

EVERETT SCHOOL DISTRICT NO. 2

RESOLUTION NO. 1113

Surplus Property and Sale of Property

A Resolution of the Board of Directors (the "Board") of Everett School District No. 2 (the "District") declaring certain real property "surplus" for purposes of selling the same and authorizing the District's Superintendent to enter into a purchase and sale agreement contemplating the sale of such property.

WHEREAS, pursuant to RCW 28A.335.090(1), the Board has exclusive control of all real property belonging to the District and has the power, subject to RCW 28A.335.120, in the name of the District to convey by deed all of the interest of the District in or to any real property of the District which is no longer required for school purposes.

WHEREAS, the Board is authorized by RCW 28A.335.120 to sell the District's interest in real property for cash, at a public or private sale, provided that such property is no longer required for school purposes;

WHEREAS, the District has previously adopted Policy No. 6882 regarding the sale of real property that is no longer required for school purposes and therefore surplus;

WHEREAS, the Board has held a public hearing as required by RCW 28A.335.120(2), after providing public notice in accordance with RCW 28A.335.120(2), for the purpose of admitting evidence offered for and against the propriety and advisability of the proposed sale;

WHEREAS, the Board has determined that portions of the real property commonly known as the district's Colby Avenue Property (formerly Educational Service Center, located at 4730 Colby Avenue, generally described on Exhibit A and depicted on Exhibit B, attached hereto and incorporated herein by this reference (the "Surplus Property") is not currently needed or required for school purposes and is therefore surplus; and

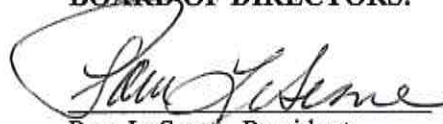
WHEREAS, the Board has further determined that the surplus and sale of the Surplus Property is in the current best interests of the District and does not interfere with the District's current educational program and related activities.

NOW, THEREFORE, be it resolved that:

- (a) the Board declare, and hereby declares, the Surplus Property to be surplus, as it is currently not needed or required by the District for school purposes, in accordance with the above-noted statutory authorizations and District policy; and
- (b) the Board authorize, and hereby authorizes, the Superintendent of the District (or his designee) to: (i) proceed to sell the Surplus Property, (ii) execute, acknowledge and deliver the Purchase and Sale Agreement attached hereto as Exhibit C, (iii) collect from the purchaser and deposit a reasonable compensation for such sale, and (iv) negotiate, execute, acknowledge and deliver all other necessary documents, and do any and all other things necessary and advisable to be done to accomplish the foregoing sale of the Surplus Property, all in accordance with Policy No. 6882 and applicable law.


ADOPTED this 23rd day of July, 2015, and authenticated by
the signatures affixed below:

BOARD OF DIRECTORS:


Pam LeSespe, President

Ted Wenta, Vice President


Carol Andrews, Member


Caroline Mason, Member


Traci Mitchell, Member

ATTESTED BY:



Dr. Gary D. Cohn
Superintendent & Secretary to the Board of Directors
Everett School District No. 2

EXHIBIT A

Legal Description for Colby Avenue Property

All that portion of the East 1/2 of the Southeast 1/4 of Section 31, Township 29 North, Range 5 East, W.M., in Snohomish County, Washington, described as follows:

Beginning at the Northeast corner of Section 6, Township 28 North, Range 5 East, W.M.; thence in a Northwesterly direction along the Center line of Central Avenue for 1,444.99 feet; thence South 82°42'30" West for 35.0 feet to an intersection with the Westerly margin of said Central Avenue, the true point of beginning of this description;

thence continue 82°42'30" West for 308.21 feet to an intersection with the Easterly margin of the right-of-way of Rucker Avenue;

thence following along the Easterly margin of said Rucker Avenue North 17°51'30" West for 299.10 feet; thence along the arc of a curve to the right having a radius of 183.08 feet and consuming an angle of 190°34' for an arc distance of 608.93 feet to an intersection with the Westerly margin of the right-of-way of said Central Avenue;

thence in a Southeasterly direction along said Westerly margin of said Central Avenue for 327.59 feet to the true point of beginning.

