



RESOLUTION NO. U-11222

1 A RESOLUTION related to Tacoma Water; declaring utility-owned real
2 property surplus and authorizing the sale to Puyallup School
3 District No. 3.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Water
5 Division (d.b.a. "Tacoma Water"), requests the Board declare surplus and
6 approve the negotiated sale of approximately 43 acres of property, identified as
7 Pierce County Assessor Tax Parcel No. 0419141088, located at the northwest
8 corner of 134th Avenue East and 144th Street East, in the Puyallup area of
9 unincorporated Pierce County, Washington ("Property"), to Puyallup School
10 District No. 3, and

11 WHEREAS the Property was originally acquired as part of the McMillin
12 Reservoir complex developed in 1912, to store water from the Green River for
13 distribution to the Tacoma Water service area, and

14 WHEREAS, as part of the transaction, several easements will be granted
15 to Tacoma Water for the continued use of its existing utility infrastructure and
16 access road in support of Tacoma Water's adjacent McMillin Reservoir
17 complex, and an easement will remain in place to Pierce County to access an
18 adjacent property that Tacoma Water had sold to them in 2017, by Board
19 Resolution No. U-10973, and

20 WHEREAS Tacoma Water does not see a need to retain ownership of
21 the property as it entails additional management time and expense, and
22

23 WHEREAS the sale price of \$2,025,000, is believed to reflect Fair
24 Market Value, and
25
26



WHEREAS Tacoma Water has determined that the Property sought by Puyallup School District No. 3 is not essential for continued effective utility service and has deemed the Property surplus to Tacoma Water's needs pursuant to RCW 35.94.040 and TMC 1.06.272-.278; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. That it is in the best interests of the City of Tacoma to approve the negotiated sale of approximately 43 acres, identified as Pierce County Assessor Tax Parcel No. 0419141088, located at the northwest corner of 134th Avenue East and 144th Street East, in the Puyallup area of unincorporated Pierce County, Washington, to Puyallup School District No. 3, for a purchase price of \$2,025,000, as more fully described in the documents on file with the Clerk of the Board.

Sec. 2. The Board finds that the Property is not essential for continued effective utility service by Tacoma Water and is properly declared surplus property and excess to Tacoma Water's needs.

Sec. 3. That the City Council is requested to hold a public hearing on this matter pursuant to RCW 35.94.040, and thereafter approve this recommended sale and authorize the proper officers of the City of Tacoma to execute all necessary documents, substantially in the same form as on file with the Clerk and approved by the City Attorney.

Approved as to form:

/s/
Chief Deputy City Attorney

Clerk

Chair

Secretary
Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Greg Volkhardt, Water Division Manager, Water Source and Treatment Operations, Tacoma Water
Greg Muller, Real Estate Officer, Real Property Services
MEETING DATE: November 18, 2020
DATE: November 6, 2020

SUMMARY: Declare surplus and authorize the negotiated sale of approximately 43 acres of Tacoma Water property identified as Pierce County Assessor Tax Parcel No. 0419141088 located at the northwest corner of 134th Avenue East and 144th Street East to the Puyallup School District No. 3 ("Puyallup") for \$2,025,000.00. As part of the transaction, several easements will be granted to Tacoma Water for continued use of its existing utility infrastructure and access road in support of Tacoma Water's adjacent McMillin Reservoir complex; also, an easement remains in place to Pierce County for access to an adjacent property Tacoma Water sold to them in 2017 as approved by Board via Resolution No. U-10973.

BACKGROUND: No previous request has been submitted to Board in relation to this proposal. The sale property is in a semi-rural to suburban location in central unincorporated Pierce County near Puyallup. It was originally acquired as part of the McMillin Reservoir complex developed in 1912 to store water from the Green River for distribution to the Tacoma Water service area. The Puyallup School District intends to utilize the land as a site for a public school. As Tacoma Water does not need to retain ownership of the property as ownership entails additional management time and expense, it agreed to the sale with reservation of easements for utility infrastructure and access. The sale price is believed to reflect Fair Market Value based on sales activity and appraisal. The terms and conditions of the purchase and sale agreement have been reviewed by the City Attorney's Office and approved by Tacoma Water management and Real Property Services.

Upon approval by the Board, a separate request will be made to the City Council to hold a Public Hearing to be followed by Final Approval. Closing of the sale is expected by February 2021.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A.

ATTACHMENTS: Tacoma Water Real Estate Purchase and Sale Agreement No. A3198 (including Exhibit "B" Bargain and Sale Deed No. 6766 and Exhibit "C" Easement No. 2709); Declaration of Surplus; Location Map

CONTACT: Primary Contact: Greg Muller, Real Estate Officer, Ext 8256
Supervisor: Dylan Harrison, Senior Real Estate Officer, Ext 8836



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Sale of Tacoma Water Real Property – City Council Consent Agenda for January 26, 2021
DATE: December 22, 2020

SUMMARY AND PURPOSE:

To set Tuesday, February 9, 2021 as the date for a Public Hearing regarding the declaration of surplus and sale of approximately 43 acres of Tacoma Water property for \$2,025,000.00 to the Puyallup School District No. 3 ("Puyallup").

BACKGROUND:

The sale property is in a semi-rural to suburban location in central unincorporated Pierce County near Puyallup. It was originally acquired as part of the McMillin Reservoir complex developed in 1912 to store water from the Green River for distribution to the Tacoma Water service area. The Puyallup School District intends to utilize the land as a site for a public school. Tacoma Water has determined that it does not need the property, and ownership entails additional management time and expense, so Tacoma Water has agreed to the sale, which includes reservation of easements for utility infrastructure and access. The sale price is believed to reflect Fair Market Value based on sales activity and appraisal. The terms and conditions of the purchase and sale agreement have been reviewed by the City Attorney's Office and approved by Tacoma Water management and Real Property Services.

The Puyallup School District initially expressed interest in the 43± acres in 2011. Subsequent negotiations included Pierce County Parks and Recreation who expressed interest in the adjacent 100-Acre Wood. Tacoma Water staff briefed the Board during a March 23, 2017 Study Session about the proposed surplus disposition of both the 100-Acre Wood to the County for open space and the adjacent 43± acres to the Puyallup School District for a public school. The briefing included a timeline for approval and disposition, with anticipated closing of both transactions by August 2017. The County was able to secure grant funding and moved forward with their purchase and closed in December 2017. However, it took the Puyallup School District additional time to secure its funding, and upon doing so, we moved into drafting of the formal documents to complete the sale. Thus, the present request represents the final step in a multi-year process.

There has been public outreach to and involvement of the neighbors and larger community regarding these dispositions and future use of the properties. The public outreach includes:

Two public meetings held in May and August of 2015 with presentations by Tacoma Water, Pierce County Parks and Recreation, Puyallup School District, and the Pierce County Sheriff's Office. No significant objections were noted as to the proposal to sell the 100-Acre Wood to the County for passive open space or to the Puyallup School District for a future school. The primary concern expressed by the public centered around existing unauthorized use of the property for illicit activities such as parties, drug use, noise, and trash. Sentiments were expressed that development with the school should help alleviate such nuisances, but would also increase traffic. Others expressed that development of a school campus would be preferred over residential development of the property.



Additional information regarding the ecological and environmental conditions of the property includes the following:

- The Puyallup School District obtained a recent wetlands reconnaissance of the property. Although a formal delineation has not yet been completed, one would be required at time of development, and any wetlands or buffers disturbed would be mitigated pursuant to all applicable regulations.
- As part of the current sale, the following portions of the property will be substantially preserved from development:

Natural Buffer Area Covenant: A 25'-wide swath along the entire common boundary between the property and Tacoma Water's McMillin reservoir complex. This area will be preserved in a substantially natural state, with no clearing, grading, filling, building or road construction.

Easement Area B: This 0.80± acre area located at the northwest corner of the property will remain largely undisturbed and reserved for the occasional use by Tacoma Water as an outfall area when the reservoir tanks are cleaned.

- The agreed-to consideration of \$2,025,000.00 is based upon a recent appraisal and represents Fair Market Value. Any further restrictions on the development potential of the property would be subject to negotiation with the Puyallup School District.

Due to the presence of wetlands, an access easement to the County for the 100-Acre Wood, and the easements and covenant to be reserved to Tacoma Water, the Puyallup School District believes that the remainder of the site will be needed to accommodate a future school. The proposed school is likely to be a middle school to be co-located with the existing Hunt Elementary School located immediately adjacent to the property on the west.

The property is zoned Residential Resource which is consistent with the latest update (2020) to Pierce County's South Hill Community Plan. Development of the property with a public school is an outright permitted use. Although there are no current plans to build the school, the Puyallup School District must plan many years in advance. A new middle school to serve this fastest-growing area of the Puyallup School District is part of the District's master plan, and acquisition of this site has been included in the District's 6-year Capital Facilities Plan. Also, the Puyallup School District Board approved this transaction in July 2020. Further opportunity for neighborhood and broader public input will be available at the time the Puyallup School District has finalized its plans for the site. The District must seek a supermajority public approval of a capital bond to fund construction. In addition, there will be significant opportunity for additional public input as the Puyallup School District navigates SEPA and permit approval processes required by state law and county code.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

As the sale involves an unimproved tract of land in a semi-rural to suburban location in Pierce County, no potential impacts are foreseen. This sale has been vetted by Tacoma Water management.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The sale will allow continued development of the South Hill community, which provides housing, educational, employment, and recreational opportunities in line with state-mandated Growth Management policies and Pierce



County development regulations, including environmental mitigation. As the sale property lies outside the corporate limits of the City of Tacoma, no Equity Index Scores have been identified.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Retain property	None.	Costs for maintenance and liability.

EVALUATION AND FOLLOW UP:

This is a one-time sale with no on-going evaluation required.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Water and Real Property Services recommend that the City Council set Tuesday, February 9, 2021 as the date to hold a Public Hearing for the declaration of surplus and sale of approximately 43 acres of Tacoma Water Property to the Puyallup School District No. 3 for \$2,025,000.00

FISCAL IMPACT:

There is no fiscal impact to setting this Public Hearing.

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

None.



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

Date: October 28, 2020

From: Jackie Flowers, Director of Utilities

To: Dylan Harrison, Senior Real Estate Officer, Real Property Services

Subject: Declaration of Surplus of Tacoma Water Property adjacent to McMillin Reservoir

Tacoma Water owns a 43± acre vacant tract of land identified as Pierce County Assessor Tax Parcel Number 0419141088 located adjacent to Tacoma Water's McMillin Reservoir near Puyallup in unincorporated Pierce County. Following is the Property Legal Description:

THE EAST HALF OF THE SOUTHEAST QUARTER, SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W.M., PIERCE COUNTY, WASHINGTON.

EXCEPT THAT PORTION OF SAID SUBDIVISION DEEDED TO THE CITY OF TACOMA UNDER AUDITOR'S FILE NOS. 334140 AND 720086, RECORDS OF SAID COUNTY.

ALSO EXCEPT THE NORTH 678.52 FEET OF SAID SUBDIVISION.

ALSO EXCEPT THAT PORTION OF SAID EAST HALF FOR 144TH STREET EAST AS DEEDED TO SAID COUNTY UNDER AUDITOR'S FILE NOS. 2211151 AND 2167772, RECORDS OF SAID COUNTY.

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

Upon review by Tacoma Water management, it has been concluded that there is no foreseeable need for Tacoma Water to retain fee ownership of the property when operational needs can be met by the proposed easement rights to be retained. Therefore, pursuant to City of Tacoma Municipal Code Section 1.06.280, I hereby certify that this property, subject to reservation of required easements, restrictions, and covenants, has no further public use, is surplus to the needs of Tacoma Public Utilities, and that disposing of it would be in the best interests of the City of Tacoma.

APPROVED:

DocuSigned by:

807015990434178
Jackie Flowers, Director of Utilities

cc: Jennifer Hines, Public Works ADM for Facilities Management/Real Property Services



Tacoma Water Surplus Property Location Map

- Approximately 43 Acres
 - Vacant land at NWC of 134th Ave E and 144th St E in the Puyallup area of unincorporated Pierce County
 - As-is/ Where-is Condition of Sale
- Reserve Easements for infrastructure and access



**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
REAL ESTATE PURCHASE and SALE AGREEMENT
AGREEMENT NO. A3198**

Reference No.: P2018-183
Seller: City of Tacoma, Department of Public Utilities, Water
Division, (d.b.a. Tacoma Water)
Buyer: Puyallup School District No. 3
Abbreviated
Legal Description: Portion of the SE Quarter S14, T19N, R4E, W.M.
County: Pierce County, WA
Tax Parcel No: 041914-108-8

This Real Estate Purchase and Sale Agreement, ("Agreement"), entered into on July 22, 2020 between the CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, WATER DIVISION (d.b.a. Tacoma Water), a municipal corporation, hereinafter referred to as "Seller" and Puyallup School District No. 3, a municipal corporation, hereinafter referred to as "Buyer."

