

**EVERETT SCHOOL DISTRICT NO. 2**  
**RESOLUTION NO. 574**

A resolution of the Board of Directors (the "Board") of the  
Everett School District No. 2 (the "District") to purchase real  
property.

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

WHEREAS, Ragnar Pettersson (the "Seller") owns property legally described  
on Exhibit A attached hereto and incorporated herein by this reference (the  
"Pettersson Property") which appears suitable for the District's use for such purposes;  
and

WHEREAS, the District's Superintendent and the Seller have executed an  
agreement attached hereto as Exhibit B, and "Addendum #1" to that agreement,  
attached hereto as Exhibit C (such agreement and "Addendum #1" collectively  
hereinafter referred to as the "Agreement") for the Board's approval, for the District to  
purchase the Pettersson Property for Four and 00/100 Dollars (\$4.00) per square foot  
(with the square footage of the Pettersson Property to be determined by a survey),  
subject to and in accordance with the terms of the Agreement (which terms include,  
without limitation, Seller (and other persons authorized by Seller) maintaining  
possession of the Pettersson Property for three (3) years rent free after closing); and

WHEREAS, the Pettersson Property, while needed to accomplish the District's  
facilities expansion plans over the next several years, would be surplus to the  
District's needs for at least the three (3) years following closing, and thus the Seller's  
reserved rights to maintain possession of the Pettersson Property for three (3) years  
after closing do not conflict with the District's needs; and

WHEREAS, the Board desires to acquire the Pettersson 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 an appraisal to be  
obtained by the District) are consistent with applicable law;

NOW, THEREFORE, BE IT RESOLVED that the actions of the District's Superintendent, Dr. Jane Hammond (and her authorized designees), in negotiating and executing the Agreement are hereby ratified, affirmed and approved;

AND FURTHER RESOLVED that the District should acquire the Pettersson Property for Four and 00/100 Dollars (\$4.00) 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 Pettersson 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 Property unless the 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 asbestos or lead typically found in older structures such as those on the Pettersson 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 Pettersson 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 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 Pettersson Property by James D. 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, Dr. Jane Hammond (or her authorized designees), be, and she hereby is, authorized and directed to purchase the Pettersson 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 \_\_\_\_\_, 1995.

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

By \_\_\_\_\_  
Sue Cooper, President

By \_\_\_\_\_  
Paul Baldwin, Vice-President

By \_\_\_\_\_  
Roy Yates, Member

By \_\_\_\_\_  
Shirley Vandermeer, Member

By \_\_\_\_\_  
Mark Nesse, Member

ATTEST:

By \_\_\_\_\_  
Dr. Jane Hammond  
Secretary for the Board

## **EXHIBIT A**

**Legal Description to Residential Real Estate  
Purchase and Sale Agreement Between Everett  
School District and Ragnar Pettersson  
Dated September 15, 1995**

Lot 4, Plat of Twin Valley Garden Tracts, according to the plats thereof recorded in Volume 10 of Plats, Page 21, in Snohomish County, Washington;

EXCEPT the west 14 feet thereof conveyed to the State of Washington for highway purposes.

**EXHIBIT B**  
**The Agreement**

(e) No local improvement district assessments ("LID Assessments"), payable in annual installments or otherwise, have been made against the Premises which are unpaid;

(f) There are no actions, suits, claims or legal proceedings or any other proceedings affecting the Premises, at law or equity, before any court or governmental agency;

(g) Seller has no knowledge of any pending changes in real estate taxation with respect to the Premises, including any planned assessments affecting the Premises or changes to the assessed value of the Premises or any pending or threatened condemnation actions with respect to the Premises;

(h) Seller has good, indefeasible, insurable and marketable title to the Premises in fee simple;

(i) Seller has not failed to disclose to Purchaser any material adverse fact or condition affecting Seller or the Premises which would affect the transaction contemplated by this Agreement;

(j) Seller is not in default or breach under any agreement, contract, or other document or matter which affects the Premises;

(k) The Premises and any improvements thereon, to the best of Seller's knowledge, do not materially violate any applicable building or zoning ordinances, and Seller is unaware of any material defect in the Premises or improvements thereon;

(l) Seller has no knowledge of any release(s) of "Hazardous Substances," as defined below, on the Premises during the prior twenty (20) years;

(m) The Premises are free of the presence of Hazardous Substances; the Premises have 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 the Premises are in compliance with all environmental laws, however and wherever promulgated;

(n) No Hazardous Substances have been deposited, stored or treated on the Premises 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

(o) Seller has no knowledge of any underground storage tanks on the Premises, 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 Premises.