Together with Lots 1 through 50, inclusive, Block 14, Central Park Addition to Everett, according to the Plat thereof recorded in Volume 8 of plats, page 53, records of Snohomish County, Washington.

Together with vacated 48th Street and any alleys within Block 14 of Central Park Addition, per City of Everett Ordinance 3951, recorded under Auditor's File No. 1614226, that would attach by operation of law.

Except that portion thereof conveyed to the City of Everett by deed recorded July 29, 1963, recording number 1630240, records of Snohomish County, Washington.

Situate in the County of Snohomish, State of Washington.

EXHIBIT B

Map of Colby Avenue Property

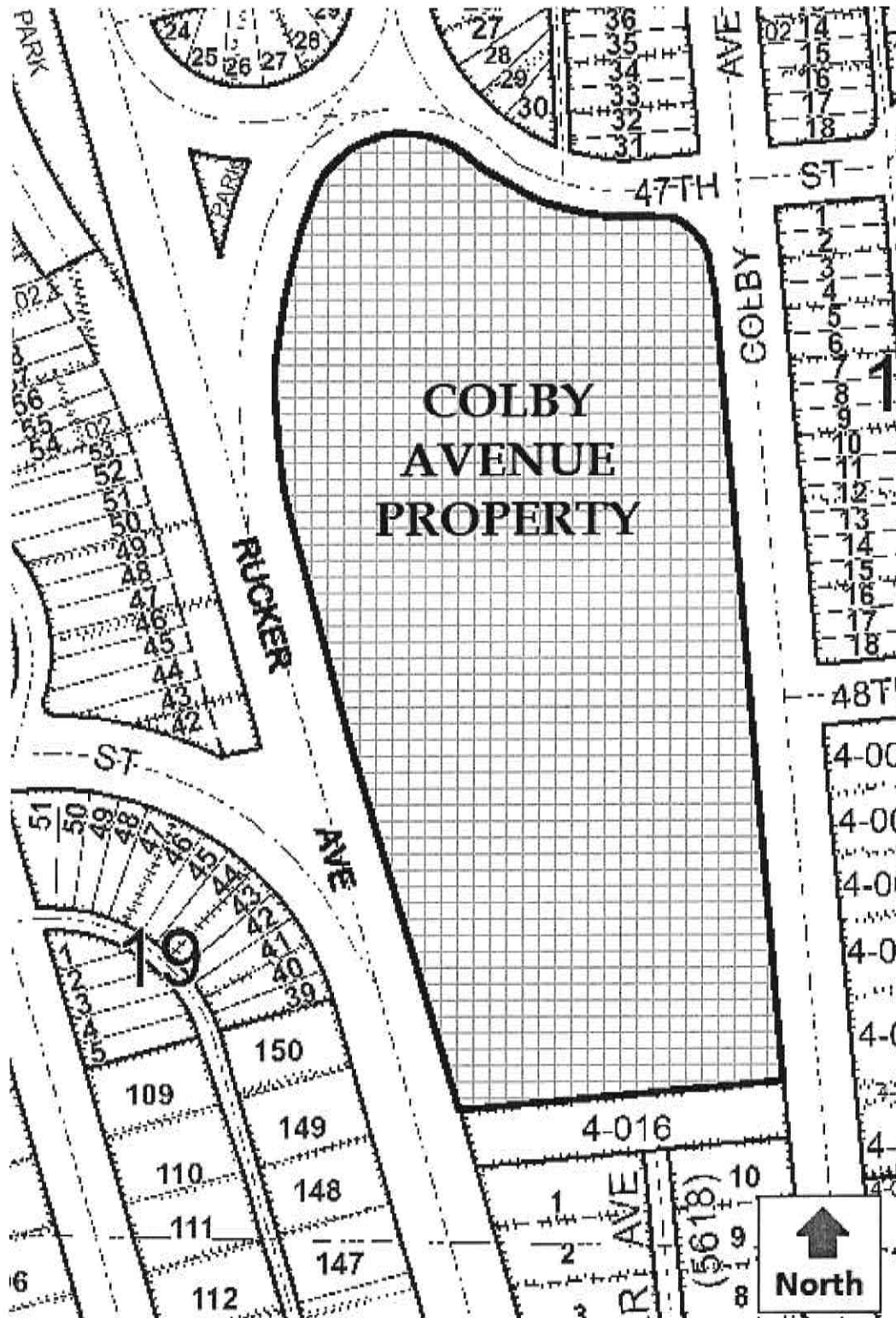


EXHIBIT C

Purchase and Sale Agreement

[See Next Pages.]

REAL ESTATE PURCHASE AND SALE AGREEMENT

Everett, Washington
July 23rd, 2015 (the "Effective Date")

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SNOHOMISH COUNTY, a Washington nonprofit corporation ("Purchaser"), hereby agrees to purchase, and EVERETT SCHOOL DISTRICT NO. 2, a political subdivision of the State of Washington ("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. Earnest Money

Purchaser will deliver a refundable earnest money deposit to Baytown Escrow, Inc., 5017 Claremont Way, Everett, WA 98203 ("Escrow Company") in the amount of One Hundred Seventy Five Thousand Dollars (\$175,000.00), in cash, within five (5) business days following the Effective Date ("Earnest Money"). Upon Purchaser's satisfaction with or waiver of the Feasibility Study Contingency (defined below), the Earnest Money shall become nonrefundable to Purchaser absent a default by Seller. The Earnest Money shall be held in an interest-bearing account and any interest earned on the Earnest Money shall be credited against the Purchase Price (as defined below in Section 4) or returned to Purchaser, as the case may be.

2. Title to Property