RECITALS

WHEREAS, Seller is the sole fee title owner of the Property more particularly described in Section 1 below; and,

WHEREAS, Buyer is the sole fee title owner of the real property located adjacent to the Seller Parcel ("Buyer's Parcel"); and,

WHEREAS, Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Property subject to the terms and conditions set forth herein; and

WHEREAS, Seller owns, operates, and maintains portions of a municipal water system on the Property, Buyer will convey an easement to Seller encumbering the Property for ingress and egress and utility purposes, including all improvements, water mains, water outfalls and all appurtenant equipment necessary to the municipal water system (the "Easement"); and

WHEREAS, Seller and Buyer have negotiated a purchase price which is lower than the most recent fair market value appraisal. As consideration for this discounted price, the Buyer has agreed to grant Seller the above-mentioned Easement relating to its municipal water system and to purchase the Property subject to a natural buffer area covenant as specified in Section 5.1 and Exhibit "B."

WHEREAS, the parties hereto mutually desire to enter into this Agreement defining their rights, duties and liabilities relating to the Property.

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer AGREE AS FOLLOWS:

1. Purchase. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth in this Agreement the following real property:

Tax parcel number 041914-108-8 located at 144th Street East, Pierce County, Washington.

As further described in **Exhibit "A"** attached hereto and made a part hereof, together with all right, title and interest in and to any rights, licenses, privileges, reversions and easements pertinent to the real property, subject to those certain conditions as set forth herein.

The real property together with the rights and interests described above are collectively referred to herein as the "Property."

2. Earnest Money. INTENTIONALLY DELETED

3. Purchase Price. The total purchase price for the Property ("Purchase Price") shall be **TWO MILLION AND TWENTY-FIVE THOUSAND DOLLARS AND NO/100 (\$2,025,000.00)** which shall be paid to the closing agent of Buyer's choice or to Seller in the form of a Buyer warrant or electronic funds transfer at the option of Buyer at Closing as defined in Section 4 below.

4. Closing. The closing will occur not later than thirty (30) days following satisfaction of all conditions set forth under Section 6 "Conditions to Closing" (the "Closing Date"). "Closing," for the purpose of this Agreement, is defined as the date that all documents are executed, the Title Company has irrevocably committed to issue the Title Policy as approved by Buyer under this Agreement (including all endorsements required by the Buyer), the sale proceeds are available for disbursement to Seller, and legal title passes to the Buyer. Buyer is responsible for closing costs except Seller is responsible for the premium for standard insurance coverage as provided under Section 6.3.1 and the fees associated with recordation of the Easement.

5. Title to Property

5.1. Conveyance. At Closing, Seller shall convey to Buyer fee simple title to the Property by a duly executed and acknowledged Bargain and Sale Deed ("Deed"), subject to a restrictive covenant specified therein. The form of said Deed is attached hereto as **Exhibit "B"** and by this reference incorporated herein. Further, at Closing, Buyer shall convey to Seller a perpetual, non-

exclusive Easement for ingress and egress, the distribution, transmission and discharge of water, and a road, and the right to construct, operate, maintain, alter, repair, and replace aboveground and underground utilities including, but not limited to, water mains, water outfalls, and all appurtenant equipment as described therein. The form of said Easement is attached as **Exhibit "C"** and by this reference incorporated herein.

5.2. Condition of Title. Seller hereby agrees that from and after the date hereof and until the Closing or the termination on this Agreement, that it shall not: (a) take any action that will adversely affect title to the Property; (b) lease, rent, mortgage, encumber, or permit the encumbrance of all or any portion of the Property without Buyer's prior written consent; and (c) enter into written or oral contracts or agreements with respect to the operation of the Property, unless the above actions can be cancelled by Buyer on not more than 30 days' notice and without premium or penalty.

5.3. Title Policy. At Closing, and at Buyer's option and expense, as a condition to Closing the Title Company shall issue to Buyer an owner's policy of insurance insuring Buyer's title to the property ("Title Policy").

6. **Conditions to Closing.** Buyer acknowledges and agrees that this Agreement is conditioned upon the following additional reviews, terms, and conditions all of which are to be satisfied prior to Closing:

6.1. Tacoma Public Utility Board and Tacoma City Council Approval. This Agreement, and the transaction contemplated hereby, must be approved by the Tacoma Public Utility Board and the Tacoma City Council (the "Approval") following waiver or satisfaction of the Feasibility Study Period (defined below) but prior to Closing. Seller shall commence this Approval process as soon as reasonably possible following notice by Buyer of waiver or satisfaction of the Feasibility Study Period. The date of "Approval" shall be deemed to be the effective date of a Resolution adopted by the Tacoma City Council.

Provided, however, in the event that either the Resolution of the Tacoma Public Utility Board or the Tacoma City Council imposes a term or condition on the conveyance to Buyer other than as set forth under this Agreement, Buyer shall have a period not to exceed fifteen (15) calendar days from the date of passage of said Resolution by the Tacoma Public Utility Board or the Tacoma City Council to accept or reject such term or condition imposed on the conveyance to Buyer by either the Tacoma Public Utility Board or the Tacoma City Council. If Approval is not obtained or Buyer rejects a term or condition imposed on the conveyance to Buyer by either the Tacoma Public Utility Board or the Tacoma City Council, other than as set forth under this Agreement, this Agreement will terminate, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. Nothing in this section will obligate Seller to obtain Public Utility Board and/or City Council approval beyond the ordinary course of City of Tacoma policy or procedure.

- 6.2. Feasibility Study. Buyer acknowledges that, prior to Closing and at its sole cost and expense, Buyer shall have ninety (90) days, from the last date of signature of this Agreement by a party, to inspect the Property and conduct any feasibility studies and any due diligence of the Property Buyer deems necessary, in its sole and absolute discretion ("Feasibility Period"). Seller will assist as needed with any submittals necessary to complete this work. Seller herein grants Buyer, its employees, agents, representatives, and surveyors a right of entry to conduct survey work and inspection of the Property. Any ground disturbing activities must receive prior written approval from and be coordinated with Seller, in the exercise of its reasonable discretion.

Unless Buyer provides Seller with a written notice prior to 5:00 p.m. local Seattle time on the last day of the Feasibility Period that the Buyer (a) has determined, in Buyer's sole and absolute discretion, that the Property is suitable for Buyer's intended use or (b) has waived this condition (an "**Approval Notice**"), then this Agreement shall terminate.

After waiver or satisfaction of the Feasibility Period, Buyer hereby acknowledges it is purchasing and shall acquire the Property in its physical condition existing at the date of Closing, "AS-IS," "WHERE IS" AND WITH ALL FAULTS, INCLUDING, WITHOUT LIMITATION, THE CONDITION OR STABILITY OF THE SOILS OR GROUND WATERS, THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS ON OR UNDER THE PROPERTY, ITS SUITABILITY FOR ANY CONSTRUCTION OR DEVELOPMENT, ZONING, AND SIMILAR MATTERS, SOLELY IN RELIANCE ON BUYER'S OWN INVESTIGATION, EXAMINATION, INSPECTION, ANALYSIS, AND EVALUATION OF THE PROPERTY. As of the date this Agreement is signed by both parties, Seller has made no representations or warranties, express or implied, regarding the Property including, but not limited to, any representations or warranties regarding the suitability of the Property for any construction or development, but excluding those representations and warranties expressly provided in this Agreement, which representations and warranties of Seller under this Agreement, shall survive Closing and shall be deemed to be an exception to the "AS IS" condition set forth above.

- 6.3 Title Review. Buyer shall obtain a commitment for title insurance ("Title Commitment") no later than ten (10) days after mutual execution of this Agreement, setting forth the status of title to the Property and all exceptions which would appear in an owner's policy of title insurance. Buyer shall, on or before 5:00 p.m. local Seattle time on the last day of the Feasibility Period, deliver to Seller, in writing, any objections to matters shown in the Title Commitment. If Buyer timely objects to any item(s) set forth in the Title Commitment ("Title Objection Notice"), then Seller shall have the right, but not the obligation (except as provided in Section 6.3.1 of this Agreement), to attempt to cure or cause to be cured before Closing such disapproved item(s). Seller shall have until 5:00 p.m. local Seattle time on the date no later than ten (10) days after receipt of the Title Objection Notice ("Cure Date") to agree in

writing to cure before Closing such disapproved item(s). If Seller elects not to cure, or fails to timely respond to Buyer's objections, Seller shall be deemed to have elected not to cure, in which event Buyer shall, either (i) terminate this Agreement, or (ii) waive by delivering to Seller a written waiver of its objection to the disapproved item(s), which shall then become permitted exceptions. Buyer's failure to timely deliver to Seller a written notice of termination or waiver of its objection to the disapproved items shall be deemed to constitute Buyer's termination of this Agreement. Buyer shall have five (5) days after receipt of any updates to the Title Commitment to object to any new matters disclosed therein which were not disclosed in the original Title Commitment, and the procedure for objecting to such matters shall be as set forth in this Section 6.3.

6.3.1 Notwithstanding anything herein to the contrary, Seller shall be obligated to remove or discharge the following (collectively "**Seller's Encumbrance**"): (i) any monetary encumbrance; and (ii) any other title matter which is added as an exception to the Title Commitment after the initial Title Commitment that is intentionally or voluntarily placed on the Property by Seller unless approved in writing by Buyer. Should Seller fail to remove any such Seller's Encumbrance at or prior to Closing, Buyer will be entitled to cure and remove such title matter, at Buyer's sole cost and expense. It shall be a condition of Buyer's obligations under this Agreement that at the Closing, Buyer's title to the Property shall be insured by an extended owner's policy of title insurance issued by the Title Company in an amount equal to the Purchase Price, subject only to the permitted exceptions. Buyer may elect to receive an ALTA form of extended owner's title insurance, with such endorsements as Buyer requires; provided, however, that Seller shall only be responsible for the premium for the standard insurance portion of such policy and Buyer shall be responsible for all costs, including any additional survey work needed, for extended coverage that exceeds the cost of the standard policy and for any endorsements requested by Buyer.

7. **Condition of the Property.** Seller agrees that it shall not sell, convey, assign, transfer or encumber any or all of the said Property during the term of this Agreement up to and including the Closing Date, nor construct any improvements on or about the Property, nor commit any waste on the Property, or sell or otherwise transfer any rights in the Property, including but not limited to timber or mineral rights thereto, prior to Closing. Seller further represents and warrants that, to the best of Seller's actual knowledge: (i) no environmentally significant amount of hazardous materials has been generated, treated, released, stored or disposed of, or otherwise deposited on the Property, including without limitation the surface and subsurface waters of the Property; (ii) there are no above ground or underground storage tanks on the Property; (iii) there are no environmentally significant amount of hazardous materials on any other property adjacent to the Property which may support a claim or cause of action under any federal, state or local environmental statute, ordinance, regulation or other regulatory requirement; and (iv) Seller has not received any notification from any Federal, State or local governmental entity or agency of any violation of or claim of violation for the storage or disposal of any toxic or hazardous

waste, material, or substance. The representations and warranties set forth herein shall survive Closing of the transaction contemplated under the Agreement. Other than as provided for in any Right of Entry or other written agreements between the parties relating to the Property, prior to Closing, Seller assumes all risks for damage to or destruction of the Property.

