



**SPECIAL SESSION JOINT MEETING - CITY OF MARYSVILLE AND MARYSVILLE
SCHOOL DISTRICT
MONDAY, MAY 13, 2024 – 5:00 PM
501 DELTA AVENUE
MARYSVILLE, WA 98270**

AGENDA

To listen to the meeting without providing public comment:

Join Zoom Meeting

<https://us06web.zoom.us/j/86246307568>

Or

Dial toll-free US: 888 475 4499

Meeting ID: 862 4630 7568

- A. Call to Order**
- B. Flag Salute**
- C. Land Acknowledgement by Dr. Zac Robbins**

We acknowledge that the original inhabitants of this area, the Snohomish people, and their successors, the Tulalip Tribes. Since time immemorial, they have hunted, fished, gathered, and taken care of these lands. We respect their sovereignty, their right to self-determination, and honor their sacred spiritual connection with the land and water. We will strive to be honest about our past mistakes and bring about a future that includes their people, stories, and voices to form a more just and equitable society.

D. Special Meeting and Public Hearing

1. Property Exchange Agreement – Joint Public Hearing between Marysville City Council and Marysville School District Board of Directors
Recommended Motion for Marysville City Council: I move to authorize the Mayor to sign the Property Exchange Agreement with the Marysville School District.
Recommended Motion for Marysville School District: I move to authorize Dr. Zac Robbins, Superintendent, to sign the Property Exchange Agreement with the City of Marysville.
[Property_Exchange_Agreement_-_City-MSD_Final__2024-05-06_.pdf](#)
[Property Exchange Proposal 042524 \(1\).pdf](#)
[1049 State Ave Elevations \(1\).pdf](#)
[1049 State Ave Site Plan.pdf](#)

E. Adjournment

Special Accommodations: The City of Marysville strives to provide accessible meetings for people with disabilities. Please contact the City Clerk's office at (360) 363-8000 or 1-800-833-6384 (Voice Relay), 1-800-833-6388 (TDD Relay) two business days prior to the meeting date if any special accommodations are needed for this meeting.



Agenda Bill

CITY COUNCIL AGENDA ITEM REPORT

DATE: May 13, 2024

SUBMITTED BY: CAO Gloria Hirashima, Executive

ITEM TYPE: Real Estate

AGENDA SECTION: Special Meeting and Public Hearing

SUBJECT: Property Exchange Agreement – Joint Public Hearing between Marysville City Council and Marysville School District Board of Directors

SUGGESTED ACTION: **Recommended Motion for Marysville City Council:** I move to authorize the Mayor to sign the Property Exchange Agreement with the Marysville School District.
Recommended Motion for Marysville School District: I move to authorize Dr. Zac Robbins, Superintendent, to sign the Property Exchange Agreement with the City of Marysville.

SUMMARY: The Marysville City Council and Marysville School District Board of Directors will hold a joint public hearing to consider the Property Exchange Agreement (Attachment 1). The property exchange agreement will provide for the sale of 1049 State Avenue (old City Hall) to the Marysville School District (“MSD”), and the sale of MSD administration building and property at 4220 80th Street NE to the City. The exchange terms are detailed in the Property Exchange Agreement as well as the Summary.

The public hearing notice and media release were published/posted on April 29, 2024. The City and MSD jointly held informational open houses for the public on May 2, 2024 and May 13, 2024 to answer questions. The exchange agreement includes a declaration of surplus for the properties held by each entity.

ATTACHMENTS:

[Property_Exchange_Agreement_-_City-MSD_Final__2024-05-06_.pdf](#)

[Property Exchange Proposal 042524 \(1\).pdf](#)

[1049 State Ave Elevations \(1\).pdf](#)

[1049 State Ave Site Plan.pdf](#)

PROPERTY EXCHANGE AGREEMENT

This Property Exchange Agreement (the “Agreement”) is entered into as of the last signature date below (the “Effective Date”), by and between the CITY OF MARYSVILLE, a municipal corporation of the State of Washington (“City”), and the MARYSVILLE SCHOOL DISTRICT 25, a municipal corporation of the State of Washington (“MSD”).

RECITALS

WHEREAS, the City owns the real property commonly known as 1049 State Avenue, Marysville WA 98270 (consisting of two parcels with the APNs 30052800215600 and 30052800215700), legally described in **Exhibit A** attached hereto (“Property One”); and

WHEREAS, MSD owns the real property commonly known as 4220 80TH ST NE, Marysville, WA 98270 (consisting of two parcels with the APNs 30052100311700 and 30052100410200), legally described in **Exhibit B** attached hereto (“Full MSD Property”); and

WHEREAS, the City desires to convey the entirety of Property One to MSD, in exchange for MSD conveying a portion of the Full MSD Property to the City, which portion is legally described in **Exhibit C** and depicted in **Exhibit D** (hereafter referred to as “Property Two”); and

WHEREAS, in order to properly convey Property Two to the City, MSD agrees to segregate Property Two from the Full MSD Property via a boundary line adjustment after execution of this Agreement and prior to Closing. This boundary line adjustment will result in Parcel 30052100311700 fully constituting Property Two (as legally described in **Exhibit C** and depicted in **Exhibit D**); and

WHEREAS, Property One contains that certain 15,064 square foot office building (the “Existing Building”) in which City will, following the Effective Date, at it’s sole cost and expense, construct an approximately 8,900 square foot addition; and

WHEREAS, Property Two contains that certain 13,684 square foot warehouse building (“Unit D Building”) that, following Closing, City will lease back to MSD pursuant to the terms set forth in the Unit D Building Lease.

NOW, THEREFORE, in consideration of the mutual terms, provisions, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, City and MSD agree as follows:

AGREEMENT

1. **BOUNDARY LINE ADJUSTMENT:** Following the Effective Date, MSD will initiate the process of obtaining a boundary line adjustment (the “BLA”) between APNs 30052100311700 and 30052100410200, so that that APN 30052100311700 is adjusted to conform to the legal description contained in **Exhibit C** and depicted in **Exhibit D**. The City will be responsible for the costs for preparing the documents associated with the BLA, and MSD shall be responsible for executing and recording the BLA. The BLA will be finalized and recorded as described in Section 15.

2. **PROPERTY TO BE EXCHANGED:**

- (a) The City agrees to convey to MSD the real property commonly known as 1049 State Avenue, Marysville WA 98270 (consisting of two parcels with the APNs 30052800215600 and 30052800215700), legally described in **Exhibit A** attached hereto (“Property One”).
- (b) MSD agrees to convey to the City a portion of the real property commonly known as 4220 80TH ST NE, Marysville, WA 98270 (post-BLA APN 30052100311700), legally described in **Exhibit C** and depicted in **Exhibit D**, attached hereto (“Property Two”).
- (c) The City and MSD authorize Closing Agent to insert, over their signatures, the legal description of Property One and/or Property Two (as used herein, individually, a “Property”, and collectively, the “Properties”) and/or to correct the legal descriptions entered.