Seller shall remove all monetary liens and encumbrances other than non-delinquent taxes and assessments from the title at or prior to Closing (as defined below in Section 12). In addition, the title of Seller at Closing is to be free of all other encumbrances or defects, except the Permitted Exceptions (as defined in Section 5 below). 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 Three Million Three Hundred Twenty Five Thousand Dollars (\$3,325,000.00) (the "Purchase Price"), of which the Earnest Money is a part. The Purchase Price, including the Earnest Money, shall be paid to Seller in cash through escrow.

5. Title Insurance

As soon after the Effective Date as it is reasonably practicable, Seller shall cause Chicago Title Company of Washington ("Title Company") to furnish to Purchaser a preliminary commitment for an ALTA standard owner's policy of title insurance for the Property, together with copies of all underlying documents or exceptions noted in the preliminary commitment (Commitment Number 500018827; "Title Commitment"). Within ten (10) business days after the date that Title Company furnishes the Title Commitment to Purchaser, Purchaser shall advise Seller by written notice what exceptions to title, if any, are disapproved by Purchaser ("Disapproved Exceptions"). Any matter not objected to by Purchaser within such ten (10) business day period shall be deemed approved. Seller shall have ten (10) business days after receipt of any Purchaser's notice to notify Purchaser that (a) Seller will remove the Disapproved Exceptions prior to Closing or (b) Seller elects not to remove one or more Disapproved Exceptions. If Seller fails to notify Purchaser before the expiration of Seller's ten (10) business day period, Seller shall be deemed to have elected not to remove the Disapproved Exceptions. Notwithstanding the foregoing, at or before Closing, Seller shall remove all monetary encumbrances, other than those created or suffered by Purchaser and non-delinquent taxes and assessments.