8. **Possession.** Seller shall deliver exclusive possession and control of the Property to Buyer on the Closing Date. Seller shall remove any and all personal property or debris from the Property on or before the Closing Date, unless specifically authorized otherwise in writing by Buyer or placed on the Property by Buyer.
9. **Default; Remedies; Specific Performance.** In the event of material breach or default in or of this Agreement or any of the representations, warranties, terms, covenants, conditions, or provisions hereof by either party, the non-breaching or non-defaulting party shall have, in addition to a claim for damages from such breach or default, the right to terminate this Agreement upon written notice to other party without any additional liability to the other party.
10. **Litigation / Attorneys' Fees.** In the event Seller or Buyer are involved in litigation arising from any failure to perform any of its obligations under this Agreement or a dispute relating to the meaning or interpretation of any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs related to the dispute.
11. **Professional Advice.** Seller and Buyer hereby acknowledge that it may be advisable for either or both parties to obtain independent legal, tax or other professional advice in connection with this transaction, as the terms and conditions of this Agreement affect the parties' rights and obligations. The parties agree that they have satisfied themselves that they understand the terms and conditions of this sale and have accepted full responsibility to seek such professional advice as they deem necessary.
12. **Release of Seller.** Except with respect to Seller's representations and warranties expressly provided in this Agreement which shall survive Closing of the transaction contemplated under this Agreement, Buyer releases Seller and its directors, officers, employees, and agents from any and all statutory, common law, and other claims, obligations, causes of action, losses, damages, liabilities, costs and expenses (including without limitation attorneys' fees), unknown to Seller, that Buyer may have against Seller arising from, in whole or in part, or related in any way to (a) the physical condition of the Property (including conditions not readily apparent and the presence of any material classified under state or federal law or regulations as hazardous) or (b) any information provided by Seller.
13. **General Provisions.**
 - 13.1. **Notices.** Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service, or given by mail. The notice will be deemed to have been given, when

personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail. E-mail transmission of notice shall not be effective. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

Seller: Tacoma Water
Real Property Services
Attn: Greg Muller
3628 South 35th Street
Tacoma, WA 98409

Buyer: Puyallup School District No. 3
Attn: Brian Devereux
Director of Facilities Planning
302 2nd Street Southeast
Puyallup, WA 98372

- 13.2. Integration. Except as expressly stated otherwise herein, this Agreement constitutes the full understanding between the Seller and Buyer regarding the sale of the Property and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, other than as expressly set forth in this Agreement. The covenants and agreements of this Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.
- 13.3. Amendments. This Agreement shall not be modified in any manner except in written instrument mutually executed by Seller and Buyer.
- 13.4. Counterparts; Faxed Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts. Facsimile transmitted signatures shall be fully binding and effective for all purposes.
- 13.5. Time of the Essence. Time is of the essence as to all terms and conditions of this Agreement.
- 13.6. FIRPTA. Upon Buyer request, Seller will prepare a certification or equivalent that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA"), and Seller agrees to sign this certification. If Seller is a "foreign person" as the same is defined by FIRPTA, and this transaction is not otherwise exempt from FIRPTA, Seller will withhold and pay the required amount to the Internal Revenue Service.
- 13.7. Survival. Any terms, conditions, or provisions of this Agreement which by their nature should survive shall survive the Closing of the sale. Additionally, the following sections shall survive the Closing of this Agreement: that

portion of Section 6.2, "Feasibility Study" as identified therein; Section 7, "Condition of the Property"; Section 9, "Default: Remedies; Specific Performance;" Section 10, "Litigation / Attorneys' Fees;" Section 12, "Release of Seller;" Section 13.12, "Governing Law;" Section 13.13, "Negotiation and Construction;" Section 13.14, "Brokers and Finders;" and Section 13.15, "Continuation and Survival of Representations and Warranties."

- 13.8. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.
- 13.9. Nonmerger. The terms and provisions of this Agreement, including without limitation, all indemnification obligations, will not merge in, but will survive the Closing of the transaction contemplated under this Agreement.
- 13.10. Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may not be unreasonably withheld or delayed.
- 13.11. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances, which may reasonably be required to give effect to the Agreement contemplated herein.
- 13.12. Governing Law. This Agreement will be governed and construed in accordance with the laws of the state of Washington.
- 13.13. Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases be construed according to its fair meaning and not strictly for or against either party.
- 13.14. Brokers and Finders. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the Closing of this transaction.
- 13.15. Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of the Closing Date, will be deemed to be

material and will survive the execution and delivery of this Agreement, and the delivery of the Deed and transfer of title. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.

- 13.16. Waiver of RCW 64.06 Disclosure. Buyer and Seller acknowledge that the Property constitutes "Unimproved residential real property" as defined in RCW 64.06.005. Buyer waives receipt of the seller disclosure statement required under RCW 64.06, except for the section entitled "Environmental."
- 13.17. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

{Remainder of Page Intentionally Left Blank}

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


SELLER:

BUYER:

TACOMA WATER

Puyallup School District No. 3

Jackie Flowers 07/22/20
Jackie Flowers, Date
 Director of Utilities

 Jul 2, 2020
Dr. John A. Polm, Jr. Date
 Superintendent

Scott Dewhirst 07/21/20
Scott Dewhirst, Date
 Water Superintendent


Approved as to form:

Michael W. Smith 07/13/20
Michael W. Smith, Date
 Deputy City Attorney

City of Tacoma Review

Greg Volkhardt 07/09/20
Greg Volkhardt, Date
 Water Division Manager,
 Water Source and Treatment Operations

Jodi Collins 07/07/20
Jodi Collins, Date
 Financial Manager

 07/07/20
Jeff Singleton, Date
 Tacoma Power Chief Surveyor

FINANCE:

Andrew Cherullo 07/14/20
Andrew Cherullo, Date
 Director of Finance

ES SC

EXHIBIT A
Legal Description

Real Estate Purchase and Sale Agreement
Agreement No. A3198
Tacoma Water to Puyallup School District No. 3

THE EAST HALF OF THE SOUTHEAST QUARTER, SECTION 14, TOWNSHIP 19 NORTH,
RANGE 4 EAST, W.M., PIERCE COUNTY, WASHINGTON.

EXCEPT THAT PORTION OF SAID SUBDIVISION DEEDED TO THE CITY OF TACOMA UNDER
AUDITOR'S FILE NOS. 334140 AND 720086, RECORDS OF SAID COUNTY.

ALSO EXCEPT THE NORTH 678.52 FEET OF SAID SUBDIVISION.

ALSO EXCEPT THAT PORTION OF SAID EAST HALF FOR 144TH STREET EAST AS DEEDED
TO SAID COUNTY UNDER AUDITOR'S FILE NOS. 2211151 AND 2167772, RECORDS OF SAID
COUNTY.

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

EXHIBIT A

EXHIBIT B
Bargain and Sale Deed No. 6766

EXHIBIT B

PSA.TPU-PSD
06-25-20

WHEN RECORDED RETURN TO:

Mary J. Urback PLLC
12417 12th Street East
Edgewood, WA 98372

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
BARGAIN AND SALE DEED NO. 6766

Reference No.	P2018-183
Grantor:	City of Tacoma, Department of Public Utilities, Water Division (d.b.a. Tacoma Water)
Grantee:	Puyallup School District No. 3
Abbr. Legal Description:	Portion of the SE Quarter of Section 14, Township 19 North, Range 4 East, W.M., in Pierce County, WA.
Complete Description:	Exhibit A
Tax Parcel No:	041914-108-8

The Grantor, CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, WATER DIVISION (d.b.a. Tacoma Water), a first class municipal corporation, for and in consideration of TWO MILLION AND TWENTY-FIVE THOUSAND DOLLARS AND NO/100 (\$2,025,000.00) hereby bargains, sells and conveys to Puyallup School District No. 3, a municipal corporation, as Grantee, the following described real property (the "Property") situate in Pierce County, State of Washington, to-wit:

Legally described in Exhibit A, subject to that certain Natural Buffer Area Covenant described on Exhibit B and depicted on Exhibit B-1, and further subject to the Permitted Exceptions described on Exhibit C; all exhibits attached hereto and by this reference made a part hereof.

Authorized by City Council Resolution No. _____ adopted _____,
at the request of Public Utility Board Resolution No. U- _____ adopted
_____.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by
its proper officers this on _____.

CITY OF TACOMA

By: _____
Mayor

Attest:

City Clerk

Accepted by Grantee

By: _____
Printed Name: Dr. John A. Polm, Jr.
Title: Superintendent
Date: _____

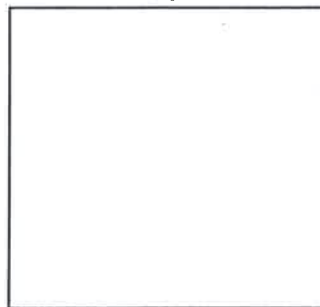
P2018-183/D6766

STATE OF WASHINGTON)
)
COUNTY OF PIERCE)

On this _____, before me personally appeared Victoria Woodards, to me known to be the Mayor of the City of Tacoma, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the City of Tacoma, for the uses and purposes herein mentioned, and on oath stated that she was authorized to execute said instrument and that the seal affixed is the corporate seal of the City of Tacoma.

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

Place Notary Seal in Box



Notary Public in and for the State
of Washington
Residing in _____

P2018-183/D6766

CITY OF TACOMA, DEPT. OF PUBLIC UTILITIES

APPROVED:

Jackie Flowers, Date
Director of Utilities

AUTHORIZED:

Scott Dewhirst, Date
Water Superintendent

REVIEWED:

Greg Volkhardt, Date
Water Division Manager,
Water Source and Treatment Operations

Jeff Singleton, Date
Tacoma Power Chief Surveyor

Andrew Cherullo, Date
Director of Finance

APPROVED AS TO FORM:

Michael W. Smith, Date
Deputy City Attorney

<p align="center">City of Tacoma - Department of Public Utilities Water Division Deed No. 6766</p>		
<p align="center">Southeast Quarter (SE¼) of Section 14, Township 19 North, Range 4 East, W.M., in Pierce County, WA</p>		
<p>THE EAST HALF OF THE SOUTHEAST QUARTER, SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W.M., PIERCE COUNTY, WASHINGTON.</p> <p>EXCEPT THAT PORTION OF SAID SUBDIVISION DEEDED TO THE CITY OF TACOMA UNDER AUDITOR'S FILE NOS. 334140 AND 720086, RECORDS OF SAID COUNTY.</p> <p>ALSO EXCEPT THE NORTH 678.52 FEET OF SAID SUBDIVISION.</p> <p>ALSO EXCEPT THAT PORTION OF SAID EAST HALF FOR 144TH STREET EAST AS DEEDED TO SAID COUNTY UNDER AUDITOR'S FILE NOS. 2211151 AND 2167772, RECORDS OF SAID COUNTY.</p> <p>ALL SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.</p>		
<p>Reference No. P2018-183 GWM</p>		<p align="center">Exhibit A</p>

EXHIBIT B

Natural Buffer Area Covenant

For the consideration referenced herein, this Natural Buffer Area Covenant shall run with the land and shall be adhered to in fulfillment of the requirements necessary to protect, preserve, maintain, and limit the future use of a portion of the Property so long as Grantor's Abutting Property described below is used for utility provider purposes.

Grantee, its successors and/or assigns, shall maintain on the Property an undisturbed and undeveloped natural buffer area in a substantially natural state, with no clearing, grading, filling, and building or road construction or placement ("Buffer Area"). Said Buffer Area shall be maintained on a strip of land 25 feet in width along the easterly and southerly boundary line of Grantor's abutting property, the westerly and northerly lines of said strip described as follows:

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W.M., PIERCE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING ON THE EAST-WEST CENTERLINE OF SAID SECTION 14, 626.0 FEET WEST OF THE EAST QUARTER CORNER OF SAID SECTION 14; THENCE SOUTH NORMAL WITH SAID CENTERLINE 678.52 FEET TO THE NORTHWEST CORNER OF THE PROPERTY HEREIN CONVEYED TO GRANTEE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIBED LINE; THENCE CONTINUING SOUTH 929.48 FEET ALONG THE EAST LINE OF THOSE CERTAIN TRACTS CONVEYED TO THE CITY OF TACOMA BY DEEDS RECORDED UNDER AUDITOR'S FILE NOS. 334140 AND 720086, RECORDS OF PIERCE COUNTY, WA TO THE SOUTHEAST CORNER THEREOF ON THE NORTH LINE OF THE PROPERTY HEREIN CONVEYED TO GRANTEE; THENCE WEST ALONG THE SOUTH LINE OF SAID CITY OF TACOMA TRACT 684.30 FEET, MORE OR LESS, TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 14 AND THE TERMINUS OF THIS DESCRIBED LINE; THE NORTH END OF SAID STRIP BEING THE NORTH LINE OF THE PROPERTY HEREIN CONVEYED TO GRANTEE AND THE WEST END OF SAID STRIP BEING THE WEST LINE OF THE PROPERTY HEREIN CONVEYED TO GRANTEE.

Grantee, its successors and/or assigns, agrees to be responsible for any and all costs, including damages and legal fees, incurred by Grantor, its successor and/or assigns, related to any violation and enforcement of the provisions of this Natural Buffer Area Covenant.

Grantor's Abutting Property:

THOSE PORTIONS OF THE NORTHWEST QUARTER, NORTHEAST QUARTER AND SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W. M., AS CONVEYED TO THE CITY OF TACOMA BY DEEDS RECORDED UNDER AUDITOR'S FILE NOS. 334140, 720086, 733705, 751042, 751043, 792205, 1747460 AND 1747461, ALL RECORDS OF PIERCE COUNTY, WASHINGTON.

ALSO THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 14 LYING NORTHWESTERLY OF THE NORTHWESTERLY LINE OF THAT CERTAIN TRACT CONVEYED TO THE CITY OF TACOMA BY DEED RECORDED UNDER AUDITOR'S FILE NO. 792205 AND NORTHERLY OF THAT CERTAIN TRACT CONVEYED TO THE CITY OF TACOMA BY DEED RECORDED UNDER AUDITOR'S FILE NO. 334140, ALL RECORDS OF PIERCE COUNTY, WASHINGTON.

