

**CITY OF MONROE
RESOLUTION NO. 023/2018**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONROE, WASHINGTON, AUTHORIZING THE SALE OF
CERTAIN REAL PROPERTY TO BRUCE ANDERSON

WHEREAS, the City of Monroe owns the real property legally described in the Purchase and Sale Agreement attached hereto as Exhibit A, incorporated herein by this reference as if set forth in full; and

WHEREAS, the City desires to sell, and Bruce Anderson desires to purchase, said property in accordance with the terms and conditions set forth in the Purchase and Sale Agreement.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONROE AS FOLLOWS:

Section 1. Approval of Purchase and Sale Agreement. The City Council hereby declares the property described in the attached Purchase and Sale Agreement to be surplus to the City's needs and authorizes its disposition in accordance with said agreement. The Mayor is authorized to execute the Purchase and Sale Agreement on behalf of the City in substantially the form attached hereto, together with such minor revisions as the Mayor may deem necessary or appropriate.

Section 2. Effective Date. This resolution shall take effect immediately upon passage.

Section 3. Ratification and Confirmation. Any prior actions taken consistent with this resolution are hereby ratified and confirmed.

ADOPTED by the City Council of the City of Monroe, at its regular meeting thereof, and APPROVED by the Mayor this 13th day of November, 2018.

Approved: November 13, 2018
Effective: November 13, 2018

CITY OF MONROE, WASHINGTON



Geoffrey Thomas, Mayor

(SEAL)

ATTEST:

APPROVED AS TO FORM:



Elizabeth M. Adkisson, MMC, City Clerk



J. Zachary Lell, City Attorney

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2018 ("Effective Date"), by and between the City of Monroe, a Washington municipal corporation ("Seller"), and KKG Monroe, LLC, a Washington limited liability company ("Purchaser").

RECITALS

A. Seller owns certain real property situate in Snohomish County, State of Washington known commonly as Parcel 2 of the North Kelsey Short Plat, identified as Snohomish County Assessor's Parcel No. 2706010011500, and legally described in Exhibit A, attached hereto and incorporated herein by this reference as if set forth in full ("Seller's Parcel").

B. Purchaser desires to purchase, and Seller desires to sell, a portion of Seller's Parcel, in accordance with the terms and conditions set forth in this Agreement.

TERMS

To provide for the purchase and sale of the real property as herein described, and in consideration of the covenants and promises set forth herein, the receipt and sufficiency of which are mutually acknowledged, it is hereby agreed by and between Seller and Purchaser (collectively, "the parties") as follows:

1. PURCHASE AND SALE. Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, upon the terms and conditions hereinafter set forth, the following real property interest(s):

A portion of Seller's Parcel, consisting of approximately 25,000 square feet, in the approximate size, location and configuration depicted as "New Lot A" in Exhibit B, attached hereto and incorporated herein by reference as if set forth in full ("the Property"). It is mutually understood by the parties that the Property does not currently exist in the size and configuration desired by Purchaser, and that a short plat, binding site plan or boundary line adjustment will be necessary in order to revise Seller's Parcel therefore.

2. PURCHASE PRICE AND TERMS OF PAYMENT. The total purchase price ("Purchase Price") for the Property is eleven dollars per square foot (\$11.00/square foot) based on the final parcel revision pursuant to subsection 6(e). The balance of the Purchase Price, less the Earnest Money Deposit, is due and payable at Closing.

3. EARNEST MONEY DEPOSIT. Within two (2) business days following the Effective Date, Purchaser shall deliver to Escrow Company, for the benefit of Seller, a cash deposit (hereinafter "Earnest Money Deposit") of Ten Thousand Dollars (\$10,000). The Earnest Money Deposit shall be nonrefundable after the expiration of the Due

Diligence Period, except in the event of Seller default as provided in subsection 13(a), including any extensions thereof, and shall be applied to the Purchase Price at closing; PROVIDED, IN THE EVENT PURCHASER FAILS, WITHOUT LEGAL EXCUSE, TO COMPLETE THE PURCHASE OF THE PROPERTY AS SPECIFIED HEREIN, THE EARNEST MONEY DEPOSIT SHALL BE FORFEITED TO SELLER AS LIQUIDATED DAMAGES, BUT NOT AS A PENALTY, AS THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO SELLER. Purchaser and Seller agree that the liquidated damages represent a reasonable sum considering all of the circumstances existing on the date of this Agreement and further represent a reasonable estimate of the losses that Seller will incur if Purchaser fails to purchase the Property after all conditions precedent to Purchaser's performance have been satisfied. The Earnest Money Deposit shall be refunded to Purchaser in the event that Purchaser gives Seller and Escrow Company written notice of its decision not to proceed with the purchase of the Property prior to the end of the Due Diligence Period, including any extensions thereof.

4. **CONVEYANCE/SELLER'S WARRANTIES.** Upon Closing, title to the Property shall be conveyed from Seller to Purchaser by a Statutory Warranty Deed ("the Deed"), subject only to the exceptions described in Section 9. Seller warrants that it has marketable title to the Property subject only to the exceptions listed in the preliminary title commitment to be provided by Seller to Purchaser.

5. **DUE DILLIGENCE PERIOD.** Commencing upon the Effective Date, Purchaser shall have a period ("Due Diligence Period") of not more than one hundred twenty (120) days to inspect the Property and to review any relevant reports and studies, during which period Purchaser shall proceed with due diligence and in good faith to satisfy the Closing contingencies set forth herein. Provided, if Purchaser has acted in good faith and with best efforts, the Due Diligence Period may be extended at Purchaser's option for up to two (2) extensions of thirty (30) days each. Provided further, that in the event of any administrative and/or judicial appeals of the regulatory approval(s) required pursuant to subsection 6(e) of this Agreement, the Due Diligence Period may be extended, with written agreement of the parties, pending final resolution of such appeal(s).

6. **CLOSING CONTINGENCIES.** Purchaser's obligation to proceed with the Closing of the purchase of the Property is contingent upon the following:

a. **Expiration of the Due Diligence Period.** Upon expiration of the Due Diligence Period, including any extensions thereof, without written notice having been delivered by Purchaser to Seller and Escrow Company stating that Purchaser's acquisition of the Property is not feasible, Purchaser shall be obligated to proceed with the Closing of the purchase of the Property. If during the Due Diligence Period, including any extensions thereof, Purchaser gives written notice to Seller and Escrow Company that such acquisition is not feasible, Purchaser shall be entitled to a refund of the Earnest Money Deposit, and all rights and obligations of the Parties under this Agreement shall thereupon be terminated except as expressly provided herein.

b. **Information.** No later than five (5) days after the Effective Date, Seller shall provide Purchaser with copies of the following documents in Seller's possession that relate directly to the Property:

- i. As-built surveys;
- ii. Construction documents, including any architectural, mechanical, electrical, plumbing and civil drawings;
- iii. Soils or other engineering reports;
- iv. Environmental studies; and
- v. Other reports or studies that Purchaser may reasonably request in writing.