If Seller elects not to remove any nonmonetary Disapproved Exception (or is deemed to have elected the same), Purchaser will have five (5) business days from receipt of Seller's notice (or the end of Seller's response period) to notify Seller of Purchaser's election either to (i) proceed with the purchase and take the Property subject to those exceptions or (ii) to terminate this Agreement. If Purchaser elects to terminate this Agreement pursuant to this Section 5, escrow shall be terminated, the Deposit shall be refunded to Purchaser, all documents and funds shall be returned to the party that deposited them, the parties shall each pay one-half of the fees associated with terminating escrow and the Title Commitment, and neither party will have any further rights or obligations under this Agreement, except as otherwise expressly stated in this Agreement. Seller shall instruct Title Company to deliver to Purchaser as soon as practicable after Closing, at Seller's expense, a standard coverage owner's policy of title insurance ("Title Policy"), insuring Purchaser's fee simple title to the Property in the face amount of the Purchase Price containing no exceptions other than the form printed exceptions and (a) non-delinquent taxes and assessments, (b) any exception or matters created by, consented to or caused by Purchaser or arising out of or in any way connected with Purchaser's or the Purchaser Parties' entry upon the Property, and (c) such other matters shown in the Title Commitment that are approved by Purchaser (or deemed approved by Purchaser) pursuant to this Section 5 (collectively, "Permitted Exceptions"). Purchaser may, at its option, elect to obtain an extended coverage policy of title insurance and/or endorsements to the Title Policy; provided, however, that Purchaser shall pay for the additional cost of any extended coverage so elected, including any survey required in connection therewith, and/or the additional cost of any endorsements so elected; and provided further that no such extended coverage or requested endorsements shall be a condition of or delay Closing.

6. Feasibility Study Contingency

(a) On or before the date that is sixty (60) days following the Effective Date (such period, the "Feasibility Study Period"), Purchaser, at Purchaser's sole cost and expense, shall conduct a review with respect to the Property and satisfy itself with respect to the condition of and all other matters related to the Property and its suitability for Purchaser's intended use including, without limitation, Purchaser's ability to obtain financing for the Property, Purchaser's ability to obtain any zoning approvals, building permits, use permits, environmental approvals, and any other governmental approvals necessary for Purchaser's intended use of the Property (the "Feasibility Study"). Purchaser shall have the right to extend the Feasibility Study Period by one (1) period of fifty five (55) days (the "Feasibility Study Period Extension"), if Purchaser determines it is necessary, in Purchaser's sole discretion. Purchaser shall notify Seller in writing of its election to extend the Feasibility Study Period, prior to the end of the original term of the Feasibility Study Period. If Purchaser elects to exercise its right to the Feasibility Study Period Extension, the Purchaser shall deposit an additional sum of \$20,000 (the "Extension Deposit") with the Escrow Agent. The Extension Deposit shall be nonrefundable but shall be applicable to the Purchase Price if this Real Estate Purchase and Sale Agreement is not terminated. The Feasibility Study may include all inspections and studies Purchaser deems necessary or desirable, in its sole discretion. Purchaser and Purchaser's agents, representatives, consultants, lenders, architects and engineers will have the right, from time to time, upon 24 hour advanced notice to Seller, from and after the Effective Date of this Agreement to enter onto the Property and conduct any non-destructive tests and studies that may be necessary or desirable to ascertain the condition and suitability of the Property for Purchaser's intended use. Such tests and inspections are to be performed in a manner not unreasonably disruptive to Seller's use and enjoyment of the Property.

(b) Purchaser hereby agrees to defend, indemnify and hold harmless Seller, its board members, employees, agents, contractors and other representatives (collectively, "Seller Parties") from and against any actual or alleged claim, loss, damage, liability, expense, diminution in value, injury, or death (including attorneys' fees) (collectively, "Claims") that arise in connection with or out of (a) any activities of Purchaser or the Purchaser Parties on the Property pursuant to this Section 6, (b) any access onto the Property pursuant to this Section 6, and (c) any other acts or omissions of Purchaser or the Purchaser Parties in exercising any of the rights granted in this Section 6; unless and except to the extent that the same are caused by Seller or the Seller Parties. Without limiting the generality of the foregoing, Purchaser assumes potential liability for actions brought by any of the Purchaser Parties. Notwithstanding anything to the contrary in this Agreement, Purchaser's obligations under this Section 6(b) shall survive any termination of this Agreement.