EXHIBIT B-1
Illustrative Map of Natural Buffer Area Covenant

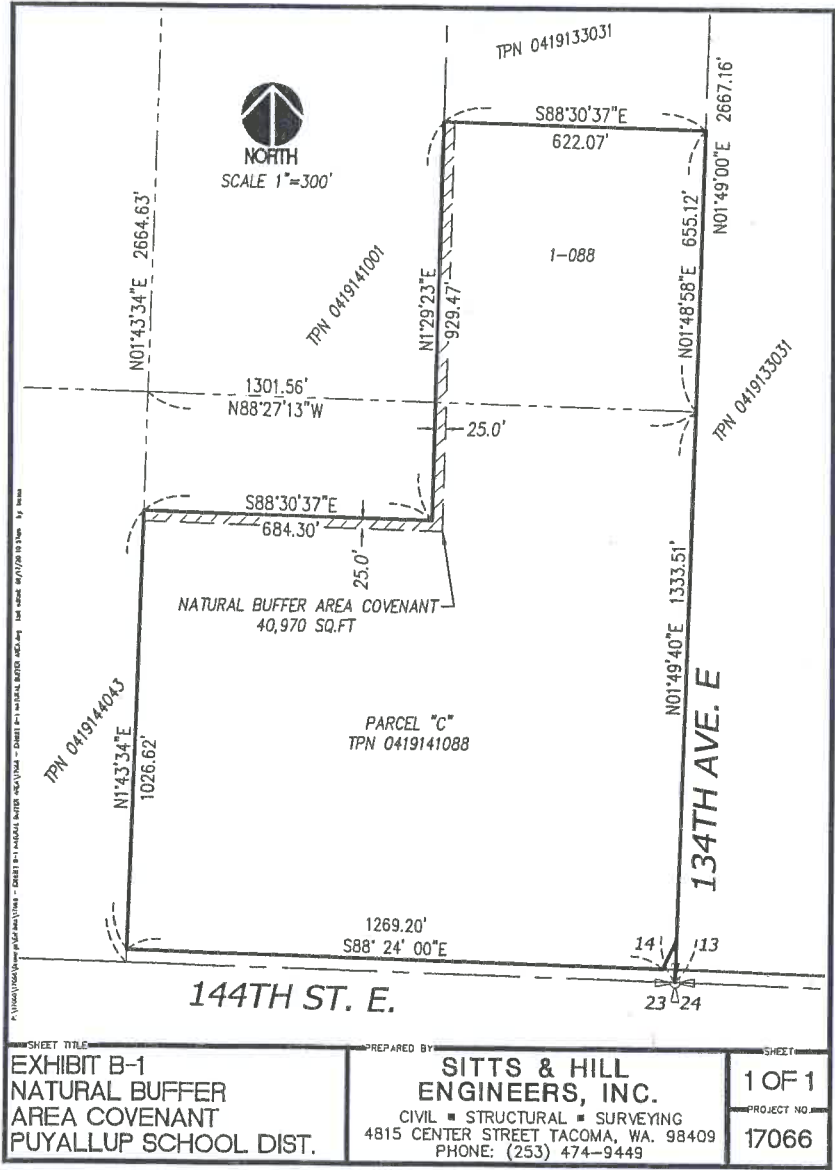


EXHIBIT C

Permitted Exceptions

(Insert any Identified)

1.

2.

....

EXHIBIT C
Easement No. 2709

EXHIBIT C

PSA.TPU-PSD
06-25-20

WHEN RECORDED RETURN TO:
Tacoma Public Utilities
Real Property Services
PO Box 11007, Tacoma, WA 98411

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
EASEMENT NO. 2709

Reference No.	P2018-183
Grantee:	City of Tacoma, Department of Public Utilities, Water Division (d.b.a. Tacoma Water)
Grantor:	Puyallup School District No. 3
Abbr. Legal Description:	Portion of the NW, NE and SE Quarters of Section 14, Township 19 North, Range 4 East, W.M., in Pierce County, WA.
Complete Description:	Exhibits 1, 2, 4 and 6
Tax Parcel Nos:	041914-100-1, 041914-100-7, 041914-400-4, 041914-108-7, 041914-100-2, 041914-200-3, 041914-100-3, 041914-401-2, 041914-404-3, and 041914-108-8

1. Grant of Easements.

Subject to the terms, conditions, and covenants contained in the following easement agreement ("Easement Agreement"), the undersigned Puyallup School District No. 3, a municipal corporation, record owner of the Premises hereinafter described, hereinafter referred to as "Grantor," organized and existing under the laws of the State of Washington, by and through Dr. John A. Polm, Jr., its Superintendent, for good and valuable consideration from the City of Tacoma, Department of Public Utilities, Water Division (d.b.a. Tacoma Water), hereinafter referred to as "Tacoma Water" and/or "Grantee," the receipt of which is hereby acknowledged, does hereby grant unto said Tacoma Water, its successors and assigns, the following non-exclusive easements hereinafter referred to individually as "Easement A", "Easement B", and "Easement C"; such easements located respectively upon

Easement Area A, Easement Area B, and Easement Area C, and collectively referred to herein as the "Easement Areas".

2. Easements A and B.

2.1 Easement A:

2.1.1 Subject to the terms and conditions of this Easement Agreement, Grantor grants to Tacoma Water, its successors and assigns the following:

2.1.1(a) a right for ingress and egress to Grantee's Property described in **Exhibit 1**, attached and incorporated herein, across Easement Area A described below; and

2.1.1(b) a right to construct, operate, maintain, alter, repair, and replace aboveground and underground utilities, including, but not limited to, water mains, and all appurtenant equipment in, upon, under, and across the following described Easement Area A for the purpose of:

2.1.1(b)(i) providing for the distribution and transmission of water to and from Grantee's current or future water reservoirs located on Grantee's Property described in **Exhibit 1**; and

2.1.1(b)(ii) a right to construct, operate, maintain, alter, repair, and replace aboveground and underground utilities, including, but not limited to, water mains, and all appurtenant equipment in, upon, under, and across the following described Easement Area A for the purpose of (i) providing for the transmission of water to Grantee's Property described in **Exhibit 1**.

2.1.2 Easement Area A is situated in the County of Pierce and State of Washington, and is described as follows:

As legally described on Exhibit 2 and as illustratively depicted in Exhibit 3, both exhibits attached and incorporated herein ("Easement Area A").

2.2 Easement B:

2.2.1 Subject to the terms and conditions of this Easement Agreement, Grantor grants to Tacoma Water, its successors and assigns, a right to construct, operate, maintain, alter, repair, and replace aboveground and underground utilities including, but not limited to, water mains and water outfalls and all appurtenant equipment in, upon, under, and across the following described Easement Area B for the sole purpose to provide for the discharge of water from Grantee's current or future water reservoirs and reservoir roof drains located on Grantee's Property described in Exhibit 1.

2.2.2 Easement Area B is situated in the County of Pierce and State of Washington, and is described as follows:

As legally described on Exhibit 4 and illustratively depicted in Exhibit 5, both exhibits attached and incorporated herein ("Easement Area B").

2.3 Terms and Conditions Specific to Easement Areas A and B.

2.3.1 The easement rights of Easement Areas A and B shall inure to the benefit of Grantee, or Grantee's successors or assigns, so long as said Grantee or its successors or assigns:

2.3.1(a) shall be operated as a municipal, public, or a private utility service provider and

2.3.1(b) "Grantee's Property" commonly known as Pierce County Tax Parcel Nos. 041914-100-1, 041914-100-7, 041914-400-4, 041914-108-7, 041914-100-2, 041914-200-3, and 041914-100-3 and legally described on Exhibit 1 is used consistent with and for the purposes of the operation of a municipal, public, or private utility service provider.

As used herein, the terms, "municipal, public, or private utility service provider", shall mean a utility service provider providing utility services to the general public within the utility service provider's service territory in the nature of water distribution and transmission and other utility purposes. For the avoidance of doubt, the term "private utility service provider" as used herein is not intended to and shall not include the formation and/or operation of a private utility service provider to provide utility services solely and exclusively in conjunction with use of Grantee's Property for a commercial or residential development and not generally for utility services for the utility service provider's customers within its service territory.

2.3.2 In the event that Grantee, or its successors or assigns, no longer continues to operate as a municipal, public, or a private utility service provider as described above, those easement rights to Easement Area A specified in 2.1.1(b) above, together with Grantee's rights and privileges relating thereto, shall terminate immediately without further action by Grantor. Except in the event Grantee elects to install an "Access Road", set forth under and described under Easement C in accordance with 3.2.1 below, Grantee's easement rights to Easement Area A specified in 2.1.1(a) shall remain with Grantee and/or continue to benefit Grantee's Property and burden that portion of "Grantor's Property" commonly known as Pierce County Tax Parcel Nos. 041914-401-2, 041914-404-3, and 041914-108-8 and legally described on Exhibit 10. However, upon completion of installation of the "Access Road" as described under Easement C in accordance with the terms and conditions of 3.2.1 below, the easement rights for ingress and egress across Easement A specified in 2.1.1(a)

above, together with Grantee's rights and privileges relating thereto, shall terminate immediately without further action by Grantor.

2.3.3 In the event that Grantee's Property is no longer used for the purpose of storage of water in a water reservoir of any nature, the easement rights to Easement Area B specified in 2.2.1 above, together with Grantee's rights and privileges relating thereto, shall terminate immediately without further action by Grantor.

3. Easement C.

3.1 Easement C:

3.1.1 Subject to the terms and conditions of this Easement Agreement, Grantor grants to Tacoma Water, its successors and assigns the following:

3.1.1(a) a right for ingress and egress to Grantee's Property across the following described Easement Area C; and

3.1.1(b) a right to construct, operate, maintain, alter, repair, and replace aboveground and underground utilities, a road and associated improvements, and all appurtenances in, upon, under, and across the following real property situate and being in the County of Pierce and State of Washington, described as follows:

As legally described on **Exhibit 6** and illustratively depicted in **Exhibit 7**, both exhibits attached and incorporated herein ("Easement Area C").

3.2 Terms and Conditions Specific to Easement Area C.

3.2.1 The rights granted herein to install an access road and/or utilities in Easement Area C (collectively, the "Access Road") will be at Grantee's sole discretion subject to the following:

3.2.1(a) Grantee shall provide Grantor with not less than three hundred sixty (360) days' advance written notice prior to the installation of such Access Road ("Notice of Election to Install Access Road").

3.2.1(b) Grantee shall bear all costs and expenses associated with and related to the installation of the Access Road within Easement Area C, including but not limited to surveying, design, permitting, and installation of the Access Road and relocation of Grantor's existing fencing within Easement Area C. However, if Grantor notifies Grantee that Grantor desires to utilize such Access Road as additional access to Grantor's Property ("Notice of Election to Utilize Access Road"), Grantor shall bear fifty percent (50%) of all commercially reasonable costs and expenses associated with the surveying, design, permitting, and installation of such Access Road.

3.2.1(c) Easement Area C contains Grantor's existing, primary on-site sanitary sewer system drainfield (the "Drainfield") as illustratively depicted on **Exhibit 8** (the "Existing Drainfield Area"). If the installation of the Access Road will require the relocation of the Drainfield, as determined by the parties, in the exercise of their respective, reasonable discretion, to that certain relocated drainfield area legally described on **Exhibit 9** and illustratively depicted in **Exhibit 8**, both exhibits attached and incorporated herein ("Grantor's Relocated Drainfield Area"), then Grantee shall be obligated to pay Grantor fifty percent (50%) of all commercially reasonable costs and expenses, as a

public works project under the laws of the State of Washington, including but not limited to the surveying, design, permitting, and installation associated with relocating the Drainfield. Grantee shall not be required to share in any costs for expansion of the Drainfield capacity or for the betterment of the Drainfield beyond the minimum governmental regulatory requirements in place at the time of the Drainfield relocation. Grantor, however, shall be responsible for the surveying, design, permitting, and installation associated with relocating the Drainfield to the Grantor's Relocated Drainfield Area. Grantee shall have no right to survey, design, permit or install Grantor's Relocated Drainfield Area or relocated Drainfield.

3.2.1(d) Within one hundred (100) days from delivery of Grantee's Notice of Election to Install Access Road, or any extension thereof upon mutual agreement of Grantee and Grantor, Grantee and Grantor shall use their best efforts and act in good faith to reach an agreement (the "Escrow Agreement") relating to the installation of the Access Road and Grantor's relocated Drainfield, the terms and conditions of which shall include, but not be limited to:

3.2.1(d)(i) requirements relating to coordination between Grantee and Grantor during the surveying, design, permitting, and installation of the Access Road and Grantor's relocated Drainfield, which coordination shall include but not be limited to:

- (i)(a) finalization of the location of the Access Road and Grantor's relocated Drainfield, which Grantor and Grantee recognize may require modification of Easement Area C;
- (ii)(b) the right of Grantor to review and comment on the surveying, design, permitting, and installation of the Access Road;

(iii)(c) the right of Grantee to review and comment on the surveying, design, permitting, and installation of the Grantor's relocated Drainfield;

(iv)(d) the process to provide notice to Grantor of such material communications and meetings with the jurisdictional reviewing entities and agencies, construction schedules, including determination of an adequate period of time for Grantor's installation of Grantor's relocated Drainfield, and any reasonable accommodation of Grantor's school calendar, as may be appropriate; and

(v)(e) the process to provide notice to Grantee of such material communications and meetings with the jurisdictional reviewing entities and agencies, construction schedules, including determination of an adequate period of time for Grantee's installation of the Access Road, and any reasonable accommodation of Grantee's work calendar, as may be appropriate.