3. **APPRAISED VALUES OF PROPERTIES:** Both Property One and Property Two have been appraised by Gustafson & Associates (Property One appraisal dated April 25, 2023, and Property Two dated August 2, 2023) (the “Appraisals”), and both the City and MSD have had the opportunity to access and review the Appraisals. Notwithstanding anything to the contrary set forth in the Appraisals, and for the purposes of memorializing what both parties believe to be fair consideration under this Agreement, City and MSD agree that Property One has a value of \$3,828,000.00, and Property Two has a value of \$9,600,000 (the “Agreed Upon Values”).

4. **PROPERTY ONE IMPROVEMENTS:**

- (a) Property One currently contains a structure containing approximately 15,064 square feet of space (the “Existing Building”). As part of the consideration for this Agreement, the City agrees to construct an approximately 8,900 square foot addition to the Existing Building, and install new siding on the Existing Building (collectively, the “Property One Improvements”). As of the Effective Date, the estimated cost of the Property One Improvements is Four Million and 00/100 Dollars (\$4,000,000.00) (“Property One Improvements Estimated Cost”).
- (b) The City will be responsible for all costs associated with the Property One Improvements including, without limitation, bidding, architectural design, permitting, planning, project management, and construction costs. Notwithstanding the foregoing if, prior to the expiration of the Property One Improvements Due Diligence Period (defined below), the City determines that the cost to construct the Property One Improvements will exceed the Property One Improvements Estimated Cost (such amount being the “Property One Improvements Excess Costs”), then the City may, at its option, notify MSD of the Property One Improvements Excess Costs (a “Property One Improvements Excess Costs Notice”), after which the City and MSD shall use reasonable efforts to negotiate a reduction of the Agreed Upon Consideration, as contemplated in Section 5, to account for the Property One Improvements Excess Costs.
- (c) MSD shall have the right to review and approve the construction plans for the Property One Improvements (the “Property One Improvements Plans and Specifications”). The City

will provide MSD with a draft of the Property One Improvements Plans and Specifications by August 1, 2024. MSD will have thirty (30) days after receipt of the Property One Improvements Plans and Specifications (the “Property One Improvements Plans and Specifications Notice Period”) to review the Property One Improvements Plans and Specifications. MSD may thereafter provide written comment to the City regarding the Property One Improvements Plans and Specifications (the “Property One Improvements Plans and Specifications Notice”). MSD and City will work collaboratively to resolve any issues identified in the Property One Improvements Plans and Specifications Notice. For the avoidance of doubt, MSD will be presumed to have approved of the Property One Improvements Plans and Specifications if it does not provide the Property One Improvements Plans and Specifications Notice within the Property One Improvements Plans and Specifications Notice Period (an “MSD Waiver”). Following approval of the final Property One Improvements Plans and Specifications, whether by agreement between the parties or pursuant to a Waiver, such plans will be deemed the “Final Property One Improvement Plans”.

5. **PAYMENT BY CITY:** As consideration for the differential in the Agreed Upon Values between Property One and Property Two, and taking into account the City’s obligations to perform the Property One Improvements, the City agrees to pay to MSD at Closing a negotiated amount of Two Million and 00/100 Dollars (\$2,000,000.00) (the “Agreed Upon Consideration”), subject to adjustment as contemplated in Section 4 herein.

6. **LEASE OF PORTION OF PROPERTY TWO:** Following Closing, the City will lease to MSD that building located on the southwest corner of parcel number 30052100311700 (as of the Effective Date), which building contains 12,564 square feet on the main floor and 1,120 square feet on the second floor (historically, this building has been referred to as the “Warehouse” or “Unit D,” and is currently marked as “Learning Support”) (hereafter referred to as the “Unit D Building”). The lease for Unit D Building (the “Unit D Building Lease”) will be agreed upon and executed by the parties prior the expiration of the Due Diligence Period, and contain the following agreed-upon business terms:

- (a) There shall be no rent, however MSD will be responsible for all taxes (if any).
- (b) The term of the Unit D Building Lease shall be 25 years, and MSD shall have the option to extend the term for five (5) additional five (5) year terms.
- (c) MSD will be responsible for all repairs and maintenance, at MSD sole cost and expense.
- (d) MSD will be responsible for all insurance and the City shall have no obligation to reconstruct Unit D Building or any portion of it in the event of full or partial destruction.
- (e) The parties will execute the Unit D Building Lease as a condition of Closing.

7. **CONDITION OF TITLE:** Title to Property One is to be free of all encumbrances or defects, except those acceptable to MSD. Title to Property Two is to be free of all encumbrances or defects, except those acceptable to the City.

8. **UTILITIES OF PROPERTY ONE:** The City warrants that Property One is connected to and/or receives all standard utility services including, without limitation, public water and sewer, electricity, and garbage services.

9. **UTILITIES OF PROPERTY TWO:** MSD warrants that Property Two is connected to and/or receives all standard utility services including, without limitation, public water and sewer, electricity, and garbage services.

10. **PAYMENT OF UNPAID UTILITY CHARGES:** The City and MSD agree that utility charges which constitute unrecorded liens on each respective Property will be paid through the Closing Date by each respective party outside of Closing (the City will pay the utility charges for Property One, and MSD will pay the utility charges for Property Two). The parties further release the Closing Agent from any and all claims arising out of or relating to utility charges for which no lien has been recorded. The Closing Agent is expressly directed not to inquire as to the status of unrecorded liens for utility charges and is expressly directed not to collect or disburse any funds at Closing or to make any reservations for the payment of unrecorded liens for utility charges.

11. **DISCLOSURE UNDER RCW 64.06:** PURSUANT TO CHAPTER 64.06 RCW, WITH RESPECT TO THE PROPERTIES, EACH OF MSD AND CITY HEREBY WAIVES ITS RIGHT TO RECEIVE THE DISCLOSURE STATEMENT. MSD AND CITY HEREBY WAIVE, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, THE RIGHT TO RESCIND THIS AGREEMENT PURSUANT TO ANY PROVISION OF CHAPTER 64.06 RCW; PROVIDED, HOWEVER, THAT EACH PARTY SHALL BE ENTITLED TO RELY ON THE EXPRESS REPRESENTATIONS AND WARRANTIES OF THE OTHER PARTY SET FORTH IN THIS AGREEMENT, SUBJECT TO THE TERMS OF THIS AGREEMENT.

12. **REPRESENTATIONS AND WARRANTIES OF CITY:** For the purpose of inducing MSD to enter into this agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, the City represents and warrants to MSD as follows:

- (a) Except as provided herein, the City has no knowledge of any legal action of any kind or character whatsoever affecting the premises of Property One which will in any manner affect MSD upon the consummation hereof, nor has the City knowledge that any such action is presently contemplated.
- (b) To City's knowledge, City has substantially complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to and affecting Property One. To City's knowledge the execution and delivery of this agreement and consummation of the transaction herein contemplated will not conflict with any applicable law, ordinance, regulation, statute, rule, restriction or any judgment, order or decree of any court having jurisdiction over City or Property One.
- (c) There are no written leases or rental agreements pertaining to the Property One. The City represents that Property One will be vacant at Closing.
- (d) Each individual or entity executing and delivering this Agreement and all documents to be executed and delivered in regard to the consummation of the transaction contemplated

hereby on behalf of the City has due and proper authority to execute and deliver the same. The City has full right, power and authority to sell and convey Property One to MSD as provided herein and to carry out its obligations hereunder.