(c) This Agreement shall terminate at the end of the Feasibility Study Period, or if exercised, the Feasibility Study Period Extension, unless Purchaser gives written notice to Seller stating that this condition is satisfied and Purchaser is proceeding to closing. If Purchaser does not deliver notice of satisfaction and this Agreement is terminated (or otherwise does not complete the purchase), Purchaser shall return the Property as near as is possible to its condition immediately prior to Purchaser's entry. If this Agreement is terminated pursuant to this Section 6(c), the Earnest Money will be returned to Purchaser, this Agreement will

terminate, and Seller and Purchaser will be released from all further obligation or liability hereunder, except as otherwise specified by this Agreement and except for Purchaser's obligations to indemnify Seller under this Section 6. In the event the Agreement is terminated for any reason, Purchaser shall provide Seller with complete copies of all studies and other documents and information developed by Purchaser pertaining to the value and condition of the Property and its suitability for use or redevelopment, including without limitation the environmental condition of the Property and improvements thereon, except to the extent protected by attorney-client privilege.

(d) Purchaser acknowledges and agrees that Purchaser is purchasing the Property in an "AS-IS, WHERE-IS" condition "WITH ALL FAULTS AND DEFECTS," INCLUDING WITHOUT LIMITATION ENVIRONMENTAL FAULTS, DEFECTS OR CONDITIONS, whether known or unknown but including without limitation those described in the report of Seller's "2012 AHERA Inspection, Administration Center, 4730 Colby Avenue, Everett, Washington", and copy of which has been provided to Purchaser, and without any warranties, representations or guaranties, either express or implied, of any kind or nature whatsoever from or on behalf of Seller or the Seller Parties, including, without limitation, those of fitness for a particular purpose and use. Purchaser acknowledges and agrees that any decision by Purchaser to purchase the Property is and will be based solely upon its own investigation and examination of the Property. Therefore, as of Closing, Purchaser assumes the risk of all defects and conditions affecting the Property, whether known or unknown, including but not limited to such defects and conditions that cannot be observed by casual inspection, and Purchaser assumes the risk that adverse matters affecting the Property, including but not limited to adverse physical and environmental conditions, may not have been revealed by Purchaser's due diligence inspections.

(e) By electing to proceed with this Agreement after the Feasibility Study Period, Purchaser will be deemed to have (a) made all studies, investigations and inspections that Purchaser deemed necessary, appropriate or desirable in connection with Purchaser's purchase of the Property, (b) fully satisfied itself with its review of all such studies, investigations and inspections, and all aspects of the Property, and (c) approved each of the foregoing and this transaction without reservation. Purchaser hereby waives, relinquishes and releases, on behalf of itself, the Purchaser Parties and their successors and assigns, Seller and the Seller Parties from any and all Claims that Purchaser has or may have arising from or related to any matter or thing in connection with the Property, including, without limitation, any environmental conditions affecting the Property, and Purchaser shall not look to Seller or the Seller Parties in connection with any of the foregoing for any redress or relief; provided, however, that Purchaser is not releasing Seller from any Claims arising from Seller's fraud or intentional misrepresentations. The release in this Section 6(e) shall be given full force and effect according to all of its terms and shall apply to all Claims, whether known or unknown, suspected or unsuspected, except as expressly provided herein.

