

**INTERLOCAL AGREEMENT FOR ANNEXATION
BETWEEN
CITY OF EVERETT AND COMMUNITY TRANSIT**

**Dated as of
November ____, 2026**



**INTERLOCAL AGREEMENT FOR ANNEXATION
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CITY OF EVERETT AND COMMUNITY TRANSIT**



This Interlocal Agreement Regarding Annexation and the Acquisition of Everett Transit (this “**Agreement**”) is made by and between the City of Everett, a Washington municipal corporation operating under Title 35 RCW and its charter as a first class city (“**Everett**”) and Snohomish County Public Transportation Benefit Area Corporation, a public transportation benefit area and municipal corporation formed and operating under chapter 36.57A RCW (“**Community Transit**”) (individually a “**Party**” and collectively the “**Parties**”). For reference purposes, this Agreement is dated as of the date set forth in Section 1.2(A) below (“**Agreement Effective Date**”) and shall become effective as between the parties as of that date.

RECITALS

- A. Everett operates a municipal transit system, established on November 26, 1969, and known as Everett Transit, that provides fixed bus route and paratransit services primarily within Everett city limits. Everett Transit, including its rolling stock, real property, and other assets, and current service levels, are more specifically described in Section 1.1 of this Agreement.
- B. Community Transit was established on October 4, 1976, initially including seven cities within Snohomish County and has had its boundaries extended over time to include all of the cities within Snohomish County with the exception of the City of Everett. Community Transit provides bus, vanpool, paratransit, and microtransit services.
- C. Everett is an adjacent city operating a transit system under chapter 35.95 RCW within the county in which the public transportation benefit area is located and is eligible to be annexed into Community Transit pursuant to alternative method set forth in RCW 36.57A.145.
- D. In accordance with chapter 39.34 RCW, RCW 36.57A.145, and this Agreement, the Parties have determined that it is in the best interests of the public for Community Transit to annex the territory within the boundaries of the City of Everett, acquire Everett Transit and assets, and appoint Everett Transit employees to positions in Community Transit, all at the times and in the manner described in this Agreement.
- E. The Parties have previously entered into the Interlocal Agreement Initiating Annexation of Everett Transit dated as of _____, 2026 (the “**Initiation Interlocal Agreement**”), setting the dates for the public hearings on this Agreement. Notice of the public hearings and of the availability of this Agreement was published once a week for four weeks before the date of the hearings in one or more newspapers of general circulation within the public transportation benefit area and one or more newspapers of general circulation within the City of Everett, beginning on _____, 2026, and was posted on the websites of the City of Everett and of Community Transit for the same four weeks.

- F. In accordance with RCW 36.57A.145 and the Initiation Interlocal Agreement, the Everett City Council held a public hearing on _____, 2026 and approved this Agreement by Ordinance _____, passed on _____, 2026. Community Transit's Board held a public hearing on _____, 2026, and approved this Agreement by Resolution _____ adopted on _____, 2026.
- G. The Parties desire to enter into this Agreement to formalize the details of the annexation and Community Transit's acquisition of Everett Transit and appointment of its employees and to set the date for the annexation to become effective (the "***Annexation Date***").
- H. Everett and Community Transit have authority to enter into this Agreement under the provisions of chapter 39.34 RCW and RCW 36.57A.120, .145, and other Washington statutes.

AGREEMENT

The Parties agree as follows:

PART 1 **GENERAL**

1.1 DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

- (A) "***Agreement***" means this Interlocal Agreement for Annexation, providing the details of the annexation of the territory within the corporate boundaries of the City of Everett into Community Transit and the transfer of Everett Transit to Community Transit in exchange for the Annexation Payment.
- (B) "***Agreement Effective Date***" is the date on which this Agreement becomes effective and binding between the parties, as set forth in Section 1.2(A), and is the date on which the annexation is deemed approved by Community Transit and Everett.
- (C) "***Annexation Date***" is the date as set forth in Section 1.2(B) on which the territory within the corporate boundaries of the City of Everett is annexed into and becomes part of Community Transit in accordance with RCW 36.57A.145(4).
- (D) "***Annexation Payment***" means the payment as shown in ***Attachment A*** by Community Transit to Everett in accordance with Section 2.1(A).
- (E) "***Approving Legislation***" means, depending on context, either or both of (1) the ordinance of the City of Everett and (2) the resolution of the Board of Community Transit approving this Agreement, following public hearing in accordance with RCW 36.57A.145(4) and the Initiation Interlocal Agreement.
- (F) "***Capital Reserve Transfer***" means the payment by Everett to Community Transit pursuant to Section 2.1(B).

- (G) **“Community Transit”** or **“CT”** means the Snohomish County Public Transportation Benefit Area Corporation, a public transportation benefit area and municipal corporation formed and operating under chapter 36.57A RCW.
- (H) **“Community Transit Board”** means the governing body of Community Transit, as duly constituted from time to time pursuant to RCW 36.57A.050.
- (I) **“CT Sales Tax”** means the sales and use tax for public transportation systems imposed by CT pursuant to RCW 82.14.045.
- (J) **“ET-CT Contracts”** means those contracts listed in **Attachment F-1** to which both Community Transit and Everett on behalf of Everett Transit are parties, which are designated as either terminated (**“ET-CT Terminated Contracts”**) or retained (**“ET-CT Retained Contracts”**) in accordance with Section 6.2(B).
- (K) **“ET Labor Contracts”** means the following collective bargaining agreements: (1) 2025 - 2027 Labor Agreement Between the City of Everett, Washington and Amalgamated Transit Union effective October 12, 2025; and (2) 2025 - 2027 Labor Agreement Between the City of Everett, Washington and the Everett Municipal Employees Local No. 113, American Federation of State, County, and Municipal Employees, AFL-CIO, and the Washington State Council of County and City Employees, effective January 1, 2025; which collective bargaining agreements are transferred and assigned to Community Transit. Copies of the ET Labor Contracts are attached as **Attachment C-1**.
- (L) **“ET Other Real Property Interests”** means those recorded real property interests reflecting less than fee simple ownership (such as easements) listed in **Attachment E-3**, which interests are held by Everett for the benefit of Everett Transit and are to be transferred or assigned to Community Transit as set forth in Section 5.4.
- (M) **“ET Other Tangible Personal Property”** means the Everett tangible personal property, other than ET Rolling Stock, held by Everett for the benefit of Everett Transit, which property is identified in **Attachment F-4** and is to be transferred or assigned to Community Transit as set forth in Section 6.1.
- (N) **“ET Real Property”** means that real property owned in fee by Everett and held by Everett’s transit fund for the benefit of Everett Transit, which real property is to be conveyed to Community Transit as set forth in Section 5.1. ET Real Property includes (1) the land legally described in **Attachment E-1** (the **“Land”**), together with (2) all of Everett’s right, title and interest in all structures, fixtures, buildings and improvements situated on the Land (the **“Improvements”**), and (3) any and all assignable rights, titles, powers, privileges, easements, licenses, rights-of-way and interests appurtenant to the Land and the Improvements, including without

limitation all assignable existing development rights, permits, applications and licenses appurtenant to or used in connection with the Land and Improvements.