- (e) To the City's knowledge no heating equipment, incinerators or other burning devices located on Property One violate, or as of Closing will violate, any applicable federal, state or municipal laws, ordinances, orders, regulations or requirements.
- (f) No personal property shall be left at Property One after Closing except by permission of MSD. Any personal property left at Property One after Closing will become the property of MSD.
- (g) The City has no knowledge of hazardous substances or underground storage tanks upon or under the Property One. The City will indemnify and hold MSD harmless from any hazardous substances upon Property One existing prior to Closing, including cost of removal. For purposes of this paragraph, the definition of the term "hazardous substances" shall be those used in applicable state and federal regulations, provided that the definition of the term "hazardous substance" shall include petroleum and related byproducts, hydrocarbons, flammable explosives, radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxins, and medical waste.

13. **REPRESENTATIONS AND WARRANTIES OF MSD:** For the purpose of inducing the City to enter into this agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, MSD represents and warrants to the City as follows:

- (a) Except as provided herein, MSD has no knowledge of any legal action of any kind or character whatsoever affecting the premises of Property Two which will in any manner affect the City upon the consummation hereof, nor has MSD knowledge that any such action is presently contemplated.
- (b) To MSD's knowledge, MSD has substantially complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to and affecting the Property Two. To MSD's knowledge the execution and delivery of this Agreement and consummation of the transaction herein contemplated will not conflict with any applicable law, ordinance, regulation, statute, rule, restriction or any judgment, order or decree of any court having jurisdiction over MSD or Property Two.
- (c) There are no written leases or rental agreements pertaining to the Property Two. MSD represents that Property Two will be vacant at Closing, except for any occupancy contemplated by the Unit D Lease.
- (d) Each individual or entity executing and delivering this agreement and all documents to be executed and delivered in regard to the consummation of the transaction contemplated hereby on behalf of MSD has due and proper authority to execute and deliver the same. MSD has full right, power and authority to sell and convey Property Two to the City as provided herein and to carry out its obligations hereunder.

- (e) To MSD's knowledge no heating equipment, incinerators or other burning devices located on Property One violate, or as of closing will violate, any applicable federal, state or municipal laws, ordinances, orders, regulations or requirements.
- (f) No personal property shall be left at Property Two after Closing except by permission of the City. Any personal property left at Property Two after Closing will become the property of the City.
- (g) MSD has no knowledge of hazardous substances or underground storage tanks upon or under Property Two. MSD will indemnify and hold the City harmless from any hazardous substances upon Property Two existing prior to Closing, including cost of removal. For purposes of this paragraph, the definition of the term "hazardous substances" shall be those used in applicable state and federal regulations, provided that the definition of the term "hazardous substance" shall include petroleum and related byproducts, hydrocarbons, flammable explosives, radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxins, and medical waste.

14. **SURVIVAL OF REPRESENTATIONS:** The representations and warranties as set forth in this Agreement shall be continuing and shall be true and correct on and as of the Closing Date with the same force and effect as if made at that time, and all of such representations and warranties shall survive Closing.

15. **DUE DILIGENCE PERIODS:**

15.1. Initial Due Diligence Period. Each of City and MSD's obligations under this Agreement are contingent upon the conditions set forth below being satisfied (collectively, the "Initial Contingencies") by the date that is ninety (90) days following the Effective Date (the "Initial Due Diligence Period").

- (a) Inspection: Each party's inspection of the Properties it intends to acquire, showing that the condition of such Properties is satisfactory to that party, in that party's sole discretion, and that the party's intended use is feasible. Such inspection may include, but shall not be limited to, geotechnical analysis including borings for soil samples, archaeological testing, Level I and/or Level II environmental assessments, pest inspection, structural inspection of the buildings and lead testing. Each party and its contractors and agents shall be permitted to bring such equipment onto the Properties it intends to acquire and disturb the surface and soils as may be required for these investigations. Each party shall give the other party and its contractors and agents, necessary and reasonable access to Property One and Property Two (as applicable) and the improvements located thereon during the Initial Due Diligence Period in order for each party and each party's contractors and agents to perform inspections and testing contemplated in this Agreement. Each party shall restore Property One and Property Two (as applicable) as near as reasonably possible to its prior condition after conducting such inspections and testing. Each party shall defend, indemnify and hold the other party harmless from all claims, liabilities or causes of action relating to the pre-closing activities of themselves or their agents upon the Properties. Each party shall allow no liens to attach to the Properties. In the event a party violates any provision of this paragraph, the violating party shall reimburse the other party for all expenses incurred in

settling any lien, claim or cause of action, including attorney's fees and costs. This provision shall survive termination of this Agreement.

- (b) Survey: Each party, at their own option and expense, may survey the Properties it intends to acquire. In the event either of the Properties is surveyed, this Agreement is contingent upon all matters revealed by a survey being acceptable to that party, in that party's sole subjective discretion.
- (c) Boundary Line Adjustment. The BLA is finalized and approved by the City and MSD. Upon approval of MSD, the BLA may be recorded after expiration of the Initial Due Diligence Period, but shall be recorded no later than thirty (30) days prior to Closing.
- (d) Unit D Lease. The parties will execute the Unit D Building Lease, to be effective following Closing.

The parties will meet (in person, virtually, electronically, or telephonically) and confirm prior to the expiration of the Initial Due Diligence Period and either (i) agree that all Initial Contingencies have been satisfied (a "Mutual Due Diligence Waiver"), or (ii) extend the Due Diligence Period for an agreed-upon period of time to resolve outstanding Contingencies. If the parties are unable to mutually agree to either (i) or (ii) above, then either party may terminate this Agreement upon written notice to the other party to be delivered on or before the expiration of the Initial Due Diligence Period.

15.2 Property One Improvements Due Diligence Period. Each of City and MSD's obligations under this Agreement are contingent upon the conditions set forth below being satisfied (the "Property One Improvements Contingencies") by the date that is not later than thirty six (36) months following the Effective Date (the "Property One Improvements Due Diligence Period").

- (a) Final Property One Improvements. The parties will agree on the Final Property One Improvement Plans in accordance with Section 4.c.
- (b) Agreed Upon Consideration. The parties will finalize agreement on the Agreed Upon Consideration in accordance with Section 4.b.
- (c) Property One Improvements. The Property One Improvements are Substantially Completed (defined below).

The parties will meet (in person, virtually, electronically, or telephonically) and confirm at any time prior to the expiration of the Property One Improvements Due Diligence Period and either (i) agree that the Property One Improvements Contingencies have been satisfied, or (ii) extend the Property One Improvements Due Diligence Period for an agreed-upon period of time to resolve outstanding issues related to the Property One Improvements Contingencies. If the parties are unable to mutually agree to either (i) or (ii) above, then either party may terminate this Agreement upon written notice to the other party to be delivered on or before the expiration of the Property One Improvements Due Diligence Period.