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

*9/15/95*  
*R* ~~Seller hereby assigns to Purchaser, without recourse to Seller, all builders' and manufacturers' warranties with respect to the Premises and the improvements thereon.~~

#### 17. Survey

*R* Purchaser and persons designated by Purchaser shall have the right to enter upon the Premises at any reasonable time after the date hereof in order to survey the Premises. 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 ~~October 15, 1995~~ *November 9/15/95*, prepared by WJA, P.S. of Everett, Washington or if WJA, P.S. is unable to perform the survey by another registered surveyor approved by the title insurance company issuing the title insurance policy, which identifies the Premises and all features affecting title thereto.

## 18. Contingencies

This sale is conditioned upon the following:

(a) That at the time of the making and delivery of the deed conveying the Premises to Purchaser, the grantor in said deed shall be lawfully seized of an indefeasible estate in fee simple in and to the Premises therein described, and shall have good right and full power to convey the same; that the Premises shall then be free from all encumbrances; that Purchaser, its successors and assigns, shall have and enjoy the quiet and peaceable possession of the Premises; and that Seller will defend the title thereto against all persons who may lawfully claim the same;

(b) That Seller, if a corporation, has taken all necessary corporate action to authorize the transaction contemplated in this Agreement and, if so requested by Purchaser, will deliver to Purchaser or Purchaser's agents at the closing an opinion of its general counsel to the effect that all necessary corporate action has been so taken; and

(c) Purchaser's: (i) receipt (at Purchaser's expense) of a market value appraisal of the Premises 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:

RAGNAR PETTERSSON  
17624 15th AVE. S.E. Suite 112  
Bothell, WA 98012

(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. Jane Hammond  
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 C 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.

## **24. Possession of the Premises**

Purchaser agrees that Seller may maintain possession of the Premises for three (3) years rent free after closing; provided, however, Seller provides insurance coverage insuring Seller and Purchaser against such risks, in such form and in such amounts as Purchaser shall request, and that Seller pays any and all costs associated with the Premises including, without limitation, leasehold taxes, insurance and utilities.

## 25. Section 1031 Exchange Cooperation

Seller may desire to effect a tax-deferred exchange, in part or total, pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended ("Exchange"). Purchaser agrees to cooperate with Seller, if requested to do so, to effect the Exchange. Seller agrees to indemnify, defend and hold Purchaser harmless from all costs, expenses and liabilities (including attorneys' fees) incurred by Purchaser as a result of the Exchange. Seller acknowledges that it has not received and, in the future, will not receive any advice from Purchaser with respect to the Exchange and relieves Purchaser from any responsibility with respect to the efficacy of the Exchange. Seller shall be obligated to consummate the transfer of the Premises pursuant to the terms of this Agreement regardless of the effectiveness or occurrence of the Exchange. Notwithstanding the assignment to the facilitator, Seller's representations under Section 15 and elsewhere in this Agreement and Seller's rights and obligations under Section 24 shall remain personal to Seller

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 Jane Hammond  
Dr. Jane Hammond, Superintendent



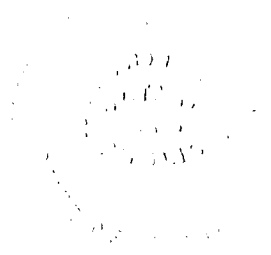
STATE OF WASHINGTON )

) ss.