- (O) ***“ET Rolling Stock”*** means those buses and other vehicles owned by Everett on behalf of Everett Transit and identified in ***Attachment F-2***, which are to be transferred to Community Transit in accordance with Section 6.1.
- (P) ***“ET Tangible Personal Property”*** collectively means the ET Rolling Stock and the ET Other Tangible Personal Property to be transferred to Community Transit in accordance with Section 6.1.
- (Q) ***“Everett”*** means the City of Everett, Washington.
- (R) ***“Everett Paratransit Riders”*** means the paratransit riders who are qualified and registered Everett paratransit riders as of the calendar date immediately prior to the Annexation Date. For purposes of this definition, a person is qualified if (i) they meet one of the conditions established by the Americans with Disabilities Act, or (ii) they are 65 years or older.
- (S) ***“Everett Station Leases”*** means those leases identified in ***Attachment E-4*** relating to the real property known as Everett Station pursuant to which Everett on behalf of Everett Transit is landlord, which leases are to be transferred or assigned to Community Transit as set forth in Section 5.2(B).
- (T) ***“Everett Transit”*** means Everett’s transit system established by and operated under EMC Section 3.52.020, as that system exists as of March 31, 2027, including without limitation: ET Real Property and Other Real Property; Rolling Stock; equipment and materials; interests held by Everett on behalf of Everett Transit under all Everett Transit Contracts; and all rights and obligations with respect to employees, agents, and contractors.
- (U) ***“Everett Transit Contracts”*** means any and all contracts to which Everett is a party on behalf of Everett Transit, including but not limited to (1) the ET-CT Contracts, (2) grant agreements, (3) the ET Labor Contracts, and (3) certain other agreements with the Federal Transportation Administration, Sound Transit, ORCA, and the Washington State Department of Transportation and others, all as identified in ***Attachment F-1***. The Everett Transit Contracts are to be transferred or assigned to Community Transit as set forth in Section 6.2(A).
- (V) ***“Everett Transit Sales Tax”*** means the sales and use tax imposed by Everett for public transportation systems under RCW 82.14.045 and Ch. 3.50 EMC.
- (W) ***“Existing ET Service Levels”*** means those service levels provided by Everett Transit as of the Annexation Date, including routes, service spans, frequencies, and

service hours, as reflected in Everett Transit's then-current published schedules and General Transit Feed Specification data.

- (X) ***"Federal Interest Real Property"*** means the Everett Real Property identified as Federal Interest Real Property in ***Attachment E-2***, which is subject to the continuing covenants and restrictions set forth in Section 1.4.
- (Y) ***"Federal Interest Rolling Stock"*** means the Everett Rolling Stock identified as Federal Interest Rolling Stock in ***Attachment F-3***, which is subject to the continuing covenants and restrictions set forth in Section 1.4.
- (Z) ***"Initiation Interlocal Agreement"*** means that certain Interlocal Agreement between Everett and Community Transit, ***dated as of September ____, 2026***, entered into pursuant to and in furtherance of the initiation of the annexation described in this Agreement, jointly agreeing on the annexation and the effective date for the annexation (the Annexation Date), and setting a date for a public hearing on this Agreement.
- (AA) ***"Interim Operations Period"*** means an initial period, as set forth in Section 1.2(C), beginning on the Annexation Date during which Everett and CT coordinate on specified described in an Interim Operations Plan.
- (BB) ***"Interim Operations Plan"*** means the plan describing the transition services to be provided by Everett during the Interim Operations Period in accordance with Section 2.3(A).
- (CC) ***"Operations and Maintenance Center Lease"*** that certain Lease for the Operations and Maintenance Center, dated as of the Annexation Date, between Everett as landlord and Community Transit as tenant in the form attached as ***Attachment E-7***.
- (DD) ***"Paratransit Service"*** means "ride sharing for persons with special transportation needs" as defined in RCW 46.74.010.
- (EE) ***"Party"*** or ***"Parties"*** means, individually or together, Everett and Community Transit.
- (FF) ***"Section 13(c) Contracts"*** means those contracts for employment identified in ***Attachment C-2***.
- (GG) ***"Service Transition Plan"*** means the plan for transition of transit service described in Section 4.1 and in ***Attachment D***.

(HH) ***“Title Company”*** means the title company mutually selected by Community Transit and Everett to serve as an escrow agent to receive, hold and record deeds, contracts, leases and other property or related documents conveyed or assigned by this Agreement, and to receive, hold and disburse the Annexation Payment and any other monies called for by this Agreement.

(II) ***“Transferred Employees”*** is defined in Section 3.2.

1.2 DATES AND TIMES

(A) ***Agreement Effective Date***

This Agreement takes effect and is binding on the parties as of November [], 2026.

(B) ***Annexation Date***

The annexation of the territory within the corporate boundaries of Everett into the Community Transit public transportation benefit area will be effective on April 1, 2027, unless postponed or canceled only in accordance with (1) Section 1.4(F) (if the FTA Approval is delayed), (2) Section 2.1(C) (for failure to meet the deadlines and conditions in that section), or (3) Section 2.2(B) (for failure to provide timely notice of the Annexation to the Department of Revenue).

On the Annexation Date, Everett will cease to operate a public transportation system under chapter 35.95 RCW, and Everett’s sales and use tax for public transportation systems imposed under RCW 82.14.045 and Ch. 3.50 EMC will cease to be collected, as provided in Section 2.2.

The Annexation Date may be abandoned and this Agreement terminated for any other reason only upon mutual written agreement of the Parties approved and signed by the Mayor of Everett and the Chief Executive Officer of Community Transit prior to the date on which notice is provided to the Department of Revenue under Section 2.2(B).

(C) ***Interim Operations Period***

A transitional Interim Operations Period will begin on the Annexation Date and will end on the date that is 18 months after the Annexation Date, unless otherwise determined by written agreement of the Parties.

(D) ***Time of Essence; Incorporation by Reference***

Time is of the essence in all provisions of this Agreement, including without limitation Attachment A through G to this Agreement. All of Attachments A through G are expressly incorporated by this reference.

1.3 STATE LAW MATTERS

(A) ***Compliance with RCW 36.57A.145***

In accordance with RCW 36.57A.145, this Agreement sets forth the terms for the annexation of the territory within the corporate boundaries of the City of Everett into Community Transit and provides that such annexation shall become effective on the Annexation Date set forth in Section 1.2(B). In accordance with RCW 36.57A.145(4), immediately upon passage of each party's Approving Legislation, each of Everett and Community Transit respectively agrees to file a certified copy of its Approving Legislation with the Snohomish County Council.