The parties mutually acknowledge that the above-referenced documents are public records and may be disclosed to third parties.

c. **Access.** Upon at least three (3) days written prior notice to Seller, Purchaser and its authorized representative(s) may access and enter upon the Property at reasonable times for purposes of inspection and to conduct test borings for soil suitability and other studies reasonably necessary for Purchaser. All such inspection and testing shall be at Purchaser's sole expense and Purchaser at its sole expense shall thereafter return the Property to its pre-inspection/test condition. Purchaser shall promptly provide Seller with a copy of any report(s) arising from any inspection, testing or sampling conducted with respect to the Property. Separate from the provisions of Section 8, Purchaser shall defend, hold harmless and indemnify Seller, its officers, officials and employees from and against any and all claims, demands, penalties, fees, liens, damages, losses, expenses, including reasonable attorneys' fees and costs, incurred by Seller for any personal injury, property damage and/or other liability resulting from Purchaser's entry onto and use of the Property pursuant to this section.

d. **Site Plan.** The parties mutually acknowledge Purchaser's intent to develop the Property in accordance with the Site Plan, and to construct a building ("the Building"), parking area and associated landscaping upon the Property consistent with such intent. No later than ten (10) days after the Effective Date, Purchaser shall submit for Seller's approval a conceptual site plan ("Site Plan") depicting the location, orientation, setbacks, length, width and height of the Building, as well as the location and configuration of access points, lot coverage, easements, open spaces, parking areas and signage upon the Property. It is an express contingency of Closing that: (a) the Site Plan shall have been approved by the Monroe City Council, which approval may be withheld in the City Council's reasonable discretion, and (b) the approved Site Plan shall have been recorded against the title of the Property as a covenant (the "Site Plan Covenant") in substantially the form provided in Exhibit C, attached hereto and incorporated herein by this reference as if set forth in full. The Site Plan Covenant shall require that the initial construction on the Property be the Building in accordance with the Site Plan, and the Site Plan Covenant shall expire upon the date that the Building is complete and the initial certificates of occupancy are issued with respect to the Building. The requirements set forth in the Site Plan are separate from and additional to any and all applicable regulatory standards and procedures.

e. **Parcel Revision.** No later than thirty (30) days after the Effective Date, Seller shall submit an application to the City of Monroe Community Development Department for a short plat, binding site plan or boundary line adjustment to revise Seller's Parcel into the size and configuration set forth in Exhibit B. Seller shall be responsible for paying all applicable regulatory fees and charges associated with said application. Prior to filing the application, Seller shall provide a copy thereof to Purchaser. Purchaser shall thereupon convey Purchaser's written support for the application, which shall not be unreasonably withheld, to Seller within five (5) days of receiving a copy of the application. The City of Monroe Community Development Department's final approval and recording of the above-referenced short plat, binding site plan or boundary line adjustment revising Seller's Parcel into the size and configuration set forth in Exhibit B shall be an express contingency of Closing.

f. **Memorandum and Covenant of Repurchase Option.** It is an express contingency of Closing that Purchaser shall have executed and recorded a Memorandum and Covenant of Repurchase Option in substantially the form provided in Exhibit D, attached hereto and incorporated herein by this reference as if set forth in full.

7. HAZARDOUS MATERIAL.

a. Definition of Hazardous Material. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," "hazardous substance" or similar term under the Federal Water Pollution Control Act (33 U.S.C. §1317), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601), (iv) petroleum, (v) asbestos or (vi) which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law.

b. Presence of Hazardous Material. Purchaser acknowledges that the Property may or may not contain certain Hazardous Materials and that Seller only warrants to the best of Seller's actual knowledge, that as of the Effective Date of this Agreement Seller is not aware of the presence on or beneath the Property of any legally unacceptable levels of Hazardous Materials. Seller makes no, and expressly disclaims any, other representation or warranty to Purchaser regarding the presence or absence of any Hazardous Materials on or under the Property. It shall be Purchaser's exclusive responsibility under this Agreement to examine the Property and to review such reports or other documents it deems necessary to satisfy itself as to the presence or absence of any such Hazardous Materials. For purposes of this section, "Seller's actual knowledge" means the actual knowledge, as of the Effective Date of this Agreement, of the City of Monroe Mayor or any director-level employee of Seller.

c. Right to Inspect. Prior to the expiration of the Due Diligence Period, Purchaser shall have the right, at its cost and expense, to conduct such physical inspections of the Property as necessary in order to determine the presence or absence of Hazardous Material on or under the Property in accordance with subsection 6(c).

d. Indemnification. If the parties proceed to the Closing, Purchaser shall indemnify, defend and hold Seller harmless from any and all claims, demands (including demands by any governmental agency), liabilities, costs, expenses, penalties, damages, losses and liens, including without limitation clean up costs and reasonable attorneys' fees, arising out of or with respect to any Hazardous Material released on or under the Property subsequent to the Closing. The indemnity provided for herein shall survive the Closing hereunder and shall not be merged into the Deed. Seller shall indemnify, defend and hold Purchaser harmless from any and all claims, demands, (including demands by any government agency), liabilities, costs, expenses, penalties, damages, losses and liens arising from any material breach of Seller's warranty in subsection 7(b). The indemnity provided for herein shall survive the Closing and shall not be merged into the Deed.

e. Release. If the parties proceed to Closing, then Purchaser and its employees, contractors, agents, and each of them, and its successors, assigns, heirs, devisees and executors, agree to forever release, discharge and acquit Seller and its contractors, agents, officials and employees, and each of them (collectively, "Releasees"), of and from any and all claims, demands, obligations, liabilities, indebtedness, breaches of duty of any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, costs, sums of money, accounts, compensations, contracts, controversies, promises, damages, costs, losses and expenses, of every type, kind, nature, description or character (including without limitation reasonable attorneys' fees) (collectively "Claims"), and irrespective of how, why or by reason of what facts, whether heretofore or now existing, or which could, might or may be claimed to exist in the future, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, including all Claims for nondisclosure, or unsuitable recommendation, each as if fully set forth herein at length, which in any way arise out of, or are connected with or relate to (1) any Hazardous Material on or under the Property, or migrating to or from the Property, at the Closing or released on or under the Property subsequent thereto, and (2) any required clean-up of any and all Hazardous Material which might remain or subsequently be placed on or under the Property, including without limitation any personal injuries suffered by any person or persons. The release provided for herein shall survive the Closing and shall not be merged into the Deed. This subsection 7(e) shall not apply to any violation of the limited knowledge representation provided in subsection 7(b) above.

8. INDEMNITY. The parties agree to defend, hold harmless, and indemnify each other, their respective officers, officials and employees, from and against any claims, demands, penalties, fees, liens, damages, losses, expenses, including reasonable attorneys' fees and costs incurred by the indemnitee for liability resulting from any breach of the warranties and representations in this Agreement. The

representations and warranties contained in this Agreement and this indemnity shall survive Closing.