3.2.1(d)(ii) Grantor's payment obligations for design, surveying, permitting, and installation of the Access Road consistent with the rights granted herein;

3.2.1(d)(iii) Grantee's payment obligations for design, permitting and installation of Grantor's relocated Drainfield consistent with the rights granted herein;

3.2.1(d)(iv) requirements pertaining to the prohibition of lien rights upon Grantor's Property of Grantee's contractors, consultants, representatives, and agents;

3.2.1(d)(v) provisions relating to dedication of the Access Road as a public right-of-way and/or with public utilities;

3.2.1(d)(vi) any appropriate revisions to the terms and conditions of Easement Area C; and

3.2.1(d)(vii) appropriate dispute resolution procedures.

3.2.1(e) In the event that the parties cannot reach agreement on the terms and conditions of an Escrow Agreement (the "Dispute") within the time period established under Section 3.2.1(d) above (the "Agreement Period"), Grantor and Grantee agree to attempt to resolve the Dispute through mediation services administered by Judicial and Mediation Services ("JAMS") in accordance with such JAMS rules and procedures in effect on the date of such Dispute. Within thirty (30) days after expiration of the Agreement Period, a request for mediation may be filed with JAMS by either party with written notice to the other party. JAMS shall provide each party with a list of three (3) mediators experienced in real property law and each party may strike one. Neither party may commence litigation on a Dispute relating to the creation of the terms and conditions of an Escrow Agreement unless the Dispute has been properly raised and considered in accordance with the above mediation procedures.

3.2.1(f) Grantee shall have no right to commence any construction activities associated with installation of the Access Road, nor shall Grantor have any right to commence any construction activities associated with installation of Grantor's relocated Drainfield, without mutual execution by Grantor and Grantee of the Escrow Agreement.

3.2.2 Upon completion of the Access Road and approval of its use by the relevant permitting authority, the easement rights for egress and ingress across Easement Area A specified in 2.1.1(a) above, together with Grantee's rights and privileges relating thereto, shall terminate immediately without further action by Grantor.

4. Additional Terms and Conditions Relating to Easements A, B, and C.

The Easement Areas, collectively, or individually, as granted herein are subject to the following additional terms and conditions:

4.1 Vegetation. Grantee shall have the right, in a commercially reasonable manner, to trim and keep trimmed all vegetation located upon the Easement Areas.

4.2 Grantor's Use of Easement Areas: Permanent Structures / Gates / Gated Access.

4.2.1 Grantor, its successors and assigns, shall not construct any new permanent structures within the Easement Areas or otherwise use the Easement Areas unless otherwise agreed upon in writing by Grantee in the exercise of its commercially reasonable discretion except as otherwise permitted and described under Article 3 (Easement C) above and sections thereunder or as provided, herein below:

4.2.1(a) Easement Area A may be used by Grantor for gated ingress and egress, including the construction of pavement or other surface materials thereon, for parking and landscaping purposes. Should Grantor install any improvements within Easement Area A, such as fencing and gates, that might serve to limit Grantee's access to Easement Area A for Grantee's purposes under this Easement Agreement, Grantor shall provide, at no cost to Grantee, all applicable

codes or keys necessary to operate same to ensure Grantee unfettered access 24 hours a day, 7 days a week.

4.2.1(b) Easement Area B shall be maintained in its natural condition existing as of the date of recordation of this Easement Agreement, to the extent the same shall not unduly interfere with the operation and maintenance of the utilities for which Easement B is granted.

4.2.2 In the event that Grantor does construct a permanent structure within the Easement Areas, Grantee, may at any time, remove or cause the removal of such structures at Grantor's cost reasonably necessary to exercise Grantee's rights and privileges granted under this Easement Agreement.

4.2.3 Grantee is not responsible for damaging Grantor's structures within the Easement Areas.

4.3 Access to Easement Areas.

4.3.1 Grantor shall at all times provide access to the Easement Areas A and B to Grantee's staff and its contractors to change, repair, renew or remove said utilities within Easement Areas A and B, including but not limited to the discharge of water onto Easement Area B from Grantee's current or future water reservoirs and reservoir roof drains located on Grantee's Property. Grantor further grants to Grantee, its contractors and/or agents, the right to temporarily enter upon Grantor's Property adjacent to the Easement Areas A, B, and C as reasonably necessary to exercise the rights and privileges granted under this Easement Agreement.

4.3.2 Grantee, its successors and assigns, and invitees shall not be required to provide any notice for ingress and egress to and from Grantee's Property across Easement Areas A and B or as otherwise agreed upon between Grantor and Grantee.

4.3.3 Grantee, its successors and assigns, and invitees shall be required to provide reasonable advance written notice of ingress and egress to and from Easement Area C except as otherwise agreed upon between Grantee and Grantor pursuant to the Escrow Agreement or as otherwise may be agreed upon between Grantor and Grantee.

4.3.4 Upon completion of the installation of the Access Road, the notice requirement under Section 4.3.3 herein shall automatically terminate and Grantee, its successors and assigns, and invitees shall no longer be required to provide any notice whatsoever to Grantor for ingress and egress to and from Easement Area C.

5. Future Subdivision or Alteration of Grantee's Property.

In the event Grantee, its successors or assigns, determines to subdivide or otherwise alter the boundaries of Grantee's Property, in accordance with applicable laws, the Easements shall be assignable and divisible, without notice to Grantor, provided such subdivision or alteration of the boundaries of Grantee's Property does not violate and is consistent with the terms and conditions of this Easement Agreement. Grantor hereby acknowledges said assignment and/or division will not overburden Grantor's Property; provided, such alteration of the boundaries of Grantee's Property shall not incorporate properties located outside the boundaries of Grantee's Property as described in Exhibit 1 as of the date of recordation of this Easement Agreement.

6. Indemnity.

Each party, its successors and assigns, hereby agrees to indemnify, defend and hold harmless the other party, its officers, employees, agents and volunteers from and against any and all claims, demands, lawsuits, damages, liabilities, losses and expenses (including reasonable attorneys' fees and costs) arising from the negligence of the indemnifying party, its agents, contractors, licensees, or guests and involving the subject matter of this Easement Agreement. The foregoing indemnity obligation does not include any injury or damage resulting from the negligence of the indemnified party, its officers, employees, or agents.

7. Governing Law / Venue.

This Easement Agreement shall be construed and enforced in accordance with the laws of the State of Washington without regard to conflicts of law. Venue for any action or proceeding shall be in Pierce County.

8. Easement Agreement Interpretation.

This Easement Agreement shall not be construed more favorably to one party over another, notwithstanding the fact one party, or its attorney, may have been more responsible for the preparation of the document.

9. Fees and Costs.

If any legal action arises in connection with or relating to this Easement Agreement, the substantially prevailing party in any action shall be entitled to recover from the losing party the substantially prevailing party's costs and expenses, including reasonable attorneys' fees, incurred in connection therewith, in preparation therefor and on appeal therefrom, including those in any bankruptcy proceeding, which amounts shall be included in any judgment entered therein.

10. Entire Agreement.

This Easement Agreement constitutes the entire agreement between the parties as it relates to the herein described Easement Areas and no modification, amendment, addition to or changes to this Easement Agreement shall be valid or enforceable unless in writing and signed by all parties.

11. Waiver.

No delay in exercising any right or remedy provided under this Easement Agreement shall constitute a waiver thereof, and no waiver of the breach of any provision of this Easement Agreement shall be construed as a waiver of a preceding or succeeding breach of the same nor constitute a waiver of any other provision.

12. Burden and Benefit.

The terms and conditions of this Easement Agreement shall constitute covenants running with the land, and this Easement Agreement and the easements granted thereby shall: (i) burden those portions of Grantor's Property legally described under Exhibits 2, 4 and 6; the easements shall benefit and burden Grantee's Property described under Exhibit 1; and (iii) the easements shall be binding upon and inure to the benefit of the parties hereto, and to the successors, assigns, personal representatives, devisees, and heirs of Grantor and Grantee.

13. Headings.

The headings used herein are inserted for convenience only and do not define or limit the contents or language of this Easement Agreement.

14. Non-liability.

Except for injury or harm proximately caused by Grantee's negligent actions, Grantee shall not be liable to Grantor or to any third party arising from their entry upon and use of the Easement Area. Except for injury or harm proximately caused by Grantee's negligent actions, Grantor and its employees, personnel, contractors, agents, invitees, or licensees

expressly assume all risks associated with use of the Easement Area. Provided, however, notwithstanding and in the event of any conflict between 14 and 6 above, 6 shall control the determination of liability and responsibility of Grantor and Grantee under the terms and conditions of this Easement Agreement.

15. Environmental Liability.

By accepting this grant of easements, Grantee assumes no liability for existing site conditions including any Hazardous Substances that may be present on, in, or under the Easement Areas prior to the date of recordation of this Easement Agreement. To the extent Grantor removes any soil, Grantor shall pay for the removal of and disposal of such soil, whether or not it contains Hazardous Substances. Grantor assumes sole liability and shall be responsible for any remedial action costs incurred due to the release, or exacerbation of the release, of Hazardous Substances caused by Grantor, its officers, agents, employees, volunteers, subcontractors, invitees, licensees, or guests. "Hazardous Substance" as used in this Easement Agreement shall mean "shall mean asbestos, petroleum or petroleum byproducts, PCBs, and any other waste, substance or material now defined or hereinafter, listed or designated as hazardous or toxic under any applicable federal, state or local law, statute, regulation or ordinance. The terms of the Hazardous Substances provision have been mutually negotiated.

16. Waste.

Grantor shall not deposit refuse, garbage, or other waste matter or use, store, generate, process, transport, handle, release or dispose of any Hazardous Substances in or on the Easement Areas except in accordance with all applicable laws.

17. Warranty.

Grantor hereby warrants its authority to grant the herein-described use of the Easement Areas.

18. Notices.

Any and all notices, demands or requests required or permitted hereunder shall be in writing and delivered through personal delivery; or two (2) business days after being deposited in the U.S. Mail, registered or certified, return receipt required, postage prepaid; or one (1) business day after being deposited with any commercial air courier or express service, next day delivery, to the addresses as follows, or to such other addresses as the parties may from time to time direct:

Grantee: Tacoma Water
Real Property Services
3628 South 35th Street
Tacoma, WA 98409

Grantor: Puyallup School District No. 3
Attention: Superintendent and
Director of Facilities Planning
302 2nd Street Southeast
Puyallup, WA 98372

19. Further Assurances.

The parties agree to execute such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Easement Agreement.

20. Release or Partial Release of Easement Agreement.

In the event of full or partial termination and extinguishment of Easement A, B, or C, consistent with the terms and conditions of this Easement Agreement, upon request by Grantor, Grantee, upon approval of its governing body(ies) if then so required, shall execute a "Termination and Release of Easement" associated with said easement area, in an appropriate, recordable form as agreed upon between Grantor and Grantee, in the exercise of their respective reasonable discretion. Grantor shall bear the costs and fees associated with recordation of such Termination and Release of Easement in the offices of the Pierce County Auditor.

21. Entire Agreement.

This Easement Agreement contains all of the terms and conditions relating to the Easements and supersedes and replaces all oral and/or written proposals and agreements heretofore made on the herein subject matter. This Easement Agreement may be modified only by a written document signed by the parties hereto or their respective successors or assigns.

22. Exhibits.

All exhibits attached to this Easement Agreement are incorporated in and made a part of this Easement Agreement by reference.

23. Counterparts.

This Easement Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

24. Severability.

If any clause, sentence, or other portion of the terms, conditions and covenants of this Easement Agreement are held, to any extent, to be invalid or unenforceable, the remainder of this Easement Agreement shall not be affected and shall be valid and enforceable to the fullest extent permitted by law.

25. Subsequent Conveyance.

Subsequent conveyance of the easement rights appurtenant and/or in gross granted herein, individually or as a group, to more than one Grantee, successor or assign shall be permissible provided such conveyance is consistent with the limitations under and are not in violation of the terms and conditions of this Easement Agreement .

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P2018-183 GWM / E2709

IN WITNESS WHEREOF, I have executed this instrument at Pierce County, Washington, on behalf of Puyallup School District No. 3, said municipal corporation having caused its corporate name to be hereunto subscribed and affixed and these presents to be executed by its Superintendent thereunto duly authorized, on _____.