(B) ***State Regulations***

Following the Agreement Effective Date and throughout the Interim Operations Period, the Parties agree to cooperate in obtaining all required approvals from State agencies, including without limitation, the Department of Transportation and Department of Licensing.

1.4 FEDERAL INTERESTS IN REAL AND PERSONAL PROPERTY

The Parties acknowledge that portions of the ET Real Property and of the ET Tangible Personal Property was acquired or improved with the aid of federal funding through the Federal Transportation Administration ("**FTA**") of the U.S. Department of Transportation.

(A) ***FTA Approval***

The Parties have received preliminary approval of Community Transit's acquisition of the Federal Interest Real Property and Federal Interest Rolling Stock. The parties anticipate prior to the Annexation Date receiving the final FTA approval ("**FTA Approval**"), stating that the FTA has approved the transfer and Community Transit continuing control of the federal interests in the Federal Interest Real Property and the Federal Interest Rolling Stock as set forth in this section, consistent with 2 CFR § 200.311 and the guiding principles set forth in FTA Circular 5010.1F dated November 1, 2024.

(B) ***Continuing Control Covenant***

As set forth in this Agreement, Everett will transfer to Community Transit, and Community Transit will accept and assume control over such Federal Interest Real Property and Federal Interest Rolling Stock. Pursuant to Ch. III, Section 7(i) of FTA Circular 5010.1F, Community Transit will take such steps (and Everett will reasonably cooperate) as directed by FTA to document the transfer to it of such Federal Interest Real Property by way of a new award or an amendment to any prior awards associated with the transferred Federal Interest Real Property. From and after the date of transfer and for so long as the federal regulatory requirements apply, Community Transit covenants to maintain and use the Federal Interest Real Property and Federal Interest Rolling Stock in accordance with all limitations on the use of such property arising out of such federal funding, including without limitation the terms of the FTA Approval, 2 CFR Part 200, and the "Satisfactory

Continuing Control” requirements, disposition requirements, and other requirements or limitations set forth in FTA Circular 5010.1F and all other applicable USDOT and FTA regulation and guidance, as the same may be amended or revised from time to time by USDOT and/or FTA.

(C) ***Federal Interest Real Property – Federal Share***

The Parties acknowledge that certain ET Real Property, which is identified in ***Attachment E-2*** as “Federal Interest Real Property,” was obtained in whole or in part with federal funding through FTA. The percentage of the federal interest in the Federal Interest Real Property is set forth in ***Attachment E-2***, and is based on the original purchase price, the known FTA participation in that original purchase of the land, and the blended percentage of federal participation of subsequent capital grants funding improvements to the land.

(D) ***Federal Interest Rolling Stock – Federal Share***

The Parties acknowledge that certain ET Tangible Personal Property, which is identified in ***Attachment F-3*** as “Federal Interest Rolling Stock,” was obtained in whole or in part with federal funding through FTA. The percentage of the federal interest in the Federal Interest Rolling Stock is set forth in ***Attachment F-3***.

(E) ***Parties Agree to Cooperate with FTA***

The Parties agree to continue with diligence to cooperate and take such steps as may be necessary to satisfy such conditions and to complete the conveyance of the Federal Interest Real Property and Federal Interest Rolling Stock as soon as reasonably possible after the Annexation Date.

(F) ***Delay of FTA Approval***

The Parties acknowledge that certain obligations set forth in this Agreement are contingent upon FTA Approval. In the event that formal FTA Approval has not been received by January 11, 2027, the Annexation Date shall be July 1, 2027. If FTA Approval is not received prior to April 1, 2027 (for the July 1, 2027 Annexation Date), then the Parties agree to meet and determine whether to continue with a new Annexation Date (on an available date after July 1, 2027 in accordance with the DOR timelines under RCW 82.14.055) or to terminate. If the Parties are unable to reach a written agreement (for a new Annexation Date after July 1, 2027), which agreement must be approved and signed by the Mayor and the Chief Executive Officer on or before April 15, 2027, this Agreement terminates on April 15, 2027, the Annexation will not occur, and any items deposited with the Title Company in escrow will be returned in accordance with the escrow instructions described in Section 2.1(C).

PART 2
FINANCES, GOVERNANCE, AND INTERIM OPERATIONS

2.1 PAYMENTS

(A) *Annexation Payment to Everett.*

In exchange for Everett's agreement to the Community Transit annexation of Everett and acquisition of Everett Transit contemplated by this Agreement, and to compensate Everett for Everett Transit assets and costs borne by Everett following the Annexation, and in recognition of the benefits conferred on Community Transit by this Agreement, Community Transit shall pay to Everett an Annexation Payment in the amount of \$54,500,000.00, as set forth **Attachment A**, on or before the Annexation Date. Community Transit will deposit the Annexation Payment with the Title Company sufficiently in advance of the Annexation Date and Title Company shall disburse the Annexation Payment to Everett in a single lump sum in immediately available funds on the Annexation Date. Payment to Everett is subject to Everett's timely delivery to the Title Company, on or before the Annexation Date, of the deeds, bills of sale and other documents (the "**Transfer Documentation**") required by this Agreement (i.e. PART 5 and PART 6), Everett's timely deposit with the Title Company of amount set forth in Section 2.1(B) below.

The Parties expressly agree that the Annexation Payment is a single lump sum payment representing consideration paid to Everett for agreeing to be annexed into Community Transit.

(B) *Capital Reserve Transfer to Community Transit.*

In recognition of certain amounts held in reserve by Everett for capital transit purposes, Everett will deposit the sum of \$16,000,000 ("Capital Reserve Transfer") with the Title Company sufficiently in advance of the Annexation Date and Title Company shall disburse to Community Transit the Capital Reserve Transfer in immediately available funds on the Annexation Date. Subject to Community Transit's timely deposit with the Title Company of the Annexation Payment set forth in Section 2.1(A), the Capital Reserve Transfer will be delinquent if not delivered in full by Everett to the Title Company on the Annexation Date.

(C) *Escrow Instructions; Annexation Date*

As soon as practicable following the Agreement Effective Date, the Parties will jointly provide to the Title Company escrow instructions reflecting the actions to be taken on the Annexation Date to record and/or deliver the Transfer Documentation, as appropriate, and to deliver to Everett the Annexation Payment and to Community Transit the Capital Reserve Transfer. The Parties agree that the cost of the escrow will be jointly shared and that the escrow agreement and escrow instructions will be executed consistent with **Attachment G**.

The Parties intend that the Annexation Date will occur on April 1, 2027 and that accordingly, all properties to be transferred under this Agreement will be transferred on April 1, 2027; the entire the Annexation Payment will be delivered to Everett on April 1, 2027; and the entire Capital Reserve Transfer will be delivered to Community Transit on April 1, 2027. However, the Parties recognize that this may not be achievable and therefore agree that the Annexation Date may be postponed or canceled in accordance with **Attachment G**.