16. **TITLE INSURANCE**: Each party shall furnish to the other an ALTA standard form policy of title insurance with regards to its respective Property (the "Title Policies") to be

issued by a title company (the "Title Company") to be agreed upon by the parties prior to the expiration of the Due Diligence Period. Each party shall assume any cancellation fee for such commitment or policy with regards to its Property. The Title Policies to be issued shall contain no exceptions other than those provided in said standard form, plus encumbrances or defects noted in Section 7 above. If title to a Property is not so insurable as above provided and cannot be made so insurable by Closing, such party may terminate this Agreement or waive such defects and elect to proceed to Closing. Either party may secure extended coverage title insurance at their election, provided that a party obtaining such extended coverage shall pay any survey costs and the difference between the standard coverage and extended coverage premiums.

17. **TITLE CONVEYANCE:** The City shall convey title of Property One to MSD by Statutory Warranty Deed (the "City Deed") at Closing, subject only to the exceptions noted in paragraph 7 and subject to any liens or encumbrances created by MSD. MSD shall convey title of Property Two to the City by Statutory Warranty Deed (the "MSD Deed", collectively with the City Deed, the "Transfer Deeds") at Closing, subject only to the exceptions noted in paragraph 7 and subject to any liens or encumbrances created by the City.

18. **PROPERTY INCLUDED WITH PROPERTY ONE:** All attached floor coverings, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm windows, storm doors, shades, venetian blinds, curtain rods, trees, plants, shrubbery, water heating apparatus and fixtures, awnings, ventilating, cooling and heating systems, fuel tanks, irrigation fixtures and equipment, but excluding any items of personal property, and all water and water rights that are now on or used in connection with Property One, shall be included in the sale, unless otherwise provided herein. For purposes of clarification, property included in this sale is an accommodation to MSD. No portion of the consideration is attributed to such property.

19. **PROPERTY INCLUDED WITH PROPERTY TWO:** All attached floor coverings, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm windows, storm doors, shades, venetian blinds, curtain rods, trees, plants, shrubbery, water heating apparatus and fixtures, awnings, ventilating, cooling and heating systems, fuel tanks, irrigation fixtures and equipment, but excluding any items of personal property, and all water and water rights that are now on or used in connection with Property Two, shall be included in the sale, unless otherwise provided herein. For purposes of clarification, property included in this sale is an accommodation to the City. No portion of the consideration is attributed to such property.

20. **CLOSING OF SALE:** This Agreement shall be closed ("Closing") at the office of First American Title Insurance Company, 2707 Colby Avenue, Suite 601, Everett, WA 98201 (the "Closing Agent"), or at such licensed and bonded escrow company as the parties agree upon. The "Closing Date" shall be ten (10) days following a waiver of both the Initial Due Diligence Period and the Property One Improvements Due Diligence Period. The parties will, immediately on demand, deposit with Closing Agent all instruments and monies required to complete the transactions contemplated herein in accordance with this Agreement.

21. **CLOSING COSTS AND PRORATES:** The City and MSD shall each pay one-half of escrow fee. The City shall pay the owner's title insurance premium and real estate excise tax or fees, if any, for Property One; MSD shall pay the owner's title insurance premium and real estate excise tax or fees, if any, for Property Two. The parties shall evenly split the recording fees. If a party elects to have extended coverage title insurance, that party shall pay the

difference between the standard and extended coverage premiums. The City shall pay all real estate taxes for Property One due through the end of the half year in which this transaction closes, all special assessments, utility and all other assessments applicable to Property One in full at or prior to Closing; MSD shall pay all real estate taxes for Property Two due through the end of the half year in which this transaction closes, all special assessments, utility and all other assessments applicable to Property Two in full at or prior to Closing.

22. **CLOSING CONDITIONS:** The obligations of each party hereunder shall be subject to the fulfillment of the following conditions on or prior to the Closing Date, each of which shall constitute a condition of Closing (the “Closing Conditions”):

- (a) The Unit D Lease shall be fully executed by both parties.
- (b) The BLA shall be recorded.
- (c) The Transfer Deeds shall be executed by each respective party and recorded.
- (d) The Agreed Upon Consideration shall be paid to MSD.
- (e) All documents required for Closing identified by the Closing Agent shall be delivered to the Closing Agent.
- (f) The Title Policies shall be issued to each party
- (g) The Property One Improvements shall be deemed “Substantially Completed”, which means the issuance of a conditional or temporary certificate of occupancy or other similar authorization from the applicable governmental authority allowing MSD to occupy the Property One Improvements.

23. **POST CLOSING ACTIVITIES:**

- (a) In addition to MSD’s rights under the Unit D Lease, MSD shall be entitled to possession of Property Two (“Property Two Occupancy”) through the date that is one hundred eighty (180) days following the Closing Date (the “Property Two Delivery Date”) at no additional cost or expense except as set forth in this Section 23(a). During the Property Two Occupancy, MSD shall not contaminate Property Two, or use Property Two in a manner that violates any law. **THE PARTIES AGREE THAT PART OF THE CONSIDERATION FOR THIS AGREEMENT IS MSD’S AGREEMENT TO SURRENDER PROPERTY TWO NO LATER THAN THE PROPERTY TWO DELIVERY DATE. IF MSD FAILS TO VACATE AND SURRENDER PROPERTY TWO BY THE PROPERTY TWO DELIVERY DATE, MSD SHALL PAY ALL COSTS, DAMAGES, AND ATTORNEY FEES INCURRED BY THE CITY CAUSED BY MSD’S FAILURE TO VACATE AND SURRENDER.** Between the Closing Date and the Property Two Delivery Date, MSD will be solely responsible for the costs to maintain Property Two in conformance with law and will indemnify the City for any action by a governmental entity involving Property Two. MSD will maintain premises liability insurance through the Property Two Delivery Date, unless MSD surrenders the Property at an earlier time. Until such time as MSD surrenders Property Two, MSD will indemnify the City for any injury to a third party or to MSD

occurring on Property Two, except for injuries caused by or incurred due to the negligence or willful misconduct of the City. MSD will pay for all utilities for Property Two (including all water, sewer, surface water, and garbage collection charges, along with all other utilities including electricity, natural gas, and cable/internet) through the Property Two Delivery Date, or such earlier time as MSD surrenders Property Two. EXCEPT AS SET FORTH IN THE UNIT D LEASE, THE CITY HAS NO OBLIGATION TO REPAIR OR REBUILD ANY IMPROVEMENT ON PROPERTY TWO AND MSD IS SOLELY RESPONSIBLE FOR MAINTAINING THE PROPERTY IN A HABITABLE CONDITION.

24. **DESIRED TIMELINE.** While the required timelines are detailed above, the City and MSD desire to accomplish the transactions contemplated herein by the following non-binding timeline: (1) completion of the Property One Improvements by June 1, 2025; (2) closing within ten (10) days following expiration or waiver of the Property One Improvements Due Diligence Period; (3) MSD takes possession of Property One upon the Closing Date; (4) the City takes possession of Property Two by January 1, 2026.

25. **RISK OF LOSS:** Should the improvements on either Property be materially damaged by fire or other cause (a "Casualty") prior to the Closing Date, this Agreement shall be voidable at the option of the party that had intended to acquire such Property; HOWEVER, the City may, at its sole discretion and upon notice to MSD not more than ten (10) days following such Casualty, choose to repair or reconstruct the improvements on Property One at its expense, in which case this Agreement shall not be voidable by MSD.

