnesen
Dr. Paul Sjunnesen, Superintendent

Seller:

H & M ASSOCIATES, a Washington general
partnership

By: [Signature]
Its: JALINER

By: Marcus H. Sanford
Its: Partner - Trustee

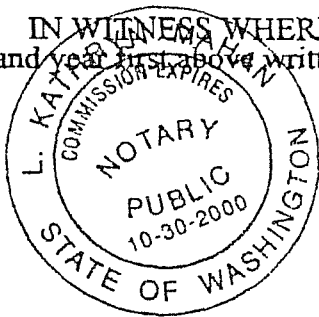
STATE OF WASHINGTON

COUNTY OF SNOHOMISH

SS. *km*

On this 16th day of January, 1998, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul Sjunnesen, to me known to be the person who signed as Superintendent of Everett School District No. 2, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that she was duly elected, qualified and acting as said officer of the municipal corporation, that she was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said municipal corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

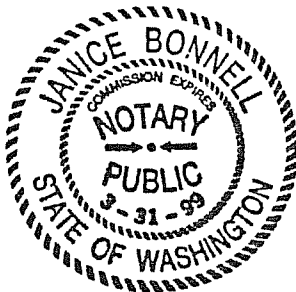
Print Name: L. Kathryn MahaNotary Public in and for the State of Washington, residing at Snohomish, WAMy commission expires: 10/30/00

STATE OF WASHINGTON

COUNTY OF SnohomishSS. *BM*

On this 18th day of December, 1997, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Maurice F. Olson, to me known to be the person who signed as Partner of H & M Associates, the Washington general partnership that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of H & M Associates, for the uses and purposes therein mentioned; and on oath stated that he was authorized to execute the said instrument on behalf of H & M Associates.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Janice Bonnell
 Print Name: Janice Bonnell
 Notary Public in and for the State of
 Washington, residing at Edmonds
 My commission expires: 3-31-99

STATE OF WASHINGTON }
 COUNTY OF _____ } ss.

On this 2nd day of JANUARY, 1998, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared MARCIA H. SANFORD, to me known to be the person who signed as Marcia H. Sanford of H & M Associates, the Washington general partnership that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of H & M Associates, for the uses and purposes therein mentioned; and on oath stated that _____ was authorized to execute the said instrument on behalf of _____.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

BRAD MEYER
 Print Name: BRAD MEYER
 Notary Public in and for the State of
 Washington, residing at H&H
 My commission expires: 9/99

EXHIBIT A

[Property]

DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF SNOHOMISH AND IS DESCRIBED AS FOLLOWS:

Parcel A:

Lots 1 through 5, inclusive, Block 606, Rucker's Third Plat of Everett, according to the plat thereof recorded in Volume 7 of Plats, page 29, records of Snohomish County, Washington.

Together with the East Half of vacated McDougall Avenue adjoining and together with the West Half of the vacated alley adjoining said lots in said Block, as would attach by operation of law as vacated by City of Everett Ordinance No. 1894-92 recorded under recording no. 9301220047.

Parcel B:

Lots 6 through 9, inclusive, Block 606, Rucker's Third Plat of Everett, according to the plat thereof recorded in Volume 7 of Plats, page 29, records of Snohomish County, Washington.

Together with the East Half of vacated McDougall Avenue adjoining and together with the West Half of the vacated alley adjoining said lots in said Block, as would attach by operation of law as vacated by City of Everett Ordinance No. 1894-92 recorded under recording no. 9301220047.

Parcel C:

Lots 21 through 24, inclusive, Block 606, Rucker's Third Plat of Everett, according to the plat thereof recorded in Volume 7 of Plats, page 29, records of Snohomish County, Washington.

(continued)

Together with the vacated alley adjoining said lots in said Block, as would attach by operation of law as vacated by City of Everett Ordinance No. 1894-92 recorded under recording no. 9301220047.

Parcel D:

Lots 25 and 26, Block 606, Rucker's Third Plat of Everett, according to the plat thereof recorded in Volume 7 of Plats, page 29, records of Snohomish County, Washington.

Together with the vacated alley adjoining said lots in said Block, as would attach by operation of law as vacated by City of Everett Ordinance No. 1894-92 recorded under recording no. 9301220047.

Situate in the County of Snohomish, State of Washington.

THE DESCRIPTION CAN BE ABBREVIATED AS SUGGESTED BELOW IF NECESSARY TO MEET STANDARDIZATION REQUIREMENTS. THE FULL TEXT OF THE DESCRIPTION MUST APPEAR IN THE DOCUMENT(S) TO BE INSURED.

LOT(S) 1 THROUGH 9 AND 21 THROUGH 26, INCLUSIVE, BLOCK 606, RUCKER'S THIRD PLAT OF EVERETT, VOLUME 7, PAGE(S) 29.

EXHIBIT B

NONFOREIGN CERTIFICATE

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon my disposition of a U.S. real property interest, I, _____, hereby certify the following:

1. I am not a nonresident alien for purposes of U.S. income taxation;
2. My U.S. taxpayer identifying number (Social Security number) is _____; and
3. My home address is:

I understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification, and to the best of my knowledge and belief it is true, correct and complete.

[Exhibit Only--Do Not Sign]

Date _____

EXHIBIT C

\$ _____

Everett, Washington
November _____, 1997
January 1998

MHS

FOR VALUE RECEIVED, the undersigned promises to pay to Bay Town
Escrow for the account of _____ the sum
of _____ and 00/100 Dollars (\$ _____) with
no interest thereon, payable as follows:

Upon demand, five (5) days after the undersigned's satisfaction
with or waiver of the contingencies set forth in that certain
Earnest Money Receipt and Agreement for Real Property dated
_____, 1994 between _____
as Seller and the undersigned as Purchaser.

This Note shall bear interest at the rate of ten percent (10%) per annum, if not
paid five days after demand as above provided. If this Note shall be placed in the
hands of an attorney for collection, or if suit shall be brought to collect any of the
principal or interest of this Note, the undersigned promises to pay reasonable
attorneys' fees incurred thereby.

EVERETT SCHOOL DISTRICT NO. 2,
a municipal corporation of the
State of Washington

By [Exhibit Only--Do Not Sign]
Dr. Paul Sjunnesen, Superintendent