2.2 REVENUE AND TAXATION

(A) *Revenue and Taxation*

As of the Annexation Date, the territory within the corporate boundaries of Everett shall become annexed into the Community Transit public benefit transportation authority and become subject to all taxes, fees, and charges imposed by Community Transit at the then-effective rates in effect throughout Community Transit's boundaries, including without limitation the CT Sales Tax. Community Transit will be entitled to receive from Washington State Department of Revenue (DOR) all amounts collected in respect of the CT Sales Tax that relate to taxable activity occurring within Everett's corporate boundaries on and after the Annexation Date.

As of the Annexation Date, Everett will cease imposing sales and use taxes under RCW 82.14.045 and cease operating as a transit system under RCW 35.95. Notwithstanding the foregoing, Everett will remain entitled to receive from DOR any revenues collected in respect of the Everett Transit Sales Tax on taxable activity occurring within Everett's corporate boundaries prior to the Annexation Date.

(B) *Sales Tax Notice to the Washington State Department of Revenue*

Everett and Community Transit agree to provide to the DOR, at least 75 days before the Annexation Date, notice of this annexation and the resulting change in sales and use taxes in accordance with RCW 82.14.055, reflecting the cessation of the Everett Transit Sales Tax and the imposition of the CT Sales Tax as of the Annexation Date. This notice shall be provided jointly by the Parties.

For purposes of clarity and avoidance of doubt, the Annexation Date must correspond to an available date for adjusting sales tax rates under RCW 82.14.055 and its occurrence is contingent on notice of the sales tax change being given to DOR at least 75 days prior to the Annexation Date. This notice shall be provided jointly by the Parties in accordance with this Agreement. If for any reason the DOR does not receive timely notice from the Parties 75 days prior to the Annexation Date from either Party regarding the change in sales tax rates within Everett under this Section 2.2(B), the Annexation Date is automatically delayed to the next available date for changing the sales tax rate, without need for action by either Party. However, if the Annexation Date is delayed beyond July 1, 2027 due to a failure to provide notice to DOR by April 17, 2027, absent an additional

written agreement of the Parties approved and executed by the Mayor and Chief Executive Officer, this Agreement immediately terminates and the Annexation shall not occur.

2.3 POST-ANNEXATION INTERIM OPERATIONS

(A) *Interim Operations Plan*

The Parties' staffs will prepare an Interim Operations Plan outlining the transitional support that Everett will provide during the Interim Operations Period. The Plan will be completed on or before January 11, 2027. Everett performing these services is a component of the \$12 million portion of the lump sum payment described in Section 2.1(A) above.

(B) *Scope*

The scope of the support is described in **Attachment B**. If any issue, discrepancy or unanticipated circumstances arise, the Parties agree to promptly notify each other and shall cooperate in good faith to resolve such issue in a timely and mutually agreeable manner.

(C) *Governance and Community Transit Board Reconstitution*

The Parties acknowledge and expect that the Board composition will be determined pursuant to RCW 36.57A.050 and .055, and that the annexation contemplated by this Agreement will increase the population of the Community Transit's service area by more than 15% and will trigger the applicability of the requirement under RCW 36.57A.055 to change the composition of the governing body. The most recent OFM population figures would ensure at least one board seat for Everett.

Accordingly, not later than 90 days after the Annexation Date, Community Transit will convene a meeting of the representatives of the County and the other component cities to review and change the composition of the Community Transit Board in accordance with and as required under RCW 36.57A.055. This meeting is in addition to the regular four-year review meeting required under that statute. Community Transit will provide notice of such meeting as required under State law.

(D) *Capital Investments and Infrastructure*

Community Transit will report annually to Everett regarding the following obligations, in the same form and manner with which it reports to other jurisdictions within the Community Transit. In addition, CT will engage in the following:

- (1) *Capital Investments*. CT's Capital Improvement Program, is a multi-year planning and budgeting process that identifies, prioritizes, schedules, and funds major infrastructure investments needed to maintain, replace, improve, or expand CT's infrastructure, vehicles and facilities. All of Everett

Transit assets transferred pursuant to this Agreement will be included in CT's Capital Investment Program.

- (2) *Fleet Replacement; Capital Reserve Funds.* Everett Transit's bus fleet will be incorporated into CT's fleet and will be managed in accordance with CT's Fleet Replacement Plan.
- (3) *Bus Stop Improvements.* CT's Bus Stop Improvement Plan will be modified to include all bus stops and shelters transferred to CT from Everett pursuant to this Agreement. The plan will also address transit center improvements, lighting, and wayfinding/signage investments within the City of Everett.
- (4) *Speed & Reliability.* CT's Speed and Reliability Program will be modified to include City of Everett.

PART 3

LABOR AND EMPLOYMENT

3.1 PREPARATION FOR TRANSFER

The Parties have prepared an agreed preliminary list of employee positions and numbers of employees per position in accordance with applicable law reflecting all Everett Transit employees whose duties are necessary to efficiently operate the Everett Transit system (the "***Transferred Employees***"). The Parties may by agreement update this preliminary list from time to time until the Annexation Date. The final list (which will be marked as the "Final Attachment C-3 List") will automatically be incorporated into this Agreement as ***Attachment C-3*** as of the Annexation Date without further action by the Parties.

Everett may enter into agreements prior to the Annexation Date relating to payments to individual Everett Transit employees or bargaining groups. All of these payments based on such agreements prior to the Annexation date are the sole responsibility of Everett to pay.

3.2 TRANSFER ON ANNEXATION DATE

As of the Annexation Date, all Transferred Employees will become Community Transit employees appointed to employment positions in Community Transit as set forth in this PART 3. The last date of the Transferred Employees' Everett employment will be the calendar date immediately preceding the Annexation Date.

Transferred Employees subject to ET Labor Contracts will be placed by Community Transit in accordance with those contracts. No Transferred Employee will be placed by Community Transit in any worse position with respect to working conditions, pension, seniority, wages, sick leave, vacation, or other benefits than such employee enjoyed as an Everett Transit employee prior to the Annexation Date.

Community Transit is responsible for paying all wages and payments of any kind to all Transferred Employees due to employment from and after the Annexation Date, including

all salaries, wages, benefits, pension contributions or payments in lieu. If any issue, discrepancy or unanticipated circumstances arise, the Parties agree to promptly notify each other and shall cooperate in good faith to resolve such issue in a timely and mutually agreeable manner.

3.3 **EVERETT LABOR CONTRACTS**

As of the Annexation Date, Everett assigns and Community Transit assumes all ET Labor Contracts. Community Transit will employ the Transferred Employees subject to ET Labor Contracts in accordance with those contracts and in accordance with RCW 36.57A.120.