26. **SURPLUS STATUS.** Property One is surplus real property. Property Two will become surplus real property upon the satisfaction of the Initial Due Diligence Period and the Property One Improvements Due Diligence Period. The Parties agree that they will take any additional necessary actions to effect a surplus designation for Property One and Property Two.

27. **DEFAULT:** In the event of default either party (a "Default") that is not cured by the defaulting party within ten (10) days following notice from the non-defaulting party, the non-defaulting party may elect to terminate this Agreement, and the defaulting party shall be liable for the non-defaulting party's costs and expenses, including, but not limited to, title and escrow costs, reasonable attorney's fees, due diligence costs and expenses, and design and permitting costs related to the Property One Improvements.

28. **ATTORNEYS' FEES:** In any proceeding brought to enforce this Agreement or to determine the rights of the parties under this Agreement, the prevailing party shall be entitled to collect, in addition to any judgment awarded by a court, a reasonable sum as attorneys' fees, and all costs and expenses incurred in connection with such a lawsuit, including attorneys' fees, costs, and expenses of any appeal of a judgment. For purposes of this Agreement, the prevailing party shall be that party in whose favor final judgment is rendered or who substantially prevails, if both parties are awarded judgment. The term "proceeding" shall mean and include arbitration, administrative, bankruptcy and judicial proceedings including appeals.

29. **NOTICE:** If notice is given pursuant to this Agreement, it shall be given to the parties by personal service or by certified mail, postage prepaid, return receipt requested at the following addresses:

MARYSVILLE SCHOOL DISTRICT 25
4220 80th Street NE
Marysville, WA 98270
Attn: Greg Dennis
Email: Gregory_dennis@msvl.k12.wa.us
Telephone No.: (360) 365-0130

CITY OF MARYSVILLE
501 Delta Avenue
Attn: Chief Administrative Officer
Marysville, WA 98270
Telephone No.: (360) 363-8000

or at such other address as either party designates by written notice to the other party and to the Closing Agent. All notices shall be deemed given on the day such notice is personally served, or on the second (2nd) business day following the day such notice is mailed in accordance with this Section 28.

30. **PATRIOT ACT COMPLIANCE:** The Patriot Act and Executive Order 13224 prohibit anyone from dealing with a Prohibited Person as that term is defined by the Act and Executive Order. The parties represent and warrant, each to the other, that neither the City nor MSD is a “Prohibited Person” as that term is defined by the Act and Executive Order and agree to indemnify and defend each other from all costs, claims, damages, and expenses, including attorneys’ fees, incurred or suffered as a result of the inaccuracy or falsification of this mutual representation and warranty regarding the Patriot Act and Executive Order 13224. This Agreement to indemnify and defend shall survive Closing.

31. **ENTIRE AGREEMENT; TIME; BINDING AGREEMENT; ASSIGNMENT:** This Agreement, with the attachments incorporated herein by reference, constitutes the entire agreement between the parties and there are no verbal agreements, nor will there be any verbal agreements, which modify or amend this Agreement. Time is of the essence in this Agreement. If any deadline or the time for performance hereunder falls on a Saturday, Sunday or a day that is recognized as a holiday by the State of Washington, then such time shall be deemed extended to the next day that is not a Saturday, Sunday or holiday. This Agreement is binding on the parties, their personal representatives and heirs. Neither party shall assign this Agreement without the prior written consent of the other party.

32. **EQUAL BARGAINING:** This Agreement has been drafted by the mutual efforts of the parties. The parties acknowledge and represent that each of them is fully competent to negotiate and to enter into this Agreement with the other and that they have freely entered into it with adequate opportunity for prior consultation with independent legal counsel of their choosing. All terms and provisions shall be given their fair and reasonable interpretation without reference to which party, or its counsel, drafted any particular term or provision in question.

33. **NO MERGER:** The terms, representations, warranties and attorney's fee provisions of this Agreement shall not merge in the deeds or other conveyance instruments transferring the Properties at Closing. Except as specifically set forth herein, the terms, representations, warranties and attorney's fee provisions of this Agreement shall survive Closing.

34. **COUNTERPARTS:** This Agreement may be executed in several identical counterparts, each of which shall be deemed to be an original copy, all of which together shall constitute one agreement, binding upon all parties hereto, notwithstanding that all the parties shall not have signed the same counterparts.

35. **FACSIMILE / ELECTRONIC TRANSMISSION:** Facsimile transmission or electronic (email) transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission, shall be the same as delivery of an original. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature. At the request of either party, or the Closing Agent, the parties will confirm facsimile or electronically transmitted signatures by signing an original document.

36. **CITY COUNCIL APPROVAL:** MSD acknowledges that this Agreement does not bind the CITY OF MARYSVILLE until the City Council approves this Agreement and the Mayor executes the same.

37. **RESERVATION OF POLICE POWER:** Notwithstanding anything to the contrary set forth herein, the parties understand and acknowledge that the CITY OF MARYSVILLE's authority to exercise its police (regulatory) powers in accordance with applicable law shall not be deemed limited by the provisions of this Agreement.

DATED this _____ day of _____, 2024.

CITY OF MARYSVILLE,

By _____
JON NEHRING, Mayor

DATED this _____ day of _____, 2024.

MARYSVILLE SCHOOL DISTRICT 25

By _____
DR. ZACHARY ROBBINS, Superintendent

EXHIBIT A

EXHIBIT A LEGAL DESCRIPTION

Site Address: 1049 State ST., Marysville, WA 98270
Tax Parcel ID No. 30052800215600

BEGINNING AT A POINT 393 FEET NORTH OF THE INTERSECTION OF THE WEST LINE OF STATE STREET IN THE TOWN OF MARYSVILLE, WASHINGTON, AND THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 30 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON;
THENCE WEST 361 FEET;
THENCE NORTH 117 FEET;
THENCE EAST 361 FEET;
THENCE SOUTH 117 FEET TO THE POINT OF BEGINNING.

SUBJECT TO: Easement in favor of the City of Marysville to construct, alter, improve, repair, operate and maintain water lines and/or sanitary sewer lines, pipes and appurtenances affecting the North 10 feet of the South 59.33 feet of the East 15 feet of the subject property recorded at Auditor's file No. 90052103488.

AND SUBJECT TO: A survey of the subject property recorded at Auditor's file No. 9001235001.

AND SUBJECT TO: Notice of Rural Utility Service Area and of Liability to the City of Marysville for Utility Assessments and Charges recorded at Auditor's File No. 8208120212.