After Closing, Purchaser reserves its rights and defenses against any non-parties to this Agreement (excluding Seller Parties), including but not limited to the right to seek cost recovery or contribution under the Washington State Model Toxics Control Act, RCW 70.105D *et seq.*, the Comprehensive Environmental Response and Liability Act of 1980, as amended, 42

USC § 9601 *et seq.*, or any other environmental law, statute or common law, regarding the presence, investigation or cleanup of any hazardous material on, at, under, around or migrating from the Property. However, as between Seller and Purchaser after closing, Purchaser waives the right to seek cost recovery or contribution under the Washington State Model Toxics Control Act, RCW 70.105D *et seq.*, the Comprehensive Environmental Response and Liability Act of 1980, as amended, 42 USC § 9601 *et seq.*, or any other environmental law, statute or common law, regarding the presence, investigation or cleanup of any hazardous material on, at, under, around or migrating from the Property from Seller, whether directly or by way of contribution or cross claim in defense of any third party claim, and as between Seller and Purchaser, Purchaser shall be required, subject to any administrative or court relief it may secure, to perform any remediation of any hazardous material or substance on, at, under, around or migrating from the Property as of or following Closing.

7. 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. The conveyance of title shall include, but shall not be limited to, all right, title and interest of Seller in and to any alleys or strips adjoining the Property, and any easements, rights-of-way or other interests in, on, under or to, any land, street, road, right-of-way or avenue in, on, under, across, in front of, abutting or adjoining the Property; and the accessions, appurtenant rights, privileges, appurtenances, including without limitation any and all any mineral or surface rights affecting or appurtenant to the Property.

8. Risk of Loss

Because the value of the Property is for redevelopment, Purchaser bears the risk of loss to the improvements without any adjustment to the Purchase Price.

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 as soon as practicable (and in any event within ten (10) days) after Seller learns thereof.

10. Possession

Purchaser shall be entitled to possession upon Closing.

11. Broker/Commissions

Purchaser has been represented in this transaction by Eclipse Real Estate Group, who shall be compensated by Purchaser pursuant to the terms of a separate agreement. Seller has been represented in this transaction by CenturyPacific, LLLP, and Long Bay Enterprises, Inc., who shall each be compensated by Seller pursuant to the terms of a separate agreement. Each party represents to the other that it has engaged no other broker or agent in connection with the negotiations leading to this Agreement. If any 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; Escrow Company

The sale shall be closed in the office of Escrow Company on a mutually agreeable date within one hundred twenty (120) days following the Effective Date, but in no event later than December 04, 2015(the "Closing"), which shall be the termination date of this Agreement. Purchaser and Seller shall, on demand, deposit in escrow with the Escrow Company all instruments and monies necessary to complete the sale in accordance with this Agreement. If the sale is not completed due to the breach of this Agreement, in addition to, and not in lieu of, other available remedies, the breaching party shall be required to pay all title, escrow and other cancellation fees.

13. Prorations of Taxes, etc.

To the extent applicable, taxes for the current year shall be prorated as of Closing. If such taxes are assessed retroactively or in advance, the parties shall cooperate to charge any taxes allocable to the period prior to Closing to Seller, and for the period following Closing to Purchaser, notwithstanding any contrary provision of state law.

14. Closing Costs

Seller shall pay the following closing costs:

(a) Premium for a standard form owner's policy of title insurance in the face amount of the Purchase Price;

(b) State of Washington real estate excise taxes, if any.

Purchaser shall pay

(a) Cost of recording the deed, and

(b) The additional cost, if Purchaser elects, for an extended coverage policy of title insurance or other endorsements requested by Purchaser to the standard form owner's title insurance policy.

Seller and Purchaser shall share equally in Escrow Company's escrow fee and all other closing costs.

15. Representations and Warranties

15.1 Seller's Representations and Warranties

Seller represents to Purchaser that, as of the Effective Date and as of Closing:

- (a) Seller is a political subdivision of the State of Washington;
- (b) Subject only to the contingencies provided in Section 17 below, Seller has the full right, power and authority to perform Seller's obligations hereunder;
- (c) Subject only to the contingencies provided in Section 17 below, all of the individuals executing this Agreement on behalf of Seller and any other documents and instruments executed by Seller pursuant hereto have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof; and
- (d) 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 pertaining to which Seller has received service of process or has otherwise received written notice.