COUNTY OF  Snohomish

On this  15<sup>th</sup>  day of  September , 1995, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ragnar Pettersson, to me known to be the individual who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal hereto affixed the day and year in this certificate first above written.

  
 Linda L. Martin

Print Name:  LINDA L. MARTIN

Notary Public in and for the State of Washington,  
residing at  Edmonds

My commission expires:  7/9/97

## EXHIBIT A

**Legal Description to Residential Real Estate  
Purchase and Sale Agreement Between Everett  
School District and Ragnar Pettersson  
Dated September 15, 1995**

Lot 4, Plat of Twin Valley Garden Tracts, according to the plats thereof recorded in Volume 10 of Plats, Page 21, in Snohomish County, Washington;

EXCEPT the westerly and northerly portions relinquished to State of Washington by Decree of Appropriation under Superior Court Cause Number 92-2-04130-6.

10/2/95 Legal Description corrected to reflect correction  
from Title Company - Supplemental No. 1 - Stewart Title

EXHIBIT B

EARNEST MONEY NOTE

\$ \_\_\_\_\_

Everett, Washington  
August \_\_, 1995

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  
\_\_\_\_\_, 1995 between Ragnar Pettersson 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]  
Jane Hammond, Superintendent

## EXHIBIT C

### 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**

### **Addendum #1**



## **ADDENDUM #1 TO EARNEST MONEY RECEIPT AND AGREEMENT FOR REAL PROPERTY**

This Addendum #1 to Earnest Money Receipt and Agreement for Real Property ("Addendum") is entered into 9-15-95 1995 between Everett School District No. 2 ("Purchaser") and Ragnar Pettersson ("Seller"), and amends that certain Earnest Money Receipt and Agreement for Real Property ("Agreement"), dated 9-15-95 1995, between Purchaser and Seller. Except as amended herein, all terms and conditions of the Agreement remain unchanged.

1. During the three (3) year period after closing, Seller may continue his practice of depositing organic debris associated with Seller's landscaping activities (grass clippings, small tree branches, leaves, and other typical yard waste) on the Premises subject to the following terms and conditions: (a) the quantities deposited on the Premises shall be reasonable, created only from Seller's landscaping activities and not exceed Seller's historic practices; and (b) the type of materials deposited shall not change. If such activity creates a public or private nuisance, health or safety hazard, or violates any federal, state or local law or ordinance, Seller shall (i) cease depositing any additional material; and (ii) at his own cost an expense take any and all necessary acts to abate any nuisance, or health or safety hazard, and comply with any federal, state or local law ordinance.

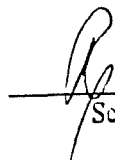
2. During the three (3) year period after closing, Seller may continue his practice of temporarily storing used appliances on the Premises, provided such appliances are similar in kind and do not exceed the quantity stored by Seller on the Premises prior to closing. If such storage creates a public or private nuisance, health or safety hazard, or violates any federal, state or local law or ordinance, Seller shall (a) cease storing any additional used appliances; and (b) at his own cost an expense take any and all necessary acts to abate any nuisance, or health or safety hazard, and comply with any federal, state or local law ordinance.

3. Seller's warranties, obligations and duties under Section 15 of the Agreement shall apply to any of Seller's post-closing activities on the Premises under Sections 1 and 2 of this Addendum and such warranties shall be accurate at all times during Seller's post-closing possession and as of the date Seller vacates the Premises. If deposit of any organic debris or storage of appliances (or residue, leakage or any other condition resulting from such deposit or storage) constitutes or becomes a "Hazardous Substance" as defined in Section 15 of the Agreement, Seller shall (a) pay all costs and expenses associated with removal of Hazardous Substances, any additional development or mitigation costs Purchaser may incur as a result of such

Hazardous Substance, the costs of consultants and attorneys Purchaser may retain to advise Purchaser with respect to such Hazardous Substance and its removal; and (b) indemnify, defend and hold Purchaser costs, losses, demands, liabilities and claims in whole or in part arising from or related to such Hazardous Substance.