Exhibit A

1

Site Address: 1035 State ST., Marysville, WA 98270
Tax Parcel ID No. 30052800215700

BEGINNING AT A POINT 272 FEET NORTH OF THE INTERSECTION OF THE WEST LINE OF STATE STREET IN THE TOWN OF MARYSVILLE AND THE QUARTER SECTION LINE BETWEEN THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 30 NORTH, RANGE 5 EAST, W.M., RUNNING,
THENCE WEST 360 FEET;
THENCE NORTH 121 FEET;
THENCE EAST 360 FEET TO THE WEST LINE OF STATE STREET;
THENCE SOUTH 121 FEET TO THE POINT OF BEGINNING, ALL BEING IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 30 NORTH, RANGE 5 EAST, W.M., IN THE SNOHOMISH COUNTY, WASHINGTON

SUBJECT TO: Lease and the terms and conditions thereof in favor of Skipper's Fish and Chips, Inc. as disclosed by instruments recorded at Auditor's file numbers 2354366, 2167093 and 2165998, and assignments recorded at Auditor's file numbers 2247721 and 8611070464.
AND SUBJECT TO: Matters set forth by survey recorded at Auditor's file No. 200110025005

AND SUBJECT TO: Easement and the terms and conditions thereof in favor of Public Utilities District No. 1 of Snohomish County and Verizon Northwest Inc. for underground electric distribution lines recorded at Auditor's file No. 200312020974

Exhibit A

2

EXHIBIT B

EXHIBIT B LEGAL DESCRIPTION

Site Address: 4220 80th ST NE, Marysville, WA 98270
Tax Parcel ID No. 30052100311700

Real property in the County of Snohomish, State of Washington, described as follows:

PARCEL A:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30, NORTH RANGE 5 EAST W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 917.0 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 89°45'36" WEST, PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 182.46 FEET TO A POINT 743.50 FEET EAST OF THE EASTERLY RIGHT OF WAY MARGIN OF THE PACIFIC HIGHWAY;
THENCE NORTH 2°03'25" WEST FOR 366.07 FEET TO A POINT 12.0 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND 186.80 FEET WEST OF THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE NORTH 89°48'48" EAST PARALLEL WITH AND 12.0 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 186.80 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE SOUTH 1°22'38" EAST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 365.78 FEET TO THE POINT OF BEGINNING.
EXCEPT THAT PORTION THEREOF AS CONVEYED TO THE CITY OF MARYSVILLE, WASHINGTON, A MUNICIPAL CORPORATION OF SNOHOMISH COUNTY BY DEED RECORDED UNDER RECORDING NUMBER 9110070238.

PARCEL B:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30, NORTH RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 707.0 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUE NORTH 1°22'38" WEST FOR 210.0 FEET;
THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 925.96 FEET TO THE EASTERLY MARGIN OF THE PACIFIC HIGHWAY;
THENCE SOUTH 1°25'39" EAST ALONG SAID HIGHWAY MARGIN FOR 30.0 FEET;

1

Exhibit B

THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 473.50 FEET; THENCE SOUTH 1°25'39" EAST PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 180.0 FEET;
THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 452.27 FEET TO THE POINT OF BEGINNING; LESS SOUTH 180 FEET OF WEST 160 FEET AND LESS WEST 100 FEET OF EAST 272.27 FEET OF SOUTH 180 FEET THEREOF.

AND LESS THAT PORTION THEREOF AS CONVEYED TO THE CITY OF MARYSVILLE, A MUNICIPAL CORPORATION OF SNOHOMISH COUNTY BY DEED RECORDED UNDER RECORDING NUMBER

2263370.

PARCEL C:

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30, NORTH RANGE 5 EAST W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 917 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 182.46 FEET TO A POINT 743.50 FEET EAST OF THE EASTERLY RIGHT OF WAY MARGIN OF THE PACIFIC HIGHWAY, THE TRUE POINT OF BEGINNING;

THENCE NORTH 2°03'25" WEST FOR 135 FEET;

THENCE SOUTH 89°45'36" WEST FOR 270 FEET TO A POINT ON THE EAST LINE OF TRACT CONVEYED TO ORLIN E. JOHNSTON AND WIFE BY DEED RECORDED UNDER AUDITOR'S FILE NO. 799332;

THENCE SOUTH 135 FEET TO A POINT SOUTH 89°45'36" WEST OF THE POINT OF BEGINNING;

THENCE NORTH 89°45'36" EAST 270 FEET TO THE POINT OF BEGINNING.

PARCEL D:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30, NORTH RANGE 5 EAST W.M. DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF THE SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 707 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 272.27 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 1°25'39" WEST PARALLEL WITH THE EAST MARGIN OF THE PACIFIC HIGHWAY FOR 180 FEET;

THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 100 FEET;

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Exhibit B

THENCE SOUTH 1°25'39" EAST PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 180 FEET;
THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL E:

A PORTION OF THE SOUTHEAST QUARTER OF SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS;

A PORTION OF THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 707 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 452.27 FEET TO THE POINT OF BEGINNING ;

THENCE NORTH 1°25'39" WEST PARALLEL WITH EAST MARGIN OF THE PACIFIC HIGHWAY FOR 180 FEET;

THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 160 FEET;

THENCE SOUTH 1°25'39" EAST PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 180 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 160 FEET TO THE POINT OF BEGINNING. TOGETHER WITH AN EASEMENT FOR ROAD PURPOSES OVER, UPON, AND ACROSS THE FOLLOWING DESCRIBED PROPERTY;

A PORTION OF THE SOUTHEAST QUARTER OF SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS;

A PORTION OF THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 707 FEET;

THENCE CONTINUE NORTH 1°22'38" FOR 210 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 293.46 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 633.50 FEET TO THE EASTERLY MARGIN OF THE PACIFIC HIGHWAY;

THENCE SOUTH 1°25'39" EAST ALONG SAID HIGHWAY MARGIN FOR 30 FEET;

THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 633.50 FEET;

THENCE NORTH 1°25'39" WEST PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 30 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

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Exhibit B

Site Address: 7622 44th Ave., Marysville, WA 98270
Tax Parcel ID No. 30052100410200

Real property in the County of Snohomish, State of Washington, described as follows:

WEST 102 FEET OF THE NORTH 150 FEET OF THE SOUTHWEST QUARTER OF THE
SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5 EAST,
WILLAMETTE MERIDIAN;

LESS ROAD.

TOGETHER WITH THE NORTH 300 FEET OF THE WEST 264 FEET OF THE SOUTHWEST
QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5
EAST, WILLAMETTE MERIDIAN;

EXCEPT HEREFROM THE NORTH 150 FEET OF THE WEST 102 FEET.

TOGETHER WITH A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST
QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5 EAST, WILLAMETTE
MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING 300 FEET SOUTH OF THE NORTHWEST CORNER OF THE SOUTHWEST
QUARTER OF THE SOUTHEAST QUARTER;
THENCE EAST 264 FEET TO THE WEST LINE OF THE TRACT CONVEYED TO WARREN COLE
UNDER AUDITOR'S FILE NO. 909841;
THENCE SOUTH 900 FEET, MORE OR LESS, ALONG SAID WEST LINE AND SAID LINE
EXTENDED TO A POINT IN THE WEST LINE OF A TRACT CONVEYED TO ROBERT B.
SPEARS UNDER AUDITOR'S FILE NO. 1123274 WHICH POINT IS ALSO THE NORTHEAST
CORNER OF THE FIRST TRACT CONVEYED TO CHARLES E. STETLER AND JO ANN
STETLER, HIS WIFE, UNDER AUDITOR'S FILE NO. 1118529;
THENCE WEST ALONG SAID NORTH LINE 100 FEET TO THE NORTHWEST CORNER OF SAID
FIRST TRACT;
THENCE SOUTH ALONG THE WEST LINE OF SAID TRACT TO A POINT 20 FEET NORTH OF
THE SOUTH LINE OF SAID SUBDIVISION;
THENCE WEST PARALLEL WITH SAID SOUTH LINE 64 FEET, MORE OR LESS, TO THE EAST
LINE OF THE SECOND TRACT CONVEYED TO STETLER UNDER AUDITOR'S FILE NO.
1118529;
THENCE NORTH 100 FEET TO THE NORTHEAST CORNER OF SAID TRACT;
THENCE WEST ALONG THE NORTH LINE OF SAID TRACT 100 FEET TO THE WEST LINE OF
THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER;
THENCE NORTH ALONG SAID WEST LINE FOR 900 FEET, MORE OR LESS, TO POINT OF
BEGINNING.