9. **TITLE.** Seller, at Seller's expense and upon delivery, shall provide Purchaser with a preliminary Alta Form B title insurance commitment from Chicago Title Company ("Title Insurance Company"). Seller shall make request for said commitment within five (5) days from the Effective Date of this Agreement. Purchaser shall inform Seller of any objections it has to the listed exceptions to insurable title identified in the title report within thirty (30) days of Purchaser's receipt of the report, and Seller shall thereupon have the option of curing any stated objection. If Seller declines to cure any exception objected to by Purchaser, this Agreement shall terminate, and Purchaser, as its sole and exclusive remedy, shall be refunded the Earnest Money Deposit, unless Purchaser agrees within 15 days to withdraw its objection to the exception. Seller's conveyance of title by the Deed pursuant to subsection 10(e) shall be subject to all exceptions to insurable title listed in the preliminary title report and not objected to by Purchaser.

10. **ESCROW AND CLOSING.**

a. **Closing Agent; Date of Closing.** The sale shall be closed at the Everett, Washington offices of Chicago Title Company ("Closing Agent" or "Escrow Company"), no later than thirty (30) days following the expiration of the Due Diligence Period unless Purchaser has provided Seller with written notice pursuant to subsection 6(a). Purchaser and Seller shall deposit with the Closing Agent, all instruments, documents and monies necessary to complete the sale in accordance with this Agreement. Seller agrees to maintain the Property and its improvements, if any, in their present condition, normal wear and tear excepted, until Purchaser is entitled to possession. In the event that this sale cannot be closed by the date provided herein due to the unavailability of either party, the Closing Agent, or financing institution to sign any necessary document, or to deposit any necessary money, because of any interruption of available transport; strikes, fire, flood or extreme weather; governmental regulations; incapacitating illness; acts of God; or other similar occurrences; the Closing date may be extended beyond cessation of such condition with written agreement of the parties.

b. **Expenses of Escrow.** Title insurance premiums and all other costs or expenses of escrow shall be paid as follows:

- (i) the cost of securing the above-referenced title insurance policy for Purchaser shall be paid by Seller;
- (ii) the cost of discharging any liens or encumbrances to clear title, shall be paid for by Seller;
- (iii) the costs of recording the Deed to Purchaser shall, including stamps, shall be paid by Purchaser; and

- (iv) all other expenses of escrow shall be shared equally by the parties.

c. **Pro-Rations.** All real property taxes and utility charges against the Property shall be pro-rated as of the date of Closing. Said prorations, if any, shall be effected on the basis of the latest available utility and/or tax bills and other applicable statements and based upon a 365-day calendar year. If current year utility and/or tax statements are not available at the close of escrow, the prorations will be made as above provided and shall be adjusted between Purchaser and Seller outside of escrow as soon as the utility and/or tax bills or other information is available.

d. **Closing Defined.** Closing for the purpose of this Agreement, is defined as the date that all documents are executed and the sale proceeds are available for disbursement to Seller. When notified, Purchaser and Seller will deposit, without delay, in escrow with Closing Agent, all instruments and monies required to complete the transaction in accordance with this Agreement and/or otherwise required by the Closing Agent or by law.

e. **Statutory Warranty Deed.** At closing, Seller will convey marketable title to the Property to Purchaser by statutory warranty deed (the "Deed"), subject only to the Special and Standard Exceptions set forth in the preliminary commitment for title insurance not timely objected to by Purchaser and those exceptions timely objected to by Purchaser but agreed in writing by Seller to be satisfied by the time of Closing. Without prejudice to Section 12, Purchaser will acquire the Property "as is" with respect to any matter which a physical inspection of the Property would disclose.

11. **POSSESSION.** Purchaser shall be entitled to possession of the Property at Closing.

12. **CONDITION OF PROPERTY; DISCLAIMER.** Except as expressly provided herein, Purchaser agrees to purchase the Property in its present condition on the terms noted. Purchaser accepts the Property "AS IS" "and "WITH ALL FAULTS," and Seller makes no, and hereby expressly disclaims any, warranty of any kind, express or implied, with respect thereto. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE, IT IS EXPRESSLY AGREED THAT SELLER MAKES NO WARRANTY AS TO THE MARKETABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE PROPERTY. Without prejudice to the foregoing, Purchaser shall be solely and exclusively responsible for all costs associated with the future development and use of the Property, including without limitation any and all on-site and off-site improvements, except as expressly provided herein.

13. **DEFAULT.**

a. **By Seller.** In the event of any default by Seller, Purchaser shall be entitled to immediately cancel this Agreement (in which case the Earnest Money Deposit not yet forfeited under the terms of this Agreement prior to Seller's default shall

be refunded to Purchaser); provided, however, Purchaser may, at its option, waive any default by Seller and proceed with the purchase of the Property.

b. **By Purchaser.** In the event of any default by Purchaser, prior to the close of the escrow, Seller may waive the default, or at Seller's option, terminate the escrow and Purchaser's right to purchase the Property and retain the forfeited Earnest Money Deposit.

14. **ATTORNEYS' FEES.** Each party shall be exclusively responsible for paying its own attorneys' fees incurred in the negotiation, drafting and execution of this Agreement. In the event any action or proceeding to compel compliance with, or for a breach of, the terms and provisions of this Agreement, the prevailing party shall be entitled to recover from the losing party all costs and expenses of such action or proceeding, including, but not limited to the reasonable attorneys' fees of the prevailing party.

15. **ASSIGNMENT.** This Agreement may not be assigned without the other party's prior written consent.

16. **CASUALTY LAW.** Seller agrees to maintain its own property and public liability insurance on the Property prior to Closing. Purchaser acknowledges and agrees this obligation shall be deemed satisfied by Seller's current membership in the Washington Cities Insurance Authority risk pool. The parties agree that Purchaser shall not be responsible to acquire any insurance for the Property until after Closing.

17. **WRITTEN NOTICE.** Except as otherwise provided herein, any and all notices provided under this Agreement must be in writing and shall be deemed given when delivered in person, or when deposited with Federal Express or other similar overnight service, return receipt requested, or when deposited in the United States mails, postage prepaid for certified mail, return receipt requested, or upon actual receipt of a facsimile or other similar transmission (provided that a copy of the facsimile is delivered or deposited within twenty-four hours in the manner specified above), properly addressed to Seller and to Purchaser as follows:

TO SELLER:

Deborah Knight, City Administrator
City of Monroe
806 West Main Street
Monroe, WA 98272

TO PURCHASER:

KKG Monroe, LLC
c/o M. Bruce Anderson, Member
7420 SE 24th Street, Suite 4
Mercer Island, WA 98040

Either party may designate a different address for receiving notices hereunder by giving at least ten (10) days written notice thereof to the other party.

18. TIME IS OF ESSENCE AND COMPUTATION OF TIME. Time is of the essence of this Agreement. Unless otherwise stated in this Agreement, any period of time in this Agreement shall begin the day after the event starting the period and shall expire at 5:00 p.m. Pacific time of the last calendar day of the specified period of time, unless the last day is Saturday, Sunday or legal holiday as defined in RCW 1.15.050, in which case the specified period of 5 days or less shall not include Saturday, Sunday or legal holidays.

19. COMPLETE AGREEMENT. This Agreement supersedes any and all agreements, written or oral between the parties hereto regarding the subject Property, which are prior in time to this Agreement. Neither Purchaser nor Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specified herein.