Puyallup School District No. 3

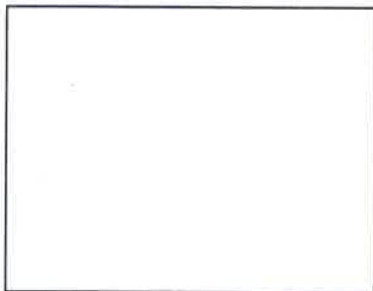
Dr. John A. Polm, Jr., Its Superintendent

STATE OF WASHINGTON)
) §
COUNTY OF PIERCE)

On _____, before me personally appeared Dr. John A. Polm, Jr., to me known to be the Superintendent of Puyallup School District No. 3, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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

Place Notary Seal in Box



Notary Public in and for the State
of Washington
Residing in _____

P2018-183 GWM / E2709

Approved:

Scott Dewhirst, Date
Water Superintendent

Reviewed:

Greg Volkhardt, Date
Water Division Manager,
Water Source and Treatment Operations

Jeff Singleton, Date
Tacoma Power Chief Surveyor

Form Approved:

Michael W. Smith, Date
Deputy City Attorney

P2018-183 GWM / E2709

Accepted:

Jackie Flowers, Date
Director of Utilities

STATE OF WASHINGTON)
) §
COUNTY OF PIERCE)

On _____, before me personally appeared Jackie Flowers, to me known to be the Director of Utilities of the City of Tacoma, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the City of Tacoma, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

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

Place Notary Seal in Box



Notary Public in and for the State
of Washington
Residing in _____

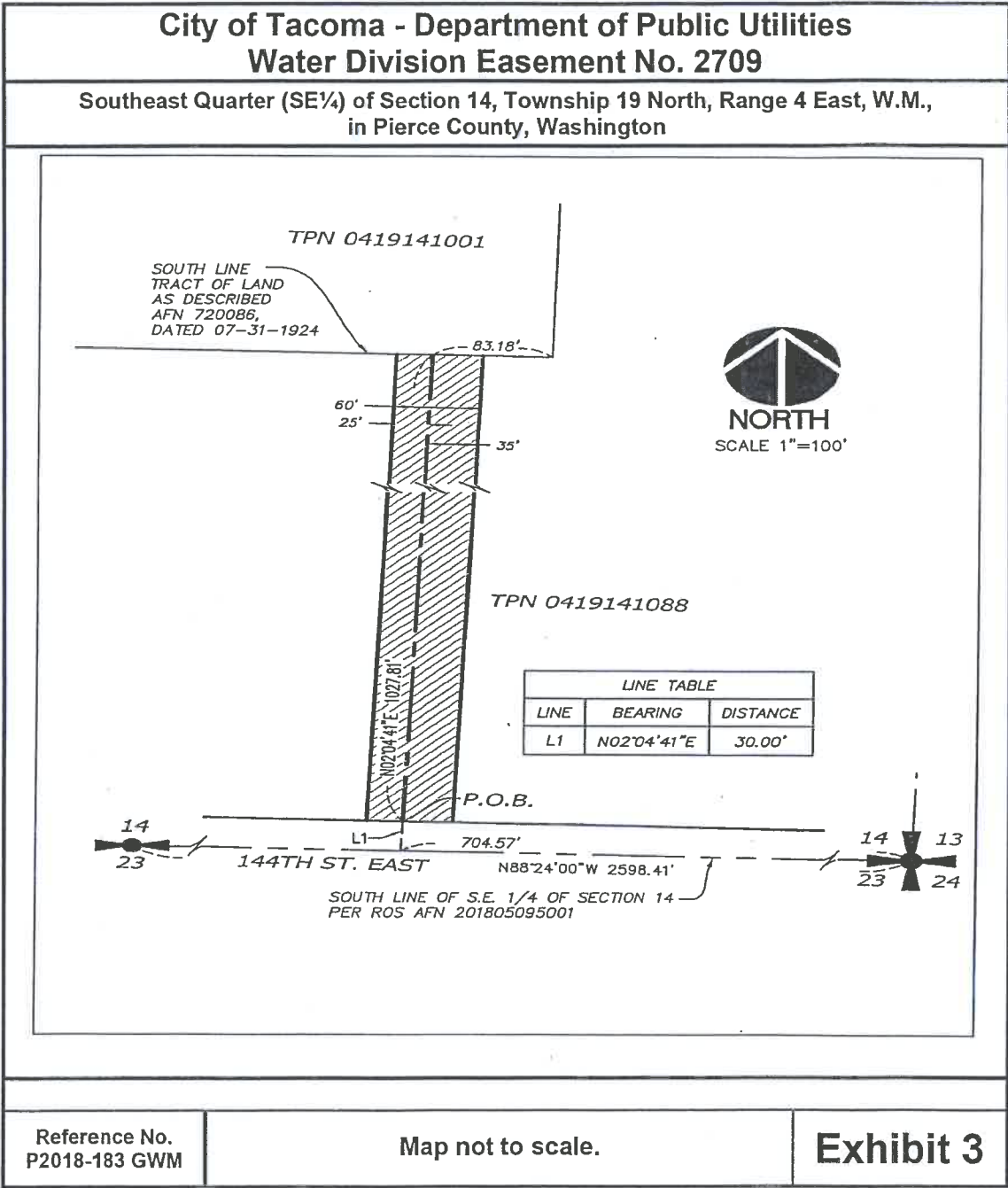
LEGAL DESCRIPTION OF GRANTEE'S PROPERTY

City of Tacoma - Department of Public Utilities		
Water Division Easement No. 2709		
Northwest Quarter (NW¼), Southeast Quarter (SE¼), and Northeast Quarter (NE¼) of Section 14, Township 19 North, Range 4 East, W.M., in Pierce County, Washington.		
<p>THOSE PORTIONS OF THE NORTHWEST QUARTER, NORTHEAST QUARTER AND SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W. M., AS CONVEYED TO THE CITY OF TACOMA BY DEEDS RECORDED UNDER AUDITOR'S FILE NOS. 334140, 720086, 733705, 751042, 751043, 792205, 1747460 AND 1747461, ALL RECORDS OF PIERCE COUNTY, WASHINGTON.</p> <p>ALSO THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 14 LYING NORTHWESTERLY OF THE NORTHWESTERLY LINE OF THAT CERTAIN TRACT CONVEYED TO THE CITY OF TACOMA BY DEED RECORDED UNDER AUDITOR'S FILE NO. 792205 AND NORTHERLY OF THAT CERTAIN TRACT CONVEYED TO THE CITY OF TACOMA BY DEED RECORDED UNDER AUDITOR'S FILE NO. 334140, ALL RECORDS OF PIERCE COUNTY, WASHINGTON.</p>		
Reference No. P2018-183 GWM		Exhibit 1

LEGAL DESCRIPTION OF EASEMENT AREA A

City of Tacoma - Department of Public Utilities Water Division Easement No. 2709		
Southeast Quarter (SE¼) of Section 14, Township 19 North, Range 4 East, W.M., in Pierce County, Washington		
<p>A 60.00 FOOT WIDE STRIP OF LAND LYING 35.00 FEET EAST OF AND 25.00 FEET WEST OF THE FOLLOWING DESCRIBED SURVEY REFERENCE LINE LOCATED IN THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, PIERCE COUNTY, WASHINGTON, SPECIFICALLY DESCRIBED AS FOLLOWS:</p> <p>COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 14, SAID POINT BEING A BRASS MONUMENT AS ILLUSTRATED ON RECORD OF SURVEY FILED UNDER PIERCE COUNTY AUDITOR FEE NUMBER 201805095001;</p> <p>THENCE SOUTH 88°24'00" EAST, ALONG THE MONUMENTED SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 14, SAID LINE ALSO BEING THE CENTERLINE OF 144TH STREET EAST, 2598.41 FEET TO THE SOUTHEAST CORNER THEREOF;</p> <p>THENCE NORTH 88°24'00" WEST, ALONG SAID SOUTH LINE, 704.57 FEET;</p> <p>THENCE NORTH 02°04'41" EAST 30.00 FEET TO THE NORTH MARGIN OF SAID 144TH STREET EAST AND THE POINT OF BEGINNING OF THIS SURVEY REFERENCE LINE DESCRIPTION;</p> <p>THENCE CONTINUING NORTH 02°04'41" EAST 1027.81 FEET TO THE SOUTH LINE OF THAT CERTAIN TRACT OF LAND AS DESCRIBED WITHIN WARRANTY DEED FILED UNDER PIERCE COUNTY AUDITOR'S FEE NUMBER 720086, DATED JULY 24, 1924, SAID POINT LYING 83.18 FEET WEST OF THE SOUTHEAST CORNER OF SAID TRACT AND BEING THE TERMINUS OF THIS LINE DESCRIPTION.</p> <p>THE SIDELINES OF THIS STRIP OF LAND SHALL TERMINATE AT THE NORTH MARGIN OF 144TH STREET EAST AND THE SOUTH LINE OF SAID TRACT OF LAND FILED UNDER AUDITOR'S FEE NUMBER 720086.</p>		
Reference No. P2018-183 GWM		Exhibit 2

ILLUSTRATIVE MAP OF EASEMENT AREA A



LEGAL DESCRIPTION OF EASEMENT AREA B

City of Tacoma - Department of Public Utilities Water Division Easement No. 2709		
Southeast Quarter (SE¼) of Section 14, Township 19 North, Range 4 East, W.M., in Pierce County, Washington		
<p>That portion of the Northeast quarter of the Southeast quarter, Section 14, Township 19 North, Range 4 East, W.M., Pierce County Washington, described as follows:</p> <p>COMMENCING at the East quarter corner of said Section 14, a stone with chisel 'x', down 1.0 foot found in place; Thence North 88° 30' 37" West along the North line of said subdivision 626.00 feet to the East line of a parcel of land deeded to the City of Tacoma under Auditor's File No. 334140, records of said County; Thence South 01° 29' 23" West along said East line normal with said North line 678.52 feet to the Southwest corner of that certain tract conveyed to Pierce County by bargain and sale deed dated December 29, 2017 and re-recorded under Auditor's File No. 201804240517, records of Pierce County, WA, and the TRUE POINT OF BEGINNING; Thence continuing South 01° 29' 23" West along said East line 181.48 feet; Thence South 88° 30' 37" East parallel with said North line 187.00 feet; Thence North 01° 29' 23" East parallel with said East line 181.48 feet; Thence North 88° 30' 37" West parallel with said North line 187.00 feet to the TRUE POINT OF BEGINNING.</p> <p>SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.</p>		
Reference No. P2018-183 GWM		Exhibit 4

LEGAL DESCRIPTION OF EASEMENT AREA C

EXHIBIT 6

LEGAL DESCRIPTION FOR ACCESS & UTILITY EASEMENT

A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, PIERCE COUNTY, WASHINGTON, MORE SPECIFICALLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 14;

THENCE NORTH 89°15'40" EAST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, 495.00 FEET TO THE INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE EAST LINE OF BLOCKS 5 AND 4 WITHIN THE PLAT OF BETHEL PARK FIRST ADDITION FILED IN VOLUME 40 OF PLATS AT PAGE 7, RECORDS OF PIERCE COUNTY;

THENCE NORTH 00°41'30" WEST, ALONG SAID SOUTHERLY EXTENSION AND SAID EAST LINE, 880.00 FEET TO THE SOUTH MARGIN OF 141ST STREET EAST AS SHOWN ON SAID PLAT OF BETHEL PARK FIRST ADDITION AND THE POINT OF BEGINNING;

THENCE, CONTINUING NORTH 00°41'30" WEST, ALONG THE EASTERLY LIMIT OF SAID 141ST STREET EAST, 30.00 FEET TO THE CENTERLINE OF 141ST STREET EAST;

THENCE SOUTH 89°15'40" WEST, ALONG SAID CENTERLINE, 25.00 FEET TO THE INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE EAST LINE OF BLOCK 2 WITHIN SAID PLAT;

THENCE NORTH 00°41'30" WEST, ALONG SAID SOUTHERLY EXTENSION AND SAID EAST LINE OF BLOCK 2, 144.87 FEET TO THE SOUTH LINE OF THE NORTH 1608 FEET OF THE SOUTHEAST QUARTER OF SAID SECTION 14;

THENCE NORTH 89°10'18" EAST, ALONG SAID SOUTH LINE, 86.00 FEET TO INTERSECT A LINE THAT IS 86.00 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF SAID BLOCK 2 OF SAID PLAT OF BETHEL PARK FIRST ADDITION;

THENCE SOUTH 00°41'30" EAST, ALONG SAID PARALLEL LINE, 175.00 FEET TO THE EASTERLY EXTENSION OF SAID SOUTH MARGIN OF 141ST STREET EAST;

THENCE SOUTH 89°15'40" WEST, ALONG SAID EASTERLY EXTENSION, 61.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 14,294± SQUARE FEET, MORE OR LESS.