EXCEPT THAT PROPERTY LYING NORTH OF A LINE 30 FEET SOUTH OF AND PARALLEL TO
THAT NORTH LINE OF THE SOUTH HALF OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5
EAST, WILLAMETTE MERIDIAN, CONVEYED TO CITY OF MARYSVILLE BY STATUTORY
WARRANTY DEED RECORDED UNDER RECORDING NUMBER 9110070238.

ALL SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

4

Exhibit B

EXHIBIT C

EXHIBIT C LEGAL DESCRIPTION

Property to be Conveyed:
Site Address: 4220 80th ST NE, Marysville, WA 98270
Tax Parcel ID No. 30052100311700

Real property in the County of Snohomish, State of Washington, described as follows:

PARCEL A:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30, NORTH RANGE 5 EAST W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 917.0 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 89°45'36" WEST, PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 182.46 FEET TO A POINT 743.50 FEET EAST OF THE EASTERLY RIGHT OF WAY MARGIN OF THE PACIFIC HIGHWAY;
THENCE NORTH 2°03'25" WEST FOR 366.07 FEET TO A POINT 12.0 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND 186.80 FEET WEST OF THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE NORTH 89°48'48" EAST PARALLEL WITH AND 12.0 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 186.80 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE SOUTH 1°22'38" EAST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 365.78 FEET TO THE POINT OF BEGINNING.
EXCEPT THAT PORTION THEREOF AS CONVEYED TO THE CITY OF MARYSVILLE, WASHINGTON, A MUNICIPAL CORPORATION OF SNOHOMISH COUNTY BY DEED RECORDED UNDER RECORDING NUMBER 9110070238.

PARCEL B:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30, NORTH RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 707.0 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUE NORTH 1°22'38" WEST FOR 210.0 FEET;
THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 925.96 FEET TO THE EASTERLY MARGIN OF THE PACIFIC HIGHWAY;

1

Exhibit C

THENCE SOUTH 1°25'39" EAST ALONG SAID HIGHWAY MARGIN FOR 30.0 FEET;
THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST
QUARTER OF THE SOUTHWEST QUARTER FOR 473.50 FEET; THENCE SOUTH 1°25'39" EAST
PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 180.0 FEET;
THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST
QUARTER OF THE SOUTHWEST QUARTER FOR 452.27 FEET TO THE POINT OF BEGINNING;
LESS SOUTH 180 FEET OF WEST 160 FEET AND LESS WEST 100 FEET OF EAST 272.27 FEET
OF SOUTH 180 FEET THEREOF.

AND LESS THAT PORTION THEREOF AS CONVEYED TO THE CITY OF MARYSVILLE, A
MUNICIPAL CORPORATION OF SNOHOMISH COUNTY BY DEED RECORDED UNDER
RECORDING NUMBER

2263370.

PARCEL C:

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF
SECTION 21, TOWNSHIP 30, NORTH RANGE 5 EAST W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE
SOUTHWEST QUARTER;
THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF
THE SOUTHWEST QUARTER FOR 917 FEET;
THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST
QUARTER OF THE SOUTHWEST QUARTER FOR 182.46 FEET TO A POINT 743.50 FEET EAST
OF THE EASTERLY RIGHT OF WAY MARGIN OF THE PACIFIC HIGHWAY, THE TRUE POINT
OF BEGINNING;
THENCE NORTH 2°03'25" WEST FOR 135 FEET;
THENCE SOUTH 89°45'36" WEST FOR 270 FEET TO A POINT ON THE EAST LINE OF TRACT
CONVEYED TO ORLIN E. JOHNSTON AND WIFE BY DEED RECORDED UNDER AUDITOR'S
FILE NO. 799332;
THENCE SOUTH 135 FEET TO A POINT SOUTH 89°45'36" WEST OF THE POINT OF
BEGINNING;
THENCE NORTH 89°45'36" EAST 270 FEET TO THE POINT OF BEGINNING.

PARCEL D:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION
21, TOWNSHIP 30, NORTH RANGE 5 EAST W.M. DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SAID SOUTHEAST QUARTER OF THE
SOUTHWEST QUARTER;
THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF THE SAID SOUTHEAST
QUARTER OF THE SOUTHWEST QUARTER FOR 707 FEET;
THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST
QUARTER OF THE SOUTHWEST QUARTER FOR 272.27 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 1°25'39" WEST PARALLEL WITH THE EAST MARGIN OF THE PACIFIC
HIGHWAY FOR 180 FEET;
THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST
QUARTER OF THE SOUTHWEST QUARTER FOR 100 FEET;

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Exhibit C

THENCE SOUTH 1°25'39" EAST PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 180 FEET;
THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 100 FEET TO THE POINT OF BEGINNING.

PARCEL E:

A PORTION OF THE SOUTHEAST QUARTER OF SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS;

A PORTION OF THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 707 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 452.27 FEET TO THE POINT OF BEGINNING ;

THENCE NORTH 1°25'39" WEST PARALLEL WITH EAST MARGIN OF THE PACIFIC HIGHWAY FOR 180 FEET;

THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 160 FEET;

THENCE SOUTH 1°25'39" EAST PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 180 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 160 FEET TO THE POINT OF BEGINNING. TOGETHER WITH AN EASEMENT FOR ROAD PURPOSES OVER, UPON, AND ACROSS THE FOLLOWING DESCRIBED PROPERTY;

A PORTION OF THE SOUTHEAST QUARTER OF SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS;

A PORTION OF THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE NORTH 1°22'38" WEST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 707 FEET;

THENCE CONTINUE NORTH 1°22'38" FOR 210 FEET;

THENCE SOUTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 293.46 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89°45'36" WEST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 633.50 FEET TO THE EASTERLY MARGIN OF THE PACIFIC HIGHWAY;

THENCE SOUTH 1°25'39" EAST ALONG SAID HIGHWAY MARGIN FOR 30 FEET;

THENCE NORTH 89°45'36" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR 633.50 FEET;

THENCE NORTH 1°25'39" WEST PARALLEL WITH THE EAST MARGIN OF SAID HIGHWAY FOR 30 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

3

Exhibit C

TOGETHER WITH:

THE NORTH 425 FEET OF THE WEST 264 FEET OF THE SOUTHWEST QUARTER OF THE
SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 5 EAST,
WILLAMETTE MERIDIAN;

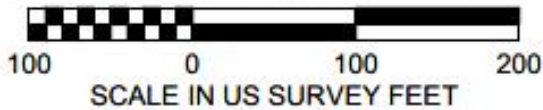
EXCEPT THAT PROPERTY LYING NORTH OF A LINE 30 FEET SOUTH OF AND PARALLEL
WITH THAT NORTH LINE OF THE SOUTH HALF OF SECTION 21, TOWNSHIP 30 NORTH,
RANGE 5 EAST, WILLAMETTE MERIDIAN, CONVEYED TO CITY OF MARYSVILLE BY
STATUTORY WARRANTY DEED RECORDED UNDER RECORDING NUMBER 9110070238.