20. COMMISSION. Seller shall be solely responsible for payment to the listing Broker (Cavan O'Keefe with Newmark Grubb Knight and Frank) outside of the Closing per separate agreement. The parties represent and warrant that no other brokers are owed a commission with respect to the transaction set forth herein.

21. GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed according to the laws of the State of Washington. Venue for any suit arising out of or related to this Agreement shall be in Snohomish County, Washington.

22. NON-MERGER. The terms and provisions of this Agreement shall not merge in the Deed or other conveyance instrument transferring the Property to Purchaser at Closing, but shall survive the Closing of this transaction.

23. COUNTERPARTS AND FACSIMILE TRANSMISSION. This Agreement may be executed in counterparts, all of which together shall be deemed to be one original, even if the parties have not executed the same original. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing or original document.

24. EFFECTIVE DATE. This Agreement shall become effective as of the date first listed above when signed by both parties.

25. REGULATORY AUTHORITY PRESERVED. Purchaser expressly acknowledges that Seller is a municipal corporation organized under the laws of the state of Washington and has executed this Agreement in its proprietary capacity as owner of the Property. Nothing in this Agreement shall be construed as waiving, abridging or otherwise limiting the City of Monroe's regulatory authority, police power and/or legislative discretion, which are hereby expressly reserved in full. Without prejudice to the foregoing, nothing in this Agreement shall be construed as entitling any party to any permit, license or other regulatory approval, or as waiving or excusing compliance with any applicable regulatory process.

26. CONDEMNATION. If any part of the Property is condemned prior to the Closing, Seller shall promptly give Purchaser written notice of such condemnation and Purchaser shall have the option of either applying the proceeds of any condemnation award on a pro rata basis to reduce the Purchase Price or to declare this Agreement terminated by delivering written notice to Seller, in which event, the Earnest Money Deposit together with accrued interest thereon, shall be refunded to Purchaser.

27. POST-CLOSING REPURCHASE OPTION. The parties mutually acknowledge that Seller has a substantial, legitimate interest in the expeditious development of the Property in accordance with the provisions of this Agreement, including without limitation the Site Plan. The parties further mutually acknowledge that Purchaser's promise to so develop the Property is a fundamental component of the consideration supporting this Agreement.

a. No later than twenty four (24) months after the City of Monroe Community Development Department's final approval of the short plat, binding site plan or boundary line adjustment pursuant to subsection 6(e) above, Purchaser shall submit an application to the City of Monroe Community Development Department for a building permit to authorize construction of the Building. Purchaser shall be responsible for paying all applicable regulatory fees and charges associated with said application. If such application is submitted prior to the Closing, then Seller, in its capacity as owner of the Property, shall reasonably facilitate such application by furnishing applicable owner signatures for Purchaser's permit application form(s).

b. If Purchaser fails to commence construction of the Building by December 31, 2022, then Seller shall have the option to repurchase the Property (the "Repurchase Option") for the Purchase Price set forth in Section 2. For purposes of this section, to "commence construction" shall mean to begin physical construction of the vertical, structural components of the Building.

c. The Repurchase Option shall be exercised as follows:

- i. Exercise of the Repurchase Option shall be at the sole discretion of Seller.
- ii. The closing of the repurchase transfer shall be not later than sixty (60) days following Seller's delivery to Purchaser of Seller's notice of intent to exercise the Repurchase Option.
- iii. Seller shall pay all transfer and excise taxes, title insurance if requested by Seller, and all closing costs in connection with the repurchase transfer. The repurchase transfer shall be effectuated by the execution and recording of a standard statutory warranty deed in substantially the same form as provided to Purchaser at the Closing hereunder. At the time of reconveyance of the Property to Seller, no encumbrances shall exist on title other than those that existed when title transferred to Purchaser pursuant to this Agreement, those consented to by Seller in writing, and those that were recorded as part of the Closing hereunder.

- iv. If Purchaser fails to reconvey the Property to Seller as provided in this section, then Seller shall have the right to specific performance.
- v. If Seller exercises the Repurchase Option (or if Seller provides written notice to Purchaser that Seller elects to not exercise its Repurchase Option), Purchaser shall thereafter be released from further obligations under this section. Notwithstanding the foregoing, nothing herein shall limit Purchaser's liability for all outstanding development and other fees related to the Property.
- vi. If Purchaser commences construction prior to Seller's exercise of the Repurchase Option, the Repurchase Option shall automatically terminate as of the date of commencement of construction. At Purchaser's written request, after such termination Seller shall execute a termination of the Memorandum and Covenant of Repurchase Option in recordable form so as to clear the Memorandum and Covenant of Repurchase Option from title to the Property.
- vii. If Purchaser fails to commence construction of the Building by December 31, 2022 and Seller has not provided Purchaser with written notice Seller's intent to exercise the Repurchase Option in writing by the 90th day after December 31, 2022, then Seller shall be deemed to have waived its right to exercise the Repurchase Option as of such 90th day.

PURCHASER:

KKG Monroe LLC, a Washington limited liability company

By: _____
M. Bruce Anderson, Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that M. BRUCE ANDERSON is the person who appeared before me, and said person acknowledged that he signed this instrument as the Manager of KKG Monroe, LLC, and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2018.

(Signature)