Community Transit will not engage in collective bargaining activities prior to the Annexation Date unless the need arises, or activities are requested by the labor unions.

3.4 **FEDERAL LAW**

Some Everett Transit employees are employed under Everett agreements with labor organizations (such as the Agreement dated August 26, 1981, between Everett and Local Union 883, ATU, AFL-CIO) and nonunion protective arrangements governed by Section 13(c) of the Federal Transit Act, 49 U.S.C. § 5333(b) and regulations thereunder, as they now exist or as amended (such statutes and regulations, "*Section 13(c)*"; such agreements and arrangements, "*Section 13(c) Contracts*"). Those 13(c) Contracts that Everett has identified as of the Agreement Effective Date are attached as **Attachment C-2**. As required under 49 U.S.C. § 5333(b) (commonly referred to as "13(c)"), Community Transit commits to assuming the City's existing collective bargaining agreements with represented ET employees, and to bargain in good faith with respect to the effects if any of this consolidation on affected employees.

The Parties agree that this Agreement and the transfer and appointment of Transferred Employees to Community Transit employment are: (i) fully consistent with the Section 13(c) Contracts and the Section 13(c) Contracts do not apply; (ii) fully comply with Section 13(c), to the extent applicable; and (iii) will not be nor permit a dismissal or displacement of any Transferred Employee nor the rearrangement or reorganization of the workforce.

As of the Annexation Date, Everett assigns and Community Transit assumes the Section 13(c) Contracts. Community Transit accepts full responsibility for Section 13(c) Contracts and Section 13(c) with respect to this Agreement and with respect to the transfer and appointment of Transferred Employees to Community Transit employment.

Community Transit shall indemnify, defend and hold harmless Everett from and against any all claims, demands, liabilities, or payments of any kind in connection with Section 13(c) or any Section 13(c) Contract to the extent such claims, demands, liabilities or payments arise from or relate (1) Community Transit's collective bargaining activities, if any, prior to the Annexation Date (2) the transfer or appointment of Transferred Employees to Community Transit employment, or (3) Community Transit's actions or omissions after the Annexation Date.

PART 4
TRANSIT OPERATIONS

4.1 SERVICE LEVEL REQUIREMENTS

The service provisions in this Section 4.1 and in **Attachment D** are intended to preserve continuity for Everett Transit riders during the transition and guide future service planning toward improved access, frequency, reliability, equity, and regional connectivity. Additionally, they are designed to preserve CT's ability to plan, phase, and implement network changes consistent with Board-adopted policies and available resources.

(A) Existing Service Levels

Existing ET Service Levels are the levels of service provided by Everett Transit within its service area as of the Annexation Date, including routes, service spans, frequencies, and service hours, as reflected in Everett Transit's then-current published schedules and General Transit Feed Specification data. Community Transit agrees to maintain or exceed the applicable Existing ET Service Levels at the date of the Annexation Date.

The Parties shall comply with the Service Transition Plan provided as **Attachment D**.

(B) Swift Blue Line.

Community Transit will continue operating Swift Blue Line as part of Community Transit's integrated network. On the Annexation Date, this agreement will supersede any other Blue Line agreement that may exist.

(C) Swift Gold Line.

Community Transit will finance, plan, construct and operate the Swift Gold Line. The City of Everett will provide jurisdictional support using its permitting, traffic engineering, curb management, and project delivery authorities, as applicable, to support dedicated transit lanes in the Broadway portion of the alignment, with the remaining portion of the alignment within the City operating in mixed traffic in the curbside travel lane, signal priority, and other roadway improvements along the Swift Gold Line corridor. Swift Gold Line service is planned to begin in 2031 (subject to change based on available funding and other factors).

4.2 PARATRANSIT

(A) Equal Service

Effective on the Annexation Date, Community Transit will provide [paratransit service] to all Everett Paratransit Riders at least equal to the [paratransit service] provided by Everett to Everett Paratransit Riders as of March 31, 2027 using Everett's Paratransit qualification requirements as of the date of this Agreement. This obligation remains in place for so long as any Everett Paratransit Rider desires paratransit service. Everett will provide to Community Transit a list of all registered Everett Paratransit Riders, which list may be

revised after the execution of this Agreement and before March 31, 2027 by the Mayor and the Chief Executive Officer.

(B) *Everett Paratransit Transferred Employees, Scheduling, Dispatch, and Assets*

- (1) Community Transit will provide Paratransit Service in Everett to Everett Paratransit Riders using Transferred Employees who provided or supported paratransit service for Everett as of March 31, 2027. Community Transit will continue to utilize such Transferred Employees to provide paratransit service in Everett until a new collective bargaining agreement covering those Transferred Employees is in place.
- (2) For as long as practical, Community Transit will provide Paratransit Service in Everett to Everett Paratransit Riders using Everett Transit vehicles and associated equipment transferred under this Agreement.
- (3) Community Transit will provide Paratransit Service in Everett to Everett Paratransit Riders using the same in-house scheduling and dispatch employees as used by Everett as of March 31, 2027.

4.3 FARE ALIGNMENT

(A) *EXISTING EVERETT TRANSIT FARES*

- (1) Except as provided in Section 4.4(A)(2), from and after the Annexation Date, Community Transit will charge fares at the same Everett fare rates in effect on March 31, 2027 for Existing Everett Transit Service and Everett Paratransit Service, in order to minimize customer disruption and support a seamless transition.
- (2) Such fare structure shall remain in effect unless modified by the Community Transit Board, following CT staff analysis, applicable public engagement activities, and completion of all required Board approval processes, which modification may occur no sooner than 12 months after the Annexation Date.

(B) *FARE COLLECTION SYSTEMS; REGIONAL FARE COLLECTION*

Fare collection, fare collection system infrastructure, and regional fare collection responsibilities will transition from Everett to Community Transit in accordance with the Interlocal Cooperation Agreement for Implementation, Operation, and Maintenance of the ORCA system, dated June 13, 2019.

PART 5
REAL PROPERTY

5.1 TRANSFER OF ET REAL PROPERTY

Everett shall transfer and convey to Community Transit, and Community Transit shall receive and accept from Everett, the ET Real Property. The ET Real Property is listed and legally described in ***Attachment E-1***. This attachment may be updated and revised in writing after the Agreement Effective Date and before the Annexation Date by the Mayor and the Chief Executive Officer.

(A) *Preparation for Transfer*

The Parties shall prepare for transfer of ET Real Property by undertaking the following prior to the Annexation Date.