15.2 Purchaser's Representations and Warranties

Purchaser represents to Seller that, as of the Effective Date and as of Closing:

- (a) Purchaser is a nonprofit corporation duly organized and validly existing under the laws of the State of Washington;
- (b) Subject only to the contingencies provided in Section 17 below, Purchaser has the full right, power and authority to perform Purchaser's obligations hereunder;
- (c) Subject only to the contingencies provided in Section 17 below, all of the individuals executing this Agreement on behalf of Purchaser and any other documents and instruments executed by Purchaser pursuant hereto have the legal power, right and actual authority to bind Purchaser to the terms and conditions hereof and thereof; and
- (d) Subject only to the contingencies provided in Section 17 below, the execution and delivery of this Agreement by Purchaser, and the consummation of the transaction contemplated hereby, have been duly authorized by all necessary actions on the part of Purchaser, and this Agreement constitutes a valid obligation of Purchaser that is legally enforceable in accordance with its terms.
- (e) Purchaser represents to Seller that Purchaser, upon the Effective Date and through the date of Closing, has and shall maintain sufficient liquid net funds and available financing to close this transaction.

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. Contingencies

This sale is conditioned upon the contingencies specified in this Section 17. In the event any of the conditions set forth in this Section 17 are not satisfied or waived by the party intended to be benefited thereby, such party may, at its election, at any time before Closing waive in writing the benefit of any of the conditions set forth in this Section 17. Either party's consent to the close of escrow pursuant to this Agreement shall waive any remaining unfulfilled conditions for its benefit.

17.1 Purchaser's Contingencies

(a) Purchaser's decision not to terminate this Agreement on or before the end of the Feasibility Study Period, or if exercised, the Feasibility Study Period Extension pursuant to the provisions of Section 6;

(b) The willingness of Title Company to issue the Title Policy, insuring Purchaser in the amount of the Purchase Price that title to the Property will be vested of record in Purchaser on the date of Closing, subject only to the Permitted Exceptions;

(c) Seller's execution and delivery into escrow all of the documents necessary to close this transaction; and

(d) Seller's material performance of and compliance with all other terms and conditions of this Agreement required to be performed and complied with by Seller.

17.2 Seller's Contingencies

(a) Satisfaction of any and all requirements under State and municipal statutes and regulations and Seller policies and procedures for the sale of surplus school district property;

(b) Receipt of approval from the Board of Directors of Everett Public Schools to sell the Property, upon the Board's determination that the terms and conditions of this Agreement are consistent with applicable law, that the Property is surplus and no longer needed or required for school purposes, and that the sale of the Property in accordance with such terms and conditions is in the best interests of the District;

(c) Purchaser's execution and delivery into escrow all of the documents necessary to close this transaction; and

(d) Purchaser's material performance of and compliance with all other terms and conditions of this Agreement required to be performed and complied with by Purchaser.

18. Default

Time is of the essence of this Agreement. In the event Purchaser fails, without legal excuse, to complete the purchase of the Property the Earnest Money shall be forfeited to Seller as the sole and exclusive remedy available to Seller for such failure. If Seller fails to perform any covenant or agreement which Seller is obligated to perform under this Agreement and such failure continues for five (5) days following written notice of such failure by Purchaser, the Purchaser may elect to (a) recover damages or (b) specifically enforce this Agreement. In the event of any litigation between the parties under this Agreement (including, without limitation, litigation concerning entitlement to the Earnest Money), the prevailing party shall be entitled to reasonable attorneys' fees and court costs through all trial and appellate levels. The provisions of this paragraph shall survive the Closing and any termination of this Agreement.

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 Purchaser shall be addressed as follows:

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

Everett School District No. 2
Facilities & Planning
Attn: Michael T. Gunn

[for mail]
P. O. Box 2098
Everett, WA 98213

[for personal delivery]
3900 Broadway
Everett, WA 98201

with a copy to:

Perkins Coie LLP
The Puget Sound Energy Building
10885 NE 4th Street, Suite 700
Bellevue, WA 98004
Attn: R. Gerard Lutz

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 20.