4. If, following the end of the three (3) year period after closing, Purchaser chooses to continue to use the Premises for interim residential purposes, Seller shall have the right of first opportunity to rent the Premises ("First Opportunity"). Sixty (60) days before the expiration of the three (3) year post-closing period, Purchaser shall notify the Seller if and only if it intends to offer the Premises for rent to any other person, entity, or to the public for residential use, and the terms and conditions under which the Purchaser is prepared to offer the Premises for rent. Within thirty (30) days of said notification from Purchaser to Seller, Seller shall have the right of First Opportunity to enter into an agreement with the Purchaser for rent or lease of the Premises for any such time which the purchaser chooses to rent the Premises, but in no event for a period in excess of five (5) years. Seller may exercise that right by so advising the Purchaser, in writing, within that thirty (30) day period. If the Seller does not accept the First Opportunity within the thirty (30) period following notification by the Purchaser, Purchaser is free to offer the Premises to any other person, entity or to the public and Seller shall have no further rights of First Opportunity. Nothing contained herein implies that Purchaser is under any duty or obligation to offer the Premises for continued residential use to Seller or any other person or entity after the three (3) year post closing period.

5. Purchaser is aware of and consents to the Seller permitting the Premises to be occupied by other persons. However, as consideration for this consent, Seller agrees to be bound as "Landlord" under The Washington State Landlord-Tenant Act, RCW Chapter 59.18 (the "Act") to any person who it permits to occupy the Premises during the post-closing period, and to indemnify, defend and hold Purchaser harmless from any and all costs, losses, demands, liabilities and claims (whether brought by the occupant or any third party or regulatory entity) in whole or in part arising from or related to any such occupancy. Further, to the extent that the Act or operation of law creates a Landlord/Tenant relationship between Purchaser and Seller, Purchaser and Seller hereby explicitly waive all provisions of the Act permitted under RCW 59.18.360 to be waived. In waiving these provisions of the Act, Seller and its counsel acknowledge that: (a) the waiver is not contained in a standard form rental agreement; (b) the Purchaser and Seller have fairly bargained for this waiver provision (and have equal bargaining position); and (c) the waiver does not violate public policy.

  
\_\_\_\_\_  
Seller's Initials

  
\_\_\_\_\_  
Seller's Attorney's Initials

6. Section 16 of the Agreement is hereby deleted.

7. Except as otherwise stated, warranted or agreed in the Agreement or this Addendum, Purchaser is purchasing and accepting the Premises in an "AS IS" condition.

8. Purchaser and Seller agree that a six foot cyclone fence currently on the Premises is personal property of the Seller and, under Section 3 of the Agreement is not included in this sale. Seller grants Purchaser an option to purchase the fence at the time the Seller surrenders the Premises to Purchaser for Five Thousand and NO/100ths Dollars (\$5,000) payable in cash within thirty (30) days after Seller surrenders Premises.

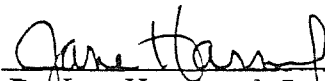
9. The Agreement and this Addendum shall be binding upon and inure to the benefit of the heirs, successors, or permitted assignees of the parties hereto.

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



Dr. Jane Hammond, Superintendent

The undersigned Seller on this 15 day of Sept, 1995, hereby approves and accepts the offer set forth and agrees to carry out all terms thereof on the part of the Seller.

Seller:

  
RAGNAR PETTERSSON

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SNOHOMISH )

On this 15<sup>th</sup> day of September, 1995, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jane Hammond, 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 hereto set my hand and official seal the day and year first above written.

Donna Kuper  
Print Name: DONNA KUPER  
Notary Public in and for the State of Washington,  
residing at 1820-72nd Pl. SE. Everett  
My commission expires: 8-2-97

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Snohomish

On this 15<sup>th</sup> day of September, 1995, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ragnar Pettersson, to me known to be the individual who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal hereto affixed the day and year in this certificate first above written.

Linda L. Martin  
Print Name: LINDA L. MARTIN  
Notary Public in and for the State of Washington,  
residing at Edmonds  
My commission expires: 7/9/97