ALL SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Exhibit C

4

EXHIBIT D



	MARYSVILLE SCHOOL DISTRICT #25 4220 8TH STREET NE	PARCEL LINE EXHIBIT MAP	3/27/2024
	CITY OF MARYSVILLE PUBLIC WORKS DEPARTMENT <small>401 DELTA AVE MARYSVILLE, WA 98270 (360) 353-8100</small>	PARCEL NOS. 30052100311700 & 30052100410200	1 of 1



MARYSVILLE



Marysville
School District

Property Exchange Proposal

April 2024

Overview

The parties propose a property exchange between the Marysville School District current administration building and the City of Marysville’s former city hall. This transaction would benefit both the City and the School District, and ultimately the public, because it meets specific needs of both entities that serve the Marysville community.

Under the proposal, the City would buy the School District’s administration building and property to relocate its Public Works facility, while the School District would move its administration building to the former City Hall.

The City and School District have scheduled two public information sessions to provide opportunities for the public to review the proposal. Staff from both entities will be on hand to answer your questions. The City Council and School Board will then hold a joint public hearing; the public hearing will take place in person with a Zoom option for virtual attendance.

Information Session	Information Session	Public Hearing
Thursday, May 2	Monday, May 13	Monday, May 13
5:30-6:30 p.m.	3:30-4:30 p.m.	5 p.m.
Marysville Civic Center Council Chambers 501 Delta Ave.	Marysville Civic Center Council Chambers 501 Delta Ave.	Marysville Civic Center Council Chambers 501 Delta Ave.

Property Details

<p>MSD #25 4220 80th St. NE</p>	<ul style="list-style-type: none"> Administration Building (offices, meeting rooms, restrooms), outbuildings, vehicle/equipment storage and parking lots <hr/> <p>Appraisal</p> <p>Property appraised at \$8.6 million on Aug. 2, 2023. City agrees to pay 10% over appraisal, which brings the agreed purchase price to \$9.46 million.</p> <p>City also agrees to a zero-cost lease to the School District for the existing warehouse building at the SW corner of the District. Lease term of 25 years plus option of five 5-year extensions (useful life of building).</p>
<p>City Hall 1049 State Ave.</p>	<ul style="list-style-type: none"> Administration Building (offices, meeting rooms, restrooms) and parking lot <hr/> <p>Appraisal</p> <p>Property appraised at \$3.828 million on April 25, 2023. City agrees construct an addition to the building and install new siding for the entire structure. City agrees to pay \$2 million to School District after the building addition.</p>
<p>Transaction information</p>	<p>The City agrees to design, bid and build the addition with project oversight and consultation with the School District.</p> <p>School District delayed possession June 1, 2025, for City Hall + addition.</p> <p>City delayed possession Jan. 1, 2026, for MSD buildings.</p>

Benefits

For Marysville School District

- The District maintains an old transportation facility, a large main building, several separate warehouse-style buildings, and large parcels of land primarily unused by the District at the current site. The transportation staff, buses, motor pool vehicles, and equipment were moved offsite to a new facility built about 10 years ago.
- The property exchange will result in a more updated and efficient facility, including a newly constructed addition, reducing future costs and maintenance at no additional cost to taxpayers.
- Moving School District administration to the location on State Avenue will increase public visibility while being more customer-friendly for students' parents, District partners, and the community.
- Consolidating staff into a single building will increase efficiency and communication.
- The property exchange will net the District about \$2M to be used toward district-wide capital projects (facility repairs, maintenance, and upgrades). The District's prioritized list of facility needs totals nearly \$6M. The District recently received \$3.6M from the state legislature's Distressed Schools Fund. Together, the funds (\$3.6M from the state + \$2M from the property exchange) will help the District complete the following priority projects:
 - **Boilers:** Four elementary school boilers are at the end of life (Allen Creek, Quil Ceda Tulalip, Shoultes, and Sunnyside). Boilers are used to heat the instructional spaces at our schools. The current boilers are inefficient, causing overheating and underheating issues. Replacement boilers will help with energy efficiency, lowering operational costs.
Total estimated cost: \$1.2M
 - **Roofs:** Three school sites (Early Learning Center, Quil Ceda Tulalip Elementary, Pinewood Elementary) require roof replacements. The current composition roofs have exceeded end-of-life. Replacement roofs are needed to protect the facilities and their contents.
Total estimated cost: \$1.35M
 - **Intercom Systems:** New intercom systems to broadcast emergency alarms are needed at four elementary schools (Cascade, Kellogg Marsh, Liberty, and Shoultes) and Totem Middle School. Intercom systems are a life safety necessity for clear and concise messaging in an emergency

(i.e., intruder alert, lockdown).

Total estimated cost: \$750K

- **Fire Alarm Panels:** New fire alarm panels are needed at two elementary schools (Allen Creek, Liberty) and two middle schools (Cedarcrest Middle, Marysville Middle). Fire alarm panels are a life safety necessity. These schools do not have addressable devices, which can hinder response time in an emergency.

Total estimated cost: \$1.4M

- **Heating Units:** Rooftop heating units need replacement at Cascade Elementary School. The units are end-of-life and similar to the boilers, causing inconsistent heating throughout the buildings. Replacement units will help with energy efficiency, lowering operational costs.

Total estimated cost: \$300K

- **Electrical Systems:** Four elementary schools (Cascade, Liberty, Marshall, and Sunnyside) need replacement electrical systems. The current electrical systems are outdated, with insufficient outlets to support instructional technology.

Total estimated cost: \$1M

- In addition to the priority projects outlined above, the District needs to make approximately \$15M in other facility and maintenance upgrades at aging buildings district-wide. The property exchange will reduce operating costs to the District.

For City of Marysville

- The School District's central location allows for future relocation of Public Works facility and provides many of the amenities needed for our Public Works operation.
- Current Public Works facility is located in the floodplain. Because the City's Public Works operation must be dependable during flood events, the District site reduces risk of City equipment damage while City has the duty to respond to community aid during disasters.
- The City values the ability to reuse existing structures and avoid reconstruction costs. Construction costs for a brand-new Public Works facility could be as high as \$76 million, according to a study recently commissioned by the City.
- The City's future waterfront redevelopment and site fill is dependent on relocation of the Public Works facilities.
- Because City Hall is no longer in use, the City supports accommodating District building needs by constructing an addition to make the exchange work.

Contacts

City of Marysville	Marysville School District
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<p>Connie Mennie Communications Manager cmennie@marysvillewa.gov 360-363-8086</p>	<p>Jodi Runyon Director of Communications Jodi_Runyon@msd25.org 360-965-0005</p>



NORTH ELEVATION (FRONT ENTRANCE)



EAST ELEVATION (STATE AVENUE)