- (1) Community Transit shall obtain, with Everett's cooperation, preliminary title reports and all existing environmental reports in the possession of Everett and actually known to Everett's Real Property Manager for each ET Real Property. Everett shall provide a written index to Community Transit by no later than October 9, 2026. Community Transit shall have the opportunity to review the documents produced prior to the Agreement Effective Date. Everett will have no further duty of investigation. Community Transit is responsible for reviewing all Commitments and making all arrangements to remove any exception deemed unacceptable by Community Transit. Everett will cooperate with such removal(s). The Parties will also cooperate to identify before the Agreement Effective Date easements or other property rights that Everett may need to reserve on ET Real Properties (such as utility easements). On the Agreement Effective Date, all existing exceptions are deemed "***Permitted Exceptions***" unless identified by Community Transit in writing delivered to Everett 10 days before the vote of the Everett City Council, as set forth below. It is the intent of the Parties to complete the Title review and any due diligence prior to the Approving Legislation of their respective governing bodies approving the Annexation. In the event a material title or due diligence or environmental issue is discovered, Community Transit will promptly notify Everett in writing no later than 10 days before the vote of the Everett City Council, and Everett shall cooperate in good faith to resolve such issues in a timely and mutually agreeable manner. If the Parties are unable to agree on a resolution for the issue(s) identified by Community Transit, then either Party may refuse to sign this Agreement (either before or after the vote on the Approving Legislation), in which case this Agreement will not go into effect and the Annexation will not occur. Community Transit's execution of this Agreement means that Community Transit's title, environmental, and other due diligence review have been completed and that all matters related to such review have been identified. Issues not so

identified relating to existing properties (without regard to Omitted ET Other Real Property Interests addressed in Section 5.4) may not be raised after that date.

- (2) Everett will deliver or cause to be delivered to Title Company a Bargain and Sale Deed (the “*Deed*”) for each ET Real Property, in the form attached as **Attachment E-5** and duly executed and acknowledged by Everett, conveying title in fee simple to Land and Improvements, free and clear of any and all liens, encumbrances, easements and assessments created by, through or under Everett, except for Permitted Exceptions.
- (3) The Parties shall each also deliver to Title Company such other duly-executed documents that may be reasonably required to close; provided however, no such additional document shall expand any obligation, covenant, representation or warranty of a Party or result in any new or additional obligation, covenant, representation or warranty of a Party under this Agreement beyond those expressly set forth in this Agreement.

(B) ***Transfer***

Transfer of the real property interests described in this PART 5 shall occur by recording of the deeds or such other required conveyance documents by the Title Company. Transfer will occur in accordance with Attachment G. Unless otherwise mutually agreed under a written agreement under **Attachment G**.

Transfer of ET Real Property shall occur on the Annexation Date, except for Omitted Other Real Property Interests as set forth in Section 5.4, and except as may be provided in a written agreement pursuant to Section 2.1(C) and **Attachment G**.

(C) ***Representations***

To the extent of Everett’s Real Property Manager’s actual knowledge as of the Agreement Effective Date, Everett warrants that there is no fact, condition, or circumstance affecting the ET Real Property that would materially and adversely affect Community Transit’s intended use of the ET Real Property, including, but not limited to, any pending or threatened litigation, zoning violations, code violations, environmental conditions, encroachments, restrictive covenants or easements not otherwise disclosed or listed on a Title Report or other material provided to Community Transit. The representations and warranties of Everett, if any, in this PART 5 (or elsewhere in this Agreement or in any deed or other document, affidavit or certificate executed or delivered in connection herewith) (collectively, the “**Express Representations**”) are the sole and only representations and warranties of Everett with respect to the transfers of ET Real Property contemplated by this Agreement. Except for Everett’s Express Representations, Everett specifically disclaims any warranty, guaranty, or representation, oral or written; past, present or future, of, as to, or concerning (i) the nature and condition of the ET Real Property, including but not by way of limitation, the water, soil, geology and the suitability thereof,

for any and all activities and uses which Community Transit may elect to conduct thereon, income to be derived therefrom or expenses to be incurred with respect thereto, or any obligations or any other matter or thing relating to or affecting the same; (ii) the manner of construction and condition and state of repair or lack of repair of any Improvements located thereon; (iii) the nature and extent of any easement, right-of-way, lien, encumbrance or license reservation; and (iv) the compliance of the ET Real Property or the operation of the ET Real Property with any laws, rules, ordinances, or regulations of any government or other body. Except as stated herein, in connection with the conveyance of the ET Real Property as provided for herein, Everett has not made and does not make, any representations, warranties or covenants of any kind or character whatsoever, whether express or implied, with respect to the quality or condition of the ET Real Property, the suitability of the ET Real Property for any and all activities and uses which Community Transit may conduct thereon, compliance by the ET Real Property with any laws, rules, ordinances or regulations of any applicable governmental authority or habitability, merchantability or fitness for a particular purpose, and specifically, Everett does not make any representations regarding hazardous waste, as defined by the laws of the State of Washington and any regulations adopted pursuant thereto or the U. S. Environmental Protection Agency regulations at 40 C.F.R., Part 261, or the disposal of any hazardous waste or any other hazardous or toxic substances in, on or under the ET Real Property. Except for any Express Representations, Community Transit agrees to accept the ET Real Property at the Annexation Date or subsequent date of transfer specified in this Agreement, with the ET Real Property being in its present as is condition with all faults.

(D) *ET Real Property Condition; No Reliance*

Community Transit acknowledges and agrees that Community Transit is, or has engaged and is relying on persons who are, experienced in the ownership, development and/or operation of properties similar to the ET Real Property. Community transit acknowledges and agrees that it is fully relying on Community Transit's (or Community Transit's representatives') knowledge of the ET Real Property and, except for the Express Representations (if any), is not relying upon any statement (oral or written) which may have been made or may be made (or purportedly made) by Everett or any of its representatives. Community Transit acknowledges and agrees that by this Agreement it is waiving the opportunity to inspect, that such waiver was at Community Transit's absolute discretion and was based on Community Transit's own evaluation, not upon any statement (oral or written) which may have been made or may be made (or purportedly made) by Everett or any of its representatives. Community Transit hereby expressly assumes all risks, liabilities, claims, damages and costs (and agrees that Everett shall not be liable for any special, direct, indirect, consequential or other damages) resulting or arising from or related to the ownership, use, condition, location, maintenance, repair or operation of the ET Real Property arising or accruing from events occurring from and after the date of transfer. Community Transit expressly waives (to the extent allowed by

applicable law) any claims under federal, state or other law that Community Transit might otherwise have against Everett relating to the use, characteristics or condition of the ET Real Property except as otherwise specifically provided by this Agreement. Any repairs paid for by Everett pursuant to this agreement, if any, shall be done without any warranty or representation by Everett, and Everett hereby expressly disclaims any warranty or representation of any kind whatsoever in connection with such repairs.