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 a properly executed escrow nonforeign certificate.

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. This Agreement supersedes any and all oral or written agreements between the parties regarding the Property which are prior in time to this Agreement. Neither Seller nor Purchaser shall be bound by any prior understanding, agreement, promise, representation or stipulation, express or implied, not specified herein. This Agreement may not be amended or modified except by written agreement executed by both Seller and Purchaser. Seller shall not be bound by, or be liable for, any warranties or other representations made by any person, partnership, corporation or other entity unless such representations are expressly set forth in a written instrument duly executed by Seller.

24. Assignment

This Agreement shall not be assignable by Purchaser without the prior written consent of Seller to such assignment, which may be withheld in Seller's sole discretion.

25. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a

".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

26. Effective Date; Time of the Essence

Time is of the essence to both Seller and Purchaser in the performance of this Agreement, and they have agreed that strict compliance by both of them is required as to any date set forth herein. As used in this Agreement, "business day" shall mean a day that is not a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. If the final date of any period of time set out in any provision of this Agreement falls upon a day that is not a business day, then in such event, the time of such period shall be extended to the next day that is a business day.

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

Purchaser:

YOUNG MEN'S CHRISTIAN ASSOCIATION OF
SNOHOMISH COUNTY, a Washington nonprofit
corporation

By: _____
Its: _____

The undersigned Seller on this ____ day of _____, 2015, hereby approves and accepts the offer set forth and agrees to carry out all terms thereof on the part of the Seller.

Seller:

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

By: _____
Its: _____

STATE OF _____)
_____) ss.
COUNTY OF _____)

On this _____ day of _____, 2015, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ 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 _____ was duly elected, qualified and acting as said officer of the municipal corporation, that _____ 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.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of _____, residing at _____.
My appointment expires: _____.

STATE OF _____)
_____) ss.
COUNTY OF _____)

On this _____ day of _____, 2015, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ of YOUNG MEN'S CHRISTIAN ASSOCIATION OF SNOHOMISH COUNTY, the nonprofit 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 _____ was duly elected, qualified and acting as said officer of the municipal corporation, that _____ was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said municipal corporation.

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

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of _____, residing at _____.
My appointment expires: _____.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All that portion of the East 1/2 of the Southeast 1/4 of Section 31, Township 29 North, Range 5 East, W.M., in Snohomish County, Washington, described as follows:

Beginning at the Northeast corner of Section 6, Township 28 North, Range 5 East, W.M.; thence in a Northwesterly direction along the Center line of Central Avenue for 1,444.99 feet; thence South $82^{\circ}42'30''$ West for 35.0 feet to an intersection with the Westerly margin of said Central Avenue, the true point of beginning of this description;

thence continue $82^{\circ}42'30''$ West for 308.21 feet to an intersection with the Easterly margin of the right-of-way of Rucker Avenue;

thence following along the Easterly margin of said Rucker Avenue North $17^{\circ}51'30''$ West for 299.10 feet; thence along the arc of a curve to the right having a radius of 183.08 feet and consuming an angle of $190^{\circ}34'$ for an arc distance of 608.93 feet to an intersection with the Westerly margin of the right-of-way of said Central Avenue;

thence in a Southeasterly direction along said Westerly margin of said Central Avenue for 327.59 feet to the true point of beginning.

Together with Lots 1 through 50, inclusive, Block 14, Central Park Addition to Everett, according to the Plat thereof recorded in Volume 8 of plats, page 53, records of Snohomish County, Washington.

Together with vacated 48th Street and any alleys within Block 14 of Central Park Addition, per City of Everett Ordinance 3951, recorded under Auditor's File No. 1614226, that would attach by operation of law.

Except that portion thereof conveyed to the City of Everett by deed recorded July 29, 1963, recording number 1630240, records of Snohomish County, Washington.

Situate in the County of Snohomish, State of Washington.