(Name legibly printed or stamped)
My appointment expires _____

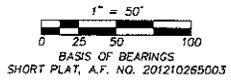
Exhibit A

Legal Description of Seller's Parcel

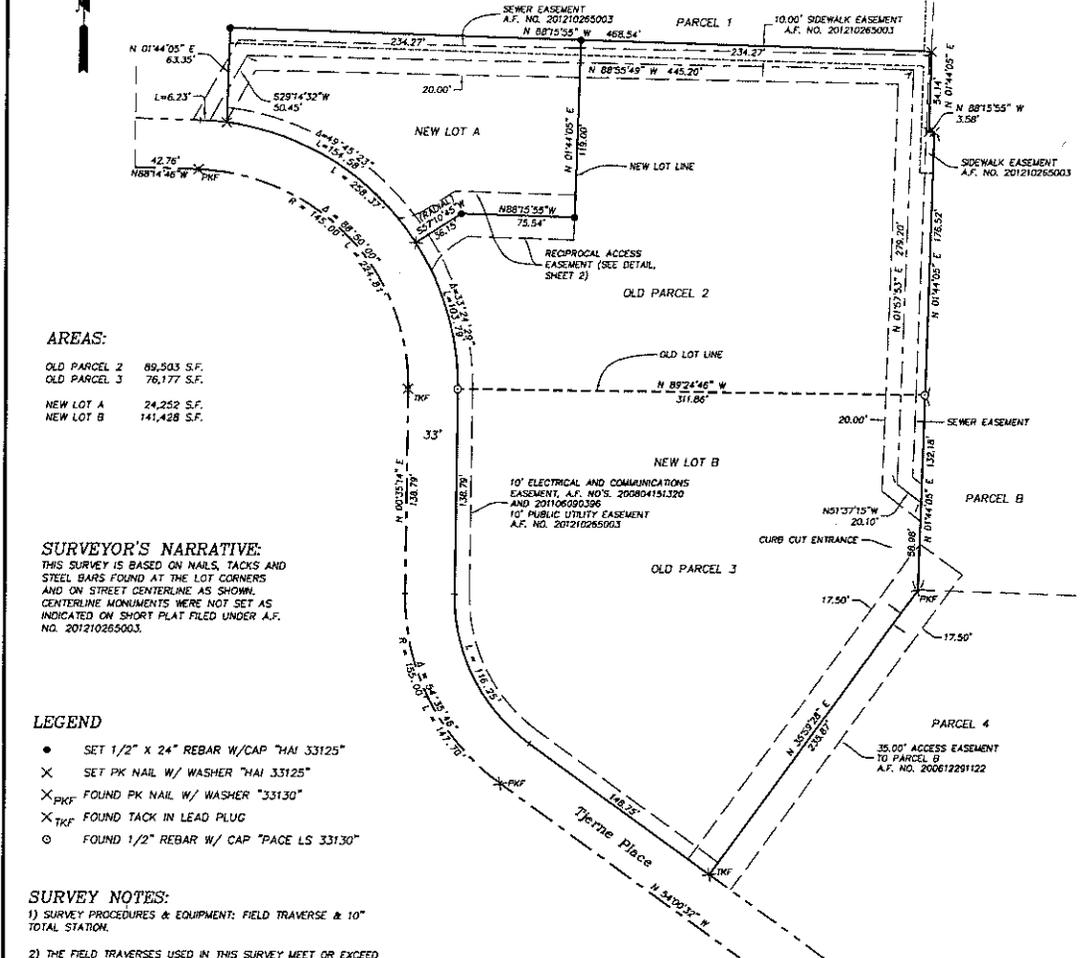
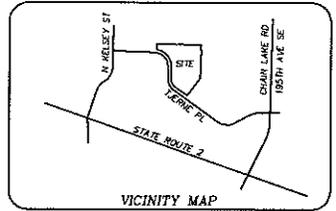
Section 01 Township 27 Range 06 Quarter NE & Section 36 Township 28 Range 06
Quarter SE - PAR 2 CITY OF MON N KELSEY SP REC UND AFN 201210265003 BEING
PTNS NW1/4 NE1/4 NE1/4 SD SEC 1 & SW1/4SE1/4 SE1/4 SD SEC 36

Exhibit B

**Property Depiction
New Lot A**



CITY OF MONROE
 TJERNE PLACE BOUNDARY LINE ADJUSTMENT
 FILE NO. BLA2018-001
 SECTION 1, T.27N., R.6E., W.M., NE1/4, NE1/4
 TJERNE PLACE, MONROE, WA 98272



AREAS:

OLD PARCEL 2	89,503 S.F.
OLD PARCEL 3	76,177 S.F.
NEW LOT A	24,252 S.F.
NEW LOT B	141,428 S.F.

SURVEYOR'S NARRATIVE:
 THIS SURVEY IS BASED ON NAILS, TACKS AND STEEL BARS FOUND AT THE LOT CORNERS AND ON STREET CENTERLINE AS SHOWN. CENTERLINE MONUMENTS WERE NOT SET AS INDICATED ON SHORT PLAT FILED UNDER A.F. NO. 201210265003.

- LEGEND**
- SET 1/2" X 24" REBAR W/CAP "HAI 33125"
 - X SET PK NAIL W/ WASHER "HAI 33125"
 - X_{PKF} FOUND PK NAIL W/ WASHER "33130"
 - X_{TKF} FOUND TACK IN LEAD PLUG
 - FOUND 1/2" REBAR W/ CAP "PACE LS 33130"

- SURVEY NOTES:**
- 1) SURVEY PROCEDURES & EQUIPMENT: FIELD TRAVERSE & 10' TOTAL STATION.
 - 2) THE FIELD TRAVERSES USED IN THIS SURVEY MEET OR EXCEED THOSE STANDARDS CONTAINED IN WAC 332-130-090.
 - 3) DISTANCES ARE IN FEET AND DECIMALS THEREOF.
 - 4) ALL CONTROLLING MONUMENTS SHOWN ARE OF RECORD, ARE LOCALLY ACCEPTED AS REPRESENTATIVE OF THEIR PURPORTED POSITIONS, AND WERE VISITED DURING THE COURSE OF THIS SURVEY UNLESS OTHERWISE NOTED.
 - 5) THIS SURVEY DOES NOT PURPORT TO SHOW ALL EASEMENTS.

SURVEYOR'S CERTIFICATE
 THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF THE CITY OF MONROE, IN FEBRUARY, 2018.

SOPHIO M. WALTON, PLS
 PROFESSIONAL LAND SURVEYOR
 REGISTRATION NO. 33125



WE, THE UNDERSIGNED ARE IN AGREEMENT WITH AND APPROVE OF BOUNDARY LINE ADJUSTMENT NO. BLA2018-001 AS APPROVED BY THE DIRECTOR OF COMMUNITY DEVELOPMENT ON _____ 2018 AND AS FURTHER DELINEATED ON THIS SURVEY.
 CITY OF MONROE

BEN SWANSON _____ DATE _____
 COMMUNITY DEVELOPMENT DIRECTOR

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) SS
 COUNTY OF SNOHOMISH)
 I, CERTIFY THAT I HAVE SATISFACTORY EVIDENCE THAT BEN SWANSON IS THE PERSON WHO APPEARED BEFORE ME, AND SAID PERSON ACKNOWLEDGED THAT HE SIGNED THIS INSTRUMENT, ON DATH STATED THAT HE WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE COMMUNITY DEVELOPMENT DIRECTOR OF THE CITY OF MONROE TO BE THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.
 DATE: _____

SIGNATURE: _____
 (PRINTED NAME)
 NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
 RESIDING AT: _____
 MY APPOINTMENT EXPIRES: _____

DETERMINATION

ON THE BASIS OF THE REPRESENTATIONS HEREBY SUBMITTED, THE DIRECTOR OF COMMUNITY DEVELOPMENT HAS APPROVED THIS BOUNDARY LINE ADJUSTMENT 201808 UNDER THE PROVISION OF CHAPTER 17.30, CITY OF MONROE MUNICIPAL CODE.

DATE: _____ COMMUNITY DEVELOPMENT DIRECTOR
 CITY OF MONROE

TREASURER'S CERTIFICATE

2018 TAXES PAID IN FULL ON TAX PARCELS:

PARCEL 2	270601-001-15000
PARCEL 3	270601-001-15100

BY: _____ DATE: _____
 DEPUTY TREASURER

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS _____ DAY OF _____, 2018.
 AT _____ M. IN BOOK _____ OF SURVEYS AT PAGE _____
 AT THE REQUEST OF HARMSEN & ASSOCIATES, INC.