(E) ***Release***

Except for the Express Representations, Community Transit, for itself and its successors in interest, releases Everett and its affiliates and their respective officials, agents employees, and advisors (collectively the “***Everett Parties***”) from, and waives all claims and liability against the Everett Parties for, any structural, physical, environmental, economic, legal, financial or operational condition at the ET Real Property, and hereby releases the Everett Parties from, and waives all liability against the Everett Parties attributable to, the structural, physical, environmental, economic, legal, financial or operational condition of the ET Real Property, including without limitation (i) any damages arising out of a violation of any legal requirement with respect to the physical condition, maintenance or improvement of the ET Real Property; (ii) any damages arising out of the state of the physical condition, maintenance or improvement of the ET Real Property on or before the transfer date; (iii) any damages arising out of the presence, discovery or removal of any hazardous materials or substances in, at, about or under the ET Real Property, or connected with or arising out of any and all claims or causes of action based upon any environmental law, including CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by SARA Superfund Amendment and Reauthorization Act of 1986 and as may be further amended from time to time) or any related claims or causes of action or any other federal, state or municipal based statutory or regulatory causes of action for environmental contamination at, in or under the ET Real Property.

(F) ***Initials***

The provisions of this Section shall survive indefinitely any transfer or conveyance, or termination of this Agreement, and shall not be merged into the transfer or conveyance documents. Everett and Community Transit hereby specifically acknowledge and agree to the provisions of this Section:

Everett:

Community Transit:

5.2 **EVERETT STATION**

(A) ***Conveyance***

Everett’s transfer and conveyance to Community Transit of the ET Real Property (including all land and improvements) commonly referred to as Everett Station and legally described in ***Attachment E-1***, in accordance with Section 5.1, shall also be subject to the following:

(B) ***Everett Station Leases***

The Everett Station Leases consist of leases of portions of Everett Station, under which Everett is landlord and various tenants are tenants. The Everett Station Leases are identified in ***Attachment E-4***. This attachment may be updated and revised in writing after the Agreement Effective Date and before the Annexation Date by the Mayor and the Chief Executive Officer. It is the intent of the Parties that, effective as of the Annexation Date, Everett assigns to Community Transit and Community Transit assumes, the Everett Station Leases. On or prior to the Annexation Date, Everett and Community Transit shall execute the Assignment of Leases in the form attached as ***Attachment E-6***.

To the actual knowledge of the Everett's Real Property Manager, Everett represents that all Everett Station Leases as of the Annexation Date are identified in ***Attachment E-4*** (as may be revised as of the Annexation Date) and copies thereof have been provided to Community Transit. To the extent that any of the Everett Station Leases are not assignable or transferable or other issues arise relating to assignability or transferability, Everett will reasonably cooperate with Community Transit for Community Transit to make new arrangements with tenant(s), but in no event is Everett obligated to incur any cost in assigning the Everett Station Leases to Community Transit nor will any matter related to assignability or transferability of any Everett Station Lease result in any reduction in the Annexation Payment or any other liability of Everett to Community Transit.

Upon assuming the Everett Station Leases, Community Transit agrees to permit the current tenants to remain through their current lease agreements, which may be amended or terminated only in accordance with their terms.

(C) ***Community Events and Other Use Arrangements***

Community Transit agrees to allow City and Community uses to continue for a period of 3 years following the Annexation Date. Community Transit agrees to allow the facility to be reserved by the City and members of the public for community events in a manner that is similar to current practice.

5.3 **OPERATIONS AND MAINTENANCE CENTER LEASE/ELECTRIC BUS CHARGERS**

Community Transit will lease Everett's operations and maintenance center from Everett under ***Attachment E-7*** to this Agreement. Everett and Community Transit shall execute such Lease sufficiently in advance of the Annexation Date so that it is effective as of the Annexation Date. This lease includes a license for the electric bus chargers adjacent to Everett's operations and maintenance center to be used by Community Transit for the lease term. These chargers were obtained with federal funds. Ownership of the chargers shall transfer to Community Transit on the Annexation Date by a bill of sale (or deed) in substantially the form of (or by incorporation into) the Form of Bill of Sale attached as ***Attachment F-6*** which shall be delivered to the Title Company by Everett with Everett's delivery of the Tangible Personal Property Transfer Documents (defined below).

5.4 **ASSIGNMENT/TRANSFER OF ET OTHER REAL PROPERTY INTERESTS**

The ET Other Real Property Interests (which are those recorded real property interests reflecting less than fee simple ownership (such as easements)) that are known as of the date of this Agreement are listed and legally described in **Attachment E-3**. The Parties will reasonably cooperate with each other to identify and list additional real property interests as appropriate on **Attachment E-3**, which attachment will be updated and revised as necessary in writing after the Agreement Effective Date and before the Annexation Date by the Mayor and the Chief Executive Officer.

As of the Annexation Date, Everett assigns to Community Transit and Community Transit assumes, the ET Other Real Property Interests. On or prior to the Annexation Date, Everett and Community Transit shall execute and deliver to the Title Company the Assignment of Other Real Property Interests in the form attached as **Attachment E-8**, which the Title Company shall record on the Annexation Date.

The Parties acknowledge that it is possible that some ET Other Real Property Interests held by Everett for Everett Transit as of the Annexation Date may be omitted by oversight from Attachment E as of the Annexation Date (such omitted property interests, “**Omitted ET Other Real Property Interests**”). If such omission occurs, Community Transit shall give written notice of such omission to Everett. Upon receipt of such notice, Everett shall provide Community Transit with an assignment in a form reasonably acceptable to Community Transit of such Omitted Other Real Property Interest.

In no event is Everett obligated before or after the Annexation Date to incur any cost in assigning to Community Transit the ET Other Real Property Interests or Omitted ET Other Real Property Interests to Community Transit, including without limitation any recording costs or fees.

To the extent that any of the ET Other Real Property Interests or Omitted ET Other Real Property Interests are not assignable or transferable or other issues arise relating to assignability or transferability, Everett will reasonably cooperate with Community Transit for Community Transit to make new arrangements with property owners. In no event will any matters related to assignability or transferability of any ET Other Real Property Interest or Omitted ET Other Real Property Interest result in any reduction in the Annexation Payment or any other liability of Everett to Community Transit.

PART 6 PERSONAL PROPERTY

6.1 **TRANSFER OF ET TANGIBLE PERSONAL PROPERTY**

(A) *ET Tangible Personal Property-Rolling Stock*

ET Tangible Personal Property includes ET Rolling Stock and Everett Transit Other Personal Property, described as follows:

- (1) ET Rolling Stock is listed and described in **Attachment F-2**. The ET Rolling Stock that is Federal Interest Rolling Stock is identified in **Attachment F-2**, which schedule may be revised after the execution of this Agreement and before the Annexation Date by the Mayor and the Chief Executive Officer.
- (2) The Everett Other Tangible Personal Property is listed and described in **Attachment F-4**. This attachment may be revised after the execution of this Agreement and before the Annexation Date by the Mayor and the Chief Executive Officer.

(B) **Transfer**

Everett shall transfer to Community Transit, and Community Transit shall receive and accept from Everett, the ET Tangible Personal Property.