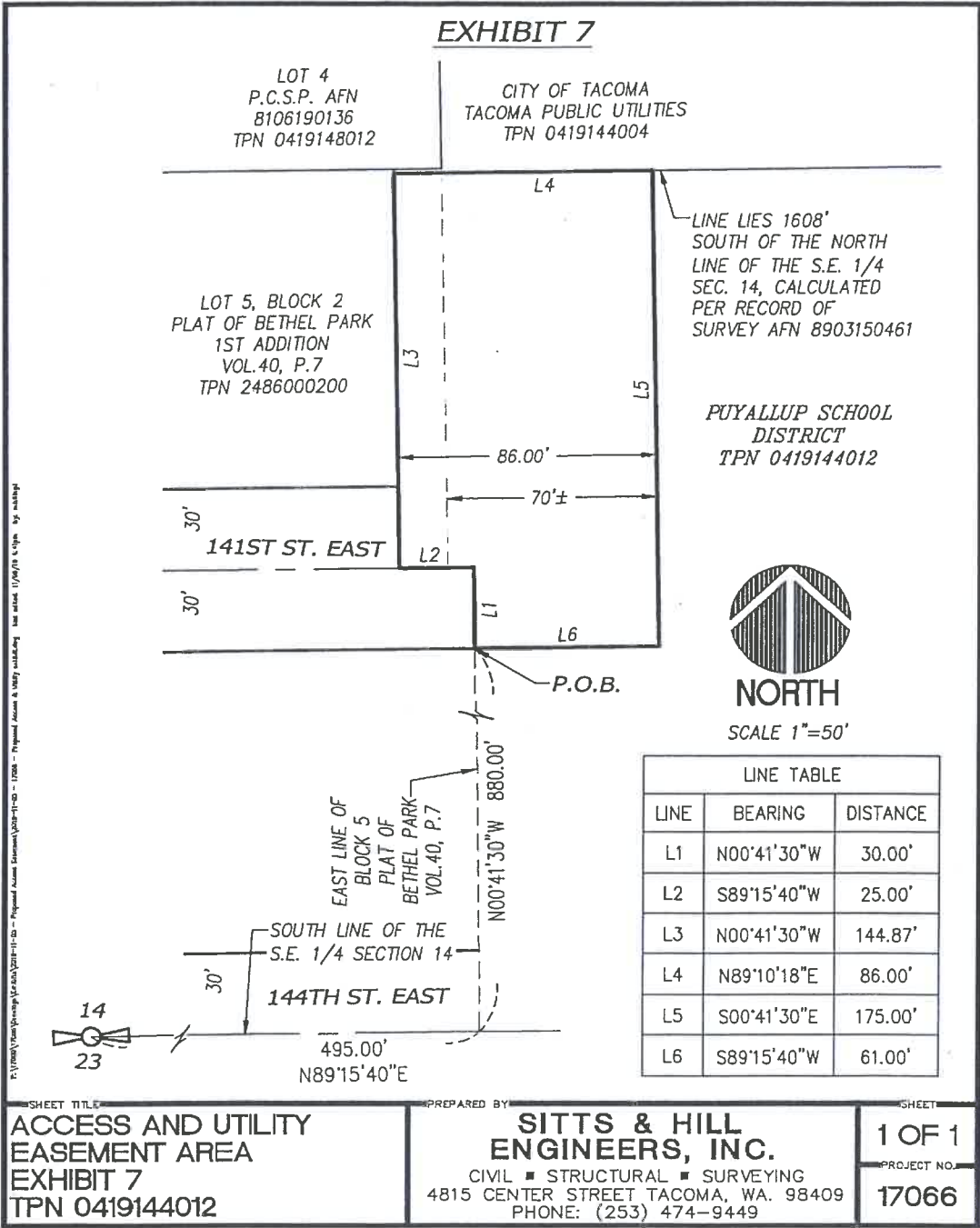
DESIRAE SCHILLING, P.L.S.
WASHINGTON STATE REGISTRATION NO. 49289
SITTS & HILL ENGINEERS, INC.
4815 CENTER STREET, TACOMA, WA 98409



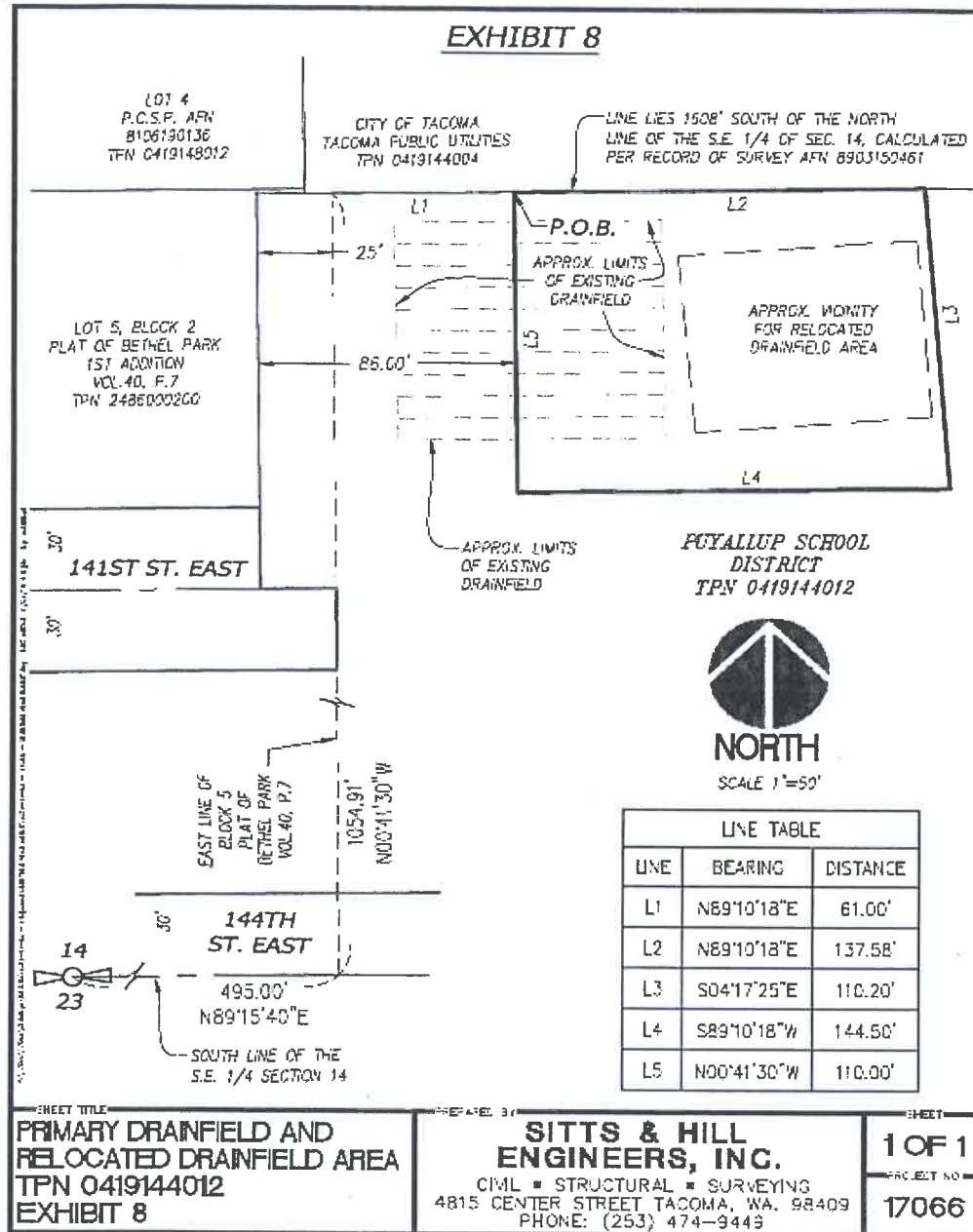
Puyallup School District Parcel 0419144012
Project No. 17066

Page 26 of 30

ILLUSTRATIVE MAP OF EASEMENT AREA C



ILLUSTRATIVE MAP OF EXISTING DRAINFIELD AREA AND GRANTOR'S RELOCATED DRAINFIELD AREA



LEGAL DESCRIPTION OF GRANTOR'S RELOCATED DRAINFIELD AREA

EXHIBIT 9 LEGAL DESCRIPTION FOR DRAINFIELD AREA

A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, PIERCE COUNTY, WASHINGTON, MORE SPECIFICALLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 14;

THENCE NORTH 89°15'40" EAST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, 495.00 FEET TO THE INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE EAST LINE OF BLOCKS 5 AND 4 WITHIN THE PLAT OF BETHEL PARK FIRST ADDITION FILED IN VOLUME 40 OF PLATS AT PAGE 7, RECORDS OF PIERCE COUNTY;

THENCE NORTH 00°41'30" WEST, ALONG SAID SOUTHERLY EXTENSION AND SAID EAST LINE AND ITS NORTHERLY EXTENSION, 1054.91 FEET TO THE SOUTH LINE OF THE NORTH 1,608 FEET OF THE SOUTHEAST QUARTER OF SAID SECTION 14;

THENCE NORTH 89°10'18" EAST, ALONG SAID SOUTH LINE OF THE NORTH 1,608 FEET, 61.00 FEET TO INTERSECT A LINE LYING 86.00 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF SAID PLAT OF BETHEL PARK AND THE POINT OF BEGINNING;

THENCE, CONTINUING NORTH 89°10'18" EAST, ALONG SAID SOUTH LINE OF THE NORTH 1,608 FEET, 137.58 FEET;

THENCE SOUTH 04°17'25" EAST 110.20 FEET TO A LINE LYING 110.00 FEET SOUTH OF AND PARALLEL WITH SAID SOUTH LINE OF THE NORTH 1,608 FEET;

THENCE SOUTH 89°10'18" WEST, ALONG SAID PARALLEL LINE, 144.50 FEET TO A LINE LYING 86.00 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF SAID BLOCK 2 OF BETHEL PARK FIRST ADDITION;

THENCE NORTH 00°41'30" WEST, ALONG SAID PARALLEL LINE, 110.00 FEET TO THE POINT OF BEGINNING;

CONTAINING 15,514± SQUARE FEET, MORE OR LESS.

DESIRAE SCHILLING, P.L.S.
WASHINGTON STATE REGISTRATION NO. 49289
SUTTS & HILL ENGINEERS, INC.
4815 CENTER STREET, TACOMA, WA 98409



LEGAL DESCRIPTION OF GRANTOR'S PROPERTY

City of Tacoma - Department of Public Utilities		
Water Division Easement No. 2709		
Southeast Quarter (SE¼) of Section 14, Township 19 North, Range 4 East, W.M., in Pierce County, Washington		
<p>PARCEL 1:</p> <p>THE EAST HALF OF THE SOUTHEAST QUARTER, SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W.M., PIERCE COUNTY, WASHINGTON.</p> <p>EXCEPT THAT PORTION OF SAID SUBDIVISION DEEDED TO THE CITY OF TACOMA UNDER AUDITOR'S FILE NOS. 334140 AND 720086, RECORDS OF SAID COUNTY; ALSO EXCEPT THE NORTH 678.52 FEET OF SAID SUBDIVISION; ALSO EXCEPT THAT PORTION OF SAID EAST HALF FOR 144TH STREET EAST AS DEEDED TO SAID COUNTY UNDER AUDITOR'S FILE NOS. 2211151 AND 2167772, RECORDS OF SAID COUNTY.</p> <p>ALSO KNOWN AS PIERCE COUNTY TAX PARCEL NUMBER 041914-108-8.</p> <p>AND PARCEL 2:</p> <p>BEGINNING AT A POINT 30 FEET NORTH AND 495 FEET EAST OF THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W.M., PIERCE COUNTY, WASHINGTON; THENCE NORTH 00°41'30" WEST 880.00 FEET; THENCE SOUTH 89°15'40" WEST 25.00 FEET; THENCE NORTH 00°41'30" WEST 146.50 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE EAST ON SAID LINE TO A POINT 170 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE SOUTH PARALLEL TO THE EAST LINE OF SAID SECTION 14 TO A POINT 170 FEET WEST AND 30 FEET NORTH OF THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID SECTION 14 TO THE POINT OF BEGINNING:</p> <p>EXCEPT ANY PORTION LYING NORTH OF A LINE 1608.00 FEET SOUTH OF THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 14; AND EXCEPT ANY PORTION THEREOF CONVEYED TO PIERCE COUNTY BY QUIT CLAIM DEED RECORDED UNDER AUDITOR'S FILE NUMBER 8910170212.</p> <p>ALSO KNOWN AS PIERCE COUNTY TAX PARCEL NUMBER 041914-401-2.</p> <p>AND PARCEL 3:</p> <p>THE EAST 170 FEET OF THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 19 NORTH, RANGE 4 EAST, W.M., LYING SOUTH OF A LINE 1608 FEET SOUTH OF THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 14;</p> <p>EXCEPT THE SOUTH 30 FEET THEREOF;</p> <p>TOGETHER WITH THAT CERTAIN 1971 MARLE MOBILE HOME VIN NO. 10655AEB, LICENSE NO. 60306.</p> <p>ALSO KNOWN AS PIERCE COUNTY TAX PARCEL NUMBER 041914-404-3.</p> <p>ALL SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.</p>		
Reference No. P2018-183 GWM		Exhibit 10

MEMORANDUM



December 2, 2020

Mr. Bryan Flint, Chair
Public Utility Board
City of Tacoma, WA

Chair Flint,

In response to questions raised during the presentation of Resolution No. U-11222 at the November 18, 2020 TPU Board Special Meeting for the sale of 43± acres of Tacoma Water property to the Puyallup School District, Real Property Services met with Tacoma Water management and representatives of the Puyallup School District. This memorandum provides additional information for Board consideration.