CAROLYN WEKEL _____ BY _____
 COUNTY AUDITOR DEPUTY COUNTY AUDITOR

AF# _____

CITY OF MONROE

Record of Survey

SCALE: 1" = 50' DRAWN BY: SLW 3-13-2018	HARMSEN 125 EAST MAIN STREET, SUITE 104 MONROE, WA 98272 TEL: (360) 794-7811	SHEET 1 OF 2 DWG: BLA
REVIEWED BY: MDW F/B: 1185 JOB# 18-036		STR. INDEX ROSDEN/NO. 00 NE 1/4, NE 1/4

CITY OF MONROE
TJERNE PLACE BOUNDARY LINE ADJUSTMENT
FILE NO. BLA2018-001
SECTION 1, T.27N., R.6E., W.M., NE1/4, NE1/4
TJERNE PLACE, MONROE, WA 98272

SCHEDULE B EXCEPTIONS:

(PER CHICAGO TITLE INS. CO. CERTIFICATE NO. 500067507, DATED JANUARY 26, 2018)

2. SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RECITALS, RESERVATIONS, EASEMENTS, EASEMENT PROVISIONS, DEDICATIONS, BUILDING SETBACK LINE, NOTES AND STATEMENTS, IF ANY, AS SET FORTH ON CITY OF MONROE BOUNDARY LINE ADJUSTMENT BA200808, RECORDED UNDER AUDITOR'S FILE NO. 200612295006. SUBJECT PARCELS ARE PORTIONS OF NEW PARCEL A OF SAID BOUNDARY LINE ADJUSTMENT AND ARE NOT DIRECTLY AFFECTED BY THE EASEMENTS DELINEATED THEREON.
3. SUBJECT TO DECLARATION OF COVENANTS PER AUDITOR'S FILE NO. 200612291120.
4. SUBJECT TO SITE DEVELOPMENT AGREEMENT, EASEMENTS, CONDITIONS AND RESTRICTIONS PER AUDITOR'S FILE NO. 200612291122 AS AMENDED BY AUDITOR'S FILE NO. 200904301121.
5. SUBJECT TO EASEMENT FOR ELECTRICAL FACILITIES PER AUDITOR'S FILE NO. 200804151320. EASEMENT AREA IS 10 FEET WIDE LYING ADJOINING TJERNE PLACE.
6. SUBJECT TO EASEMENT FOR COMMUNICATIONS FACILITIES PER AUDITOR'S FILE NO. 201106090396.
7. SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RECITALS, RESERVATIONS, EASEMENTS, EASEMENT PROVISIONS, DEDICATIONS, BUILDING SETBACK LINE, NOTES AND STATEMENTS, IF ANY, AS SET FORTH ON CITY OF MONROE NORTH KELSEY SHORT PLAT, RECORDED UNDER AUDITOR'S FILE NO. 201210265003.
8. SUBJECT TO RESTRICTIVE COVENANT RECORDED UNDER AUDITOR'S FILE NO. 201210311013.

EASEMENT DESCRIPTION:

COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL 2:
 THENCE SOUTH 88°15'55" EAST, ALONG THE NORTH LINE THEREOF, A DISTANCE OF 234.27 FEET;
 THENCE SOUTH 01°44'05" WEST, PERPENDICULAR TO SAID NORTH LINE, A DISTANCE OF 104.00 FEET TO THE TRUE POINT OF BEGINNING;
 THENCE NORTH 88°15'55" WEST, PARALLEL WITH SAID NORTH LINE, A DISTANCE OF 80.20 FEET;
 THENCE SOUTH 57°10'45" WEST A DISTANCE OF 21.27 FEET TO A POINT OF CURVATURE TO THE RIGHT HAVING A RADIUS OF 45.00 FEET;
 THENCE SOUTHWESTERLY, ALONG SAID CURVE, AN ARC DISTANCE OF 21.49 FEET AND CONSUMING A CENTRAL ANGLE OF 27°21'26" TO THE SOUTHWESTERLY LINE OF SAID PARCEL 2, BEING A POINT ON A CURVE THE RADIAL CENTER OF WHICH BEARS SOUTH 50°43'01" WEST A DISTANCE OF 178.00 FEET;
 THENCE SOUTHEASTERLY, ALONG SAID CURVE, AN ARC DISTANCE OF 41.59 FEET AND CONSUMING A CENTRAL ANGLE OF 13°23'20" TO A POINT OF CURVATURE TO THE RIGHT THE RADIAL CENTER OF WHICH BEARS SOUTH 65°31'26" EAST A DISTANCE OF 40.00 FEET;
 THENCE NORTHEASTERLY, ALONG SAID CURVE, AN ARC DISTANCE OF 23.06 FEET AND CONSUMING A CENTRAL ANGLE OF 33°02'10";
 THENCE NORTH 57°10'45" EAST A DISTANCE OF 10.88 FEET;
 THENCE SOUTH 88°15'55" EAST A DISTANCE OF 70.87 FEET;
 THENCE NORTH 01°44'05" EAST A DISTANCE OF 30.00 FEET TO THE TRUE POINT OF BEGINNING.

LEGAL DESCRIPTIONS:

(OLD PARCEL DESCRIPTIONS PER CHICAGO TITLE INS. CO. CERTIFICATE NO. 500067507, DATED JANUARY 26, 2018)

OLD PARCEL 2

PARCEL 2, NORTH KELSEY SHORT PLAT FILED UNDER AUDITOR'S FILE NO. 201210265003.

OLD PARCEL 3

PARCEL 3, NORTH KELSEY SHORT PLAT FILED UNDER AUDITOR'S FILE NO. 201210265003.

NEW LOT A

THAT PORTION OF PARCEL 2, NORTH KELSEY SHORT PLAT FILED UNDER AUDITOR'S FILE NO. 201210265003, DESCRIBED AS FOLLOWS:

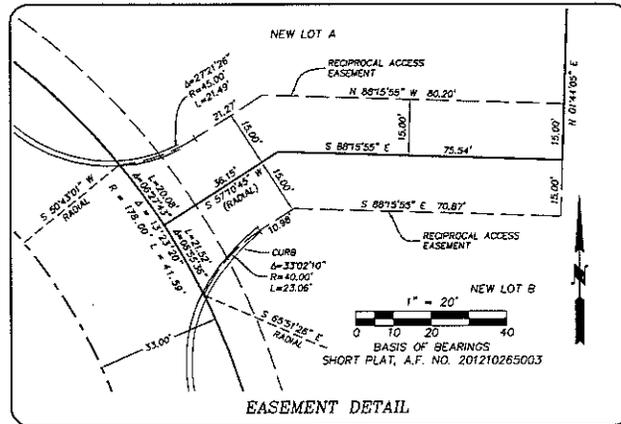
BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 2:
 THENCE SOUTH 88°15'55" EAST, ALONG THE NORTH LINE THEREOF, A DISTANCE OF 234.27 FEET;
 THENCE SOUTH 01°44'05" WEST, PERPENDICULAR TO SAID NORTH LINE, A DISTANCE OF 119.00 FEET;
 THENCE SOUTH 57°10'45" WEST, RADIAL TO THE SOUTHWESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 36.15 FEET TO SAID SOUTHWESTERLY LINE, BEING A POINT ON A CURVE THE RADIAL CENTER OF WHICH BEARS SOUTH 57°10'45" WEST A DISTANCE OF 178.00 FEET;
 THENCE NORTHWESTERLY, ALONG SAID CURVE, AN ARC DISTANCE OF 154.58 FEET AND CONSUMING A CENTRAL ANGLE OF 45°45'23" TO THE WEST LINE OF SAID PARCEL 2;
 THENCE NORTH 01°44'05" EAST, ALONG SAID WEST LINE, A DISTANCE OF 63.35 FEET TO THE POINT OF BEGINNING.

NEW LOT B

PARCELS 2 AND 3, NORTH KELSEY SHORT PLAT FILED UNDER AUDITOR'S FILE NO. 201210265003, EXCEPT THAT PORTION OF PARCEL 2, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 2:
 THENCE SOUTH 88°15'55" EAST, ALONG THE NORTH LINE THEREOF, A DISTANCE OF 234.27 FEET;
 THENCE NORTH 01°44'05" WEST, PERPENDICULAR TO SAID NORTH LINE, A DISTANCE OF 119.00 FEET;
 THENCE NORTH 88°15'55" WEST, PARALLEL WITH SAID NORTH LINE, A DISTANCE OF 75.54 FEET;
 THENCE SOUTH 57°10'45" WEST, RADIAL TO THE SOUTHWESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 36.15 FEET TO SAID SOUTHWESTERLY LINE, BEING A POINT ON A CURVE THE RADIAL CENTER OF WHICH BEARS SOUTH 57°10'45" WEST A DISTANCE OF 178.00 FEET;
 THENCE NORTHWESTERLY, ALONG SAID CURVE, AN ARC DISTANCE OF 154.58 FEET AND CONSUMING A CENTRAL ANGLE OF 45°45'23" TO THE WEST LINE OF SAID PARCEL 2;
 THENCE NORTH 01°44'05" EAST, ALONG SAID WEST LINE, A DISTANCE OF 63.35 FEET TO THE POINT OF BEGINNING.

ALL SITUATE IN THE CITY OF MONROE, SNOHOMISH COUNTY, WASHINGTON.



AF#

CITY OF MONROE
Record of Survey

SCALE: 1" = 20' DRAWN BY: SWW 3-13-2018	HARMSEN ASSOCIATED INC. 125 EAST MAIN STREET, SUITE 104 MONROE, WA 98272 TEL: (360) 794-7811	SHEET 2 OF 2 DWG: BLA
REVIEWED BY: MDW F/R: TDS JSE/6 18-036		512 WEST RESDR010119_013/2018 NE 1/4, NE 1/4 18-236

Exhibit C
Site Plan Covenant

CONCEPTUAL SITE PLAN COVENANT AGREEMENT

This Conceptual Site Plan Covenant Agreement ("Agreement") is made and entered into this _____ day of _____, 2018, by and between the City of Monroe, Washington, a municipal corporation of the State of Washington ("the City"), and KKG Monroe, LLC, a Washington limited liability company ("Owner").

Recitals

A. Owner owns the real property situated within the City and legally described on Attachment A, attached hereto and incorporated herein by reference as if set forth in full (the "Property").

B. Pursuant to that certain Purchase and Sale Agreement between the City and Owner (collectively, "the parties") dated _____, 2018, Owner agreed to execute and record against the title of the Property a covenant restricting future land use and development as provided herein.

WHEREFORE, in mutual consideration of the terms and conditions set forth herein, and other consideration the receipt and sufficiency of which are hereby mutually acknowledged, the parties agree as follows:

Terms

1. Site Plan Covenant. Any future development upon and/or use of the Property shall be consistent with the conceptual site plan ("Site Plan") appended as Attachment B, attached hereto and incorporated herein by this reference as if set forth in full. Without limitation of the foregoing:

- a. The location and orientation of any future building constructed upon the Property shall be as indicated on the Site Plan;
- b. The length, width and height of any future building constructed upon the Property shall be no greater than indicated on the Site Plan;
- c. The setback distances between the boundary lines of the Property and the exterior walls of any future building constructed upon the Property shall be no less than indicated on the Site Plan; and
- d. The location and configuration of access points, open spaces, parking areas and signage shall be as indicated on the Site Plan.

2. Regulatory Compliance. The parties mutually acknowledge that the provisions of the Site Plan are separate from and additional to any and all applicable regulatory standards and procedures governing any future development upon and/or use of the Property. Without limitation of the foregoing, any future development upon and/or use of the Property shall be consistent with: (i) all applicable substantive City of Monroe zoning, land use and construction ordinances; (ii) the conditions and requirements of any permits, licenses or other regulatory approvals; and (iii) the

Attachment A
Legal Description

**Site Plan Covenant
Attachment A**

Legal Description "New Lot A"

NEW LOT A

THAT PORTION OF PARCEL 2, NORTH KELSEY SHORT PLAT FILED UNDER AUDITOR'S FILE NO. 201210265003, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 2:

THENCE SOUTH 88°15'55" EAST, ALONG THE NORTH LINE THEREOF, A DISTANCE OF 234.27 FEET;

THENCE SOUTH 01°44'05" WEST, PERPENDICULAR TO SAID NORTH LINE, A DISTANCE OF 119.00 FEET;

THENCE NORTH 88°15'55" WEST, PARALLEL WITH SAID NORTH LINE, A DISTANCE OF 75.54 FEET;

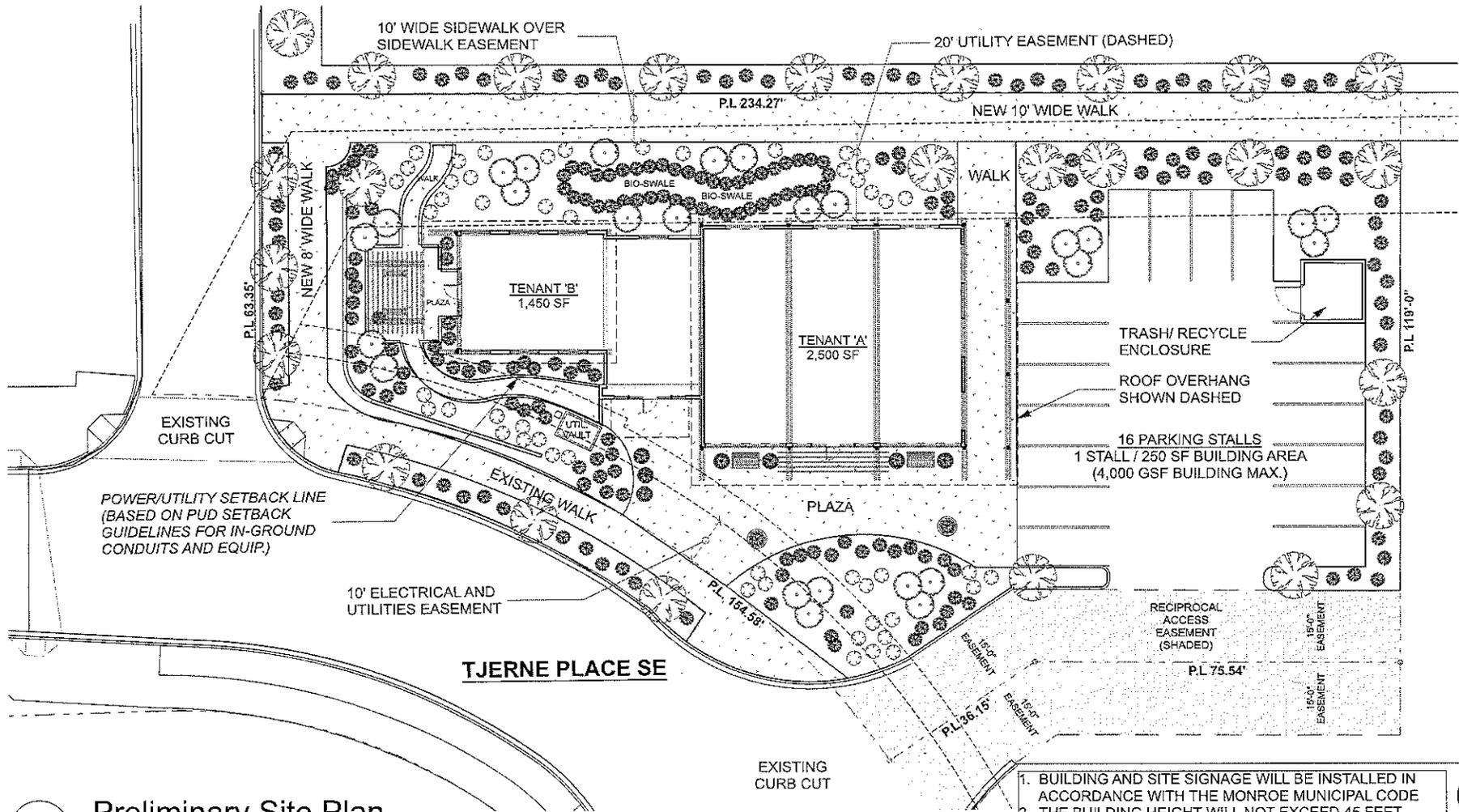
THENCE SOUTH 57°10'45" WEST, RADIAL TO THE SOUTHWESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 36.15 FEET TO SAID SOUTHWESTERLY LINE, BEING A POINT ON A CURVE THE RADIAL CENTER OF WHICH BEARS SOUTH 57°10'45" WEST A DISTANCE OF 178.00 FEET;