The District initially expressed interest in the 43± acres in 2011. Subsequent negotiations included Pierce County Parks and Recreation who expressed interest in the adjacent 100-Acre Wood. Greg Volkhardt, Source Water and Treatment Operations Manager, briefed the Board during a March 23, 2017 Study Session about the proposed surplus disposition of both the 100-Acre Wood to the County for open space and the adjacent 43± acres to the District for a public school, including a timeline for approval and disposition, with anticipated closing of both transactions by August 2017. Although the County was able to secure grant funding and moved forward with their purchase and closed in December 2017, it took the District additional time to secure its funding, and upon doing so, we moved into drafting of the formal documents to complete the sale. Thus, the present request represents the final step in a multi-year process.

There has been public outreach to and involvement of the neighbors and larger community regarding these dispositions and future use of the properties. The public outreach includes:

Two public meetings held in May and August of 2015 with presentations by Tacoma Water, Pierce County Parks and Recreation, Puyallup School District, and the Pierce County Sheriff's Office. No significant objections were noted as to the proposal to sell the 100-Acre Wood to the County for passive open space or to the District for a future school. The primary concern expressed by the public centered around existing unauthorized use of the property for illicit activities such as parties, drug use, noise, and trash. Sentiments were expressed that development with the school should help alleviate such nuisances, but would also increase traffic. Others expressed that development of a school campus would be preferred over residential development of the property.

Additional information regarding the ecological and environmental conditions of the property includes the following:

- The Puyallup School District obtained a recent wetlands reconnaissance of the property which is attached. Although a formal delineation has not yet been completed, one would be required at time of development, and any wetlands or buffers disturbed would be mitigated pursuant to all applicable regulations.

- As part of the current sale, the following portions of the property will be substantially preserved from development:

Natural Buffer Area Covenant: A 25'-wide swath along the entire common boundary between the property and Tacoma Water's McMillin reservoir complex. This area will be preserved in a substantially natural state, with no clearing, grading, filling, building or road construction.

Easement Area B: This 0.80± acre area located at the northwest corner of the property will remain largely undisturbed and reserved for the occasional use by Tacoma Water as an outfall area when the reservoir tanks are cleaned.

- The agreed-to consideration of \$2,025,000.00 is based upon a recent appraisal and represents Fair Market Value. Any further restrictions on the development potential of the property would be subject to negotiation with the District and would result in a reduction in the consideration to Tacoma Water.

Due to the presence of wetlands, access easement to the County for the 100-Acre Wood, and the easements and covenant to be reserved to Tacoma Water, the District believes that the remainder of the site will be needed in order to accommodate the future school which is likely to be a middle school to be co-located with the existing Hunt Elementary School located immediately adjacent to the property on the west.

The property is zoned Residential Resource and is consistent with the latest update (2020) to Pierce County's South Hill Community Plan, and development of the property with a public school is an outright permitted use. Although there are no current plans to build the school, the District must plan many years in advance. A new middle school to serve this fastest-growing area of the Puyallup School District is part of their master plan, and acquisition of this site has been included in the District's 6-year Capital Facilities Plan. Also, the Puyallup School District Board approved this transaction in July 2020. Further opportunity for neighborhood and broader public input will be available at the time the District has finalized its plans for the site, and it must seek a supermajority public approval of a capital bond to fund construction. In addition, there will be significant opportunity for additional public input as the District navigates SEPA and permit approval processes required by state law and county code.

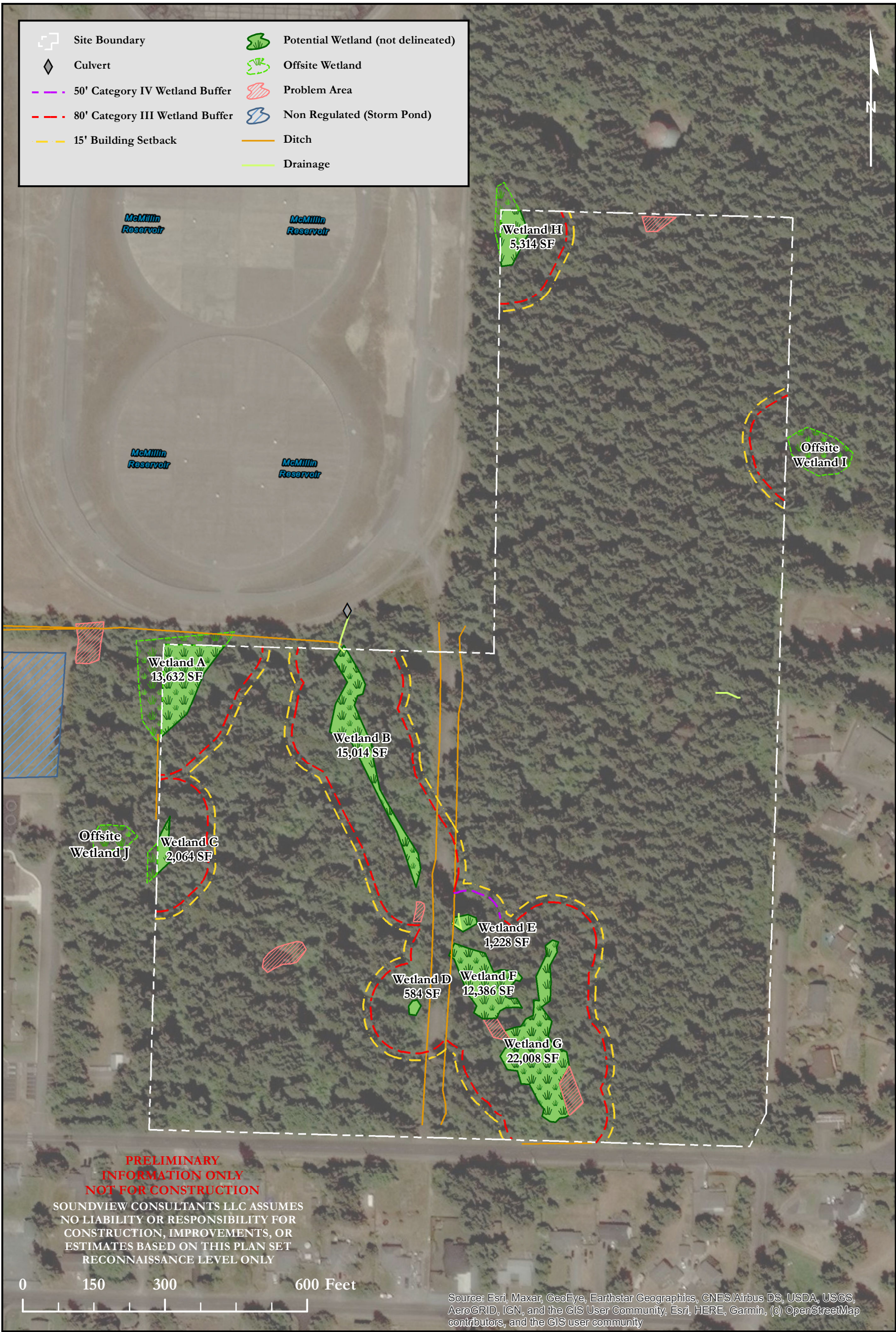
This item was tabled at the November 18th meeting due to unanswered issues raised by the Board. We hope the foregoing adequately addresses the questions raised and look forward to the opportunity to provide any additional information requested by the Board.

Respectfully,

Jackie Flowers, Director of Utilities

Attachments:
Wetlands Survey

TPU PROPERTY - RECONNAISSANCE MAP

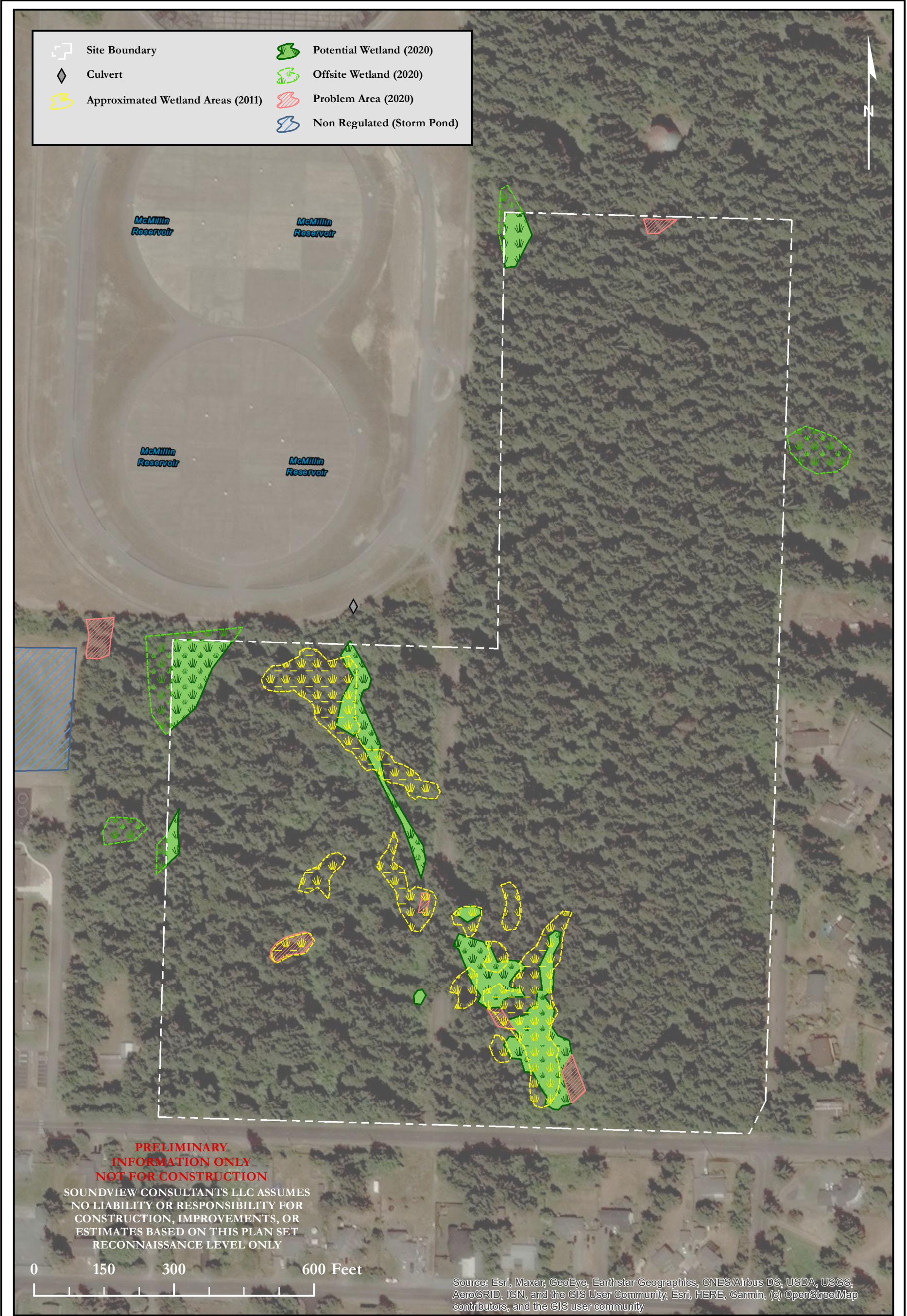



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TPU PROPERTY
XXXX 144TH ST E
PUYALLUP, WA 98374
PIERCE COUNTY PARCEL NUMBER:
0419141088

DATE: 9/8/2020
JOB: 1415.0006
BY: RJK
SCALE: 1" = 200'
FIGURE NO. 1

TPU PROPERTY - 2011 WETLAND OVERLAY




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FIGURE NO. 2