THENCE NORTHWESTERLY, ALONG SAID CURVE, AN ARC DISTANCE OF 154.58 FEET AND CONSUMING A CENTRAL ANGLE OF 49°45'23" TO THE WEST LINE OF SAID PARCEL 2;

THENCE NORTH 01°44'05" EAST, ALONG SAID WEST LINE, A DISTANCE OF 63.35 FEET TO THE POINT OF BEGINNING.

Attachment B

Site Plan



1. BUILDING AND SITE SIGNAGE WILL BE INSTALLED IN ACCORDANCE WITH THE MONROE MUNICIPAL CODE
2. THE BUILDING HEIGHT WILL NOT EXCEED 45 FEET

1 Preliminary Site Plan
SCALE: 1" = 20'

PROPOSED SITE AREA = 24,244 SF

BARKING DOG DESIGN
ARCHITECTURE INTERIOR DESIGN FEASIBILITY STUDIES
3722 WEST ARMOUR PLACE
SEATTLE, WA 98199
PH: 206.295.6014
FX: 206.295.3116

Kelsey North Parcel 2-a
Monroe, Washington

Preliminary Site Plan
10/26/18
SD-1

Users:barkingdog\james\Barking Dog\Projects\2017-18 Monroe Kelsey Parcel 2a\Kelsey CAD\Monroe Kelsey Parcel 2a Design Update 8-26-18.rvt

Exhibit D

Memorandum and Covenant of Repurchase Option

MEMORANDUM AND COVENANT OF REPURCHASE OPTION

THIS MEMORANDUM AND COVENANT OF REPURCHASE OPTION ("Memorandum") is dated this _____ day of _____, 2018, and executed by and between the City of Monroe, Washington, a municipal corporation of the State of Washington ("Seller"), and KKG Monroe, LLC, a Washington limited liability company ("Purchaser").

1. Under a Purchase and Sale Agreement dated _____, 2018 ("the Agreement"), Seller has sold, and Purchaser has purchased, the real property described in Attachment A, attached hereto and incorporated herein by this reference as if set forth in full ("the Property"). A true and correct copy of the Agreement is maintained in the office of the Monroe City Clerk at 806 Main Street, Monroe, Washington 98272.
2. Under Section 27 of the Agreement, Seller has the option to repurchase the Property ("the Repurchase Option") if Purchaser fails to commence construction of a medical office Building upon the Property by December 31, 2022. The Repurchase Option is subject to numerous terms and conditions, as set forth in Section 27 of the Agreement. The provisions of Section 27 of the Agreement are hereby incorporated herein by reference as if set forth in full.
3. This Memorandum will automatically terminate upon: (i) the commencement of construction of the Building, or (ii) 90 days after December 31, 2022, whichever is earlier, provided that Seller has not provided Purchaser with written notice of Seller's intent to exercise the Repurchase Option.
4. This Memorandum gives record notice of Seller's Repurchase Option, and shall not amend, modify, or otherwise be used to interpret any other provisions of the Agreement, in any respect. To the extent of any inconsistency between the provisions of the Agreement, including any amendments thereto, and the provisions of this Memorandum, shall control.
5. Except as expressly provided herein, terms used in this Memorandum shall have the same meaning as defined in the Agreement.
6. The provisions of this Memorandum may be specifically enforced in the Superior Court for Snohomish County, Washington, which shall be the exclusive venue for any civil litigation arising out of this Memorandum. The substantially prevailing party shall be entitled to an award of its reasonable attorneys' fees in any such action. Provided, that the forgoing shall be without prejudice to any other applicable remedy or penalty, which shall be deemed nonexclusive and cumulative with the provisions of this section.
7. This Memorandum is subordinate to, and shall automatically be subordinated to, any first lien Deed of Trust financing the Property. At Purchaser's request, Seller shall execute a subordination agreement in recordable form as required by the holder of such first lien financing.

8. This Agreement shall be construed as a covenant running with the land and shall be recorded with the office of the Snohomish County Auditor at Purchaser's expense. The provisions of this Memorandum shall run with the land and shall bind Purchaser, Purchaser's legal heirs, representatives, successors and assigns.

9. If any sentence, clause or provision of this Memorandum is determined to be invalid by a court of competent jurisdiction, such determination shall not affect the validity of any other sentence, clause or provision hereof.

SELLER:

CITY OF MONROE, a Washington municipal corporation

By: _____
 Mayor Geoffrey Thomas

STATE OF WASHINGTON)
) ss.
 COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that MAYOR GEOFFREY THOMAS is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2018.

 (Signature)

 (Name legibly printed or stamped)

My appointment expires _____

PURCHASER:

KKG Monroe, LLC, a Washington limited liability company

By: _____
M. Bruce Anderson, Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that M. BRUCE ANDERSON is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as the Manager of KKG Monroe, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2018.

(Signature)

(Name legibly printed or stamped)
My appointment expires _____

Attachment A

Legal Description

Section 01 Township 27 Range 06 Quarter NE & Section 36 Township 28 Range 06
Quarter SE - PAR 2 CITY OF MON N KELSEY SP REC UND AFN 201210265003
BEING PTNS NW1/4 NE1/4 NE1/4 SD SEC 1 & SW1/4SE1/4 SE1/4 SD SEC 36