At or prior to the Annexation Date, Everett will execute and deliver or cause to be delivered to the Title Company a Bill of Sale in the form attached as **Attachment F-6** and such additional documentation, if any, as reasonably necessary to document the transfer of the ET Tangible Personal Property (such documents, the “**Tangible Personal Property Transfer Documents**”).

The transfers described in this PART 6 shall occur by delivery of the Tangible Personal Property Transfer Documents to Community Transit by the Title Company. Transfer shall occur on the Annexation Date or as otherwise provided in Section 2.1(C) for all ET Tangible Personal Property.

Community Transit shall pay all costs associated with transfer, including without limitation all personal property and taxes and assessments and all filing fees.

(C) **Representations**

Everett has provided Community Transit with the current relevant documentation regarding the vehicle maintenance histories and warranty information of the rolling stock and represents it will maintain the assets according to its regular and preventative maintenance schedule up to the date of transfer. The representations and warranties of Everett, if any, in this PART 6 (or any bill of sale or other document, affidavit or certificate executed or delivered in connection with the transfer of the Everett Transit Tangible Property) (collectively, the “**Personal Property Express Representations**”) are the sole and only representations and warranties of Everett with respect to the transfers of Everett Transit Tangible Property contemplated by this Agreement. Except for Everett’s Express Representations (if any), Everett specifically disclaims any warranty (including without limitation warranty of title), guaranty, or representation, oral or written; past, present or future, of, as to, or concerning (i) the nature and condition of the Everett Transit Tangible Property. Except as stated herein, in connection with the transfer of the property as provided for under this agreement, Everett has not made and does not make, any representations, warranties or covenants of any kind or character whatsoever, whether express or implied, with respect to the quality or condition of the ET Tangible Personal Property. Except for the Personal Property Express Representations, Community

Transit agrees to accept the ET Tangible Personal Property at the date of transfer provided in this Agreement, with the ET Tangible Personal Property being in its present as is condition with all faults.

(D) ***Release***

Except for the Personal Property Express Representations, Community Transit, for itself and its successors in interest, releases Everett and its affiliates and their respective officials, agents employees, and advisors (collectively the “***Everett Parties***”) from, and waives all claims and liability against the Everett Parties for, any structural, mechanical, physical, economic, legal, financial or operational condition at the ET Tangible Personal Property, and releases the Everett Parties from, and waives all liability against the Everett Parties attributable to, the structural, physical, economic, legal, financial or operational condition of the ET Tangible Personal Property.

(E) ***Omitted ET Tangible Personal Property***

The Parties acknowledge that it is possible that some ET Tangible Personal Property held by Everett for Everett Transit as of the Annexation Date may be omitted by oversight from ***Attachment F-4*** (such omitted property interests, “***Omitted ET Tangible Personal Property***”). If such omission occurs, Community Transit shall give written notice of such omission. Upon receipt of such notice, Everett shall transfer the Omitted ET Tangible Personal Property to Community Transit by a Tangible Personal Property Transfer Document in a form reasonably acceptable to Community Transit.

(F) ***Easements, Licenses, Right of Way Permits for Personal Property and Fixtures***

The Parties acknowledge that some personal property or fixtures transferred to Community Transit under this Agreement may be affixed to real property owned by Everett or may be located within Everett rights-of-way. Everett, as part of the transfer of such a personal property or fixture, shall execute and deliver to Community Transit an easement, license, or right of way permit as appropriate so that the transferred personal property or fixture may remain in place for its remaining useful life. The easement, license or right of way permit shall be substantially in form as provided in ***Attachment F-5*** unless otherwise agreed by the Parties.

6.2 **TRANSFER OF EVERETT TRANSIT INTANGIBLE PERSONAL PROPERTY**

(A) ***Everett Transit Contracts***

The Everett Transit Contracts are listed and described in ***Attachment F-1***. This attachment will be updated and revised as necessary in writing after the Agreement Effective Date and before the Annexation Date by the Mayor and the Chief Executive Officer.

The Parties agree that, effective as of the Annexation Date, Everett assigns to Community Transit and Community Transit assumes, the Everett Transit Contracts. On or prior to the Annexation Date, Everett and Community Transit shall execute the Assignment of Contracts and Intangible Property in the form attached as ***Attachment F-5***.

In the event there are issues regarding the assignability of a contract, the Parties agree to promptly notify each other and shall reasonably cooperate in good faith to resolve such issues in a timely and mutually agreeable manner, but Everett is not obligated before or after the Annexation Date to incur any cost in assigning to CT the Everett Transit Contracts nor will any matter related to assignability or transferability of any Everett Transit Contract result in any reduction in the Annexation Payment or any other liability of Everett to Community Transit.

(B) ***ET-CT Contracts***

(1) ***Termination of ET-CT Terminated Contracts***

Certain ET-CT Contracts identified in **Attachment F-1** as “ET-CT Terminated Contracts” are terminated as of the Annexation Date. The designation of any ET-CT Contract as an ET-CT Terminated Contract may be updated and revised after the Agreement Effective Date and before the Annexation Date by written agreement approved and executed by the Mayor of Everett and the Chief Executive Officer of Community Transit.

(2) ***ET-CT Retained Contracts***

The ET-CT Contracts identified in **Attachment F-1** as an “ET-CT Retained Contract” shall remain in effect after the Annexation Date. The designation of any ET-CT Contract as an ET-CT Retained Contract may be updated and revised after the Agreement Effective Date and before the Annexation Date by written agreement approved and executed by the Mayor of Everett and the Chief Executive Officer of Community Transit.

If a contract between Everett and Community Transit is omitted from **Attachment F-1**, then the parties agree to review same and determine if it will be terminated or retained.

PART 7

MISCELLANEOUS PROVISIONS

7.1 *Governing Law*

The laws of the State of Washington, without giving effect to principles of conflict of laws, shall govern all matters arising out of or relating to this Agreement.

7.2 *Venue*

Everett and Community Transit shall bring any litigation arising out of or relating to this Agreement only before the Snohomish County Superior Court. **THE PARTIES WAIVE THEIR RIGHTS TO TRIAL BY JURY IN ANY LITIGATION BETWEEN THE PARTIES ARISING FROM OR RELATING TO THIS AGREEMENT.**

7.3 *Entire Agreement*

This Agreement constitutes the entire agreement of the Everett and Community Transit relating to the subject matter of this Agreement. This Agreement supersedes and

replaces all other written or oral agreements thereto, including without limitation all prior agreements, amendments, and letter agreements.

7.4 Dispute Resolution – Unforeseen Circumstances

The Parties acknowledge that this Agreement is intended to be comprehensive but due to its complexity there may arise issues that were not foreseen or not fully addressed. The Parties agree to use their best efforts to prevent and resolve potential sources of conflict at the lowest appropriate level. If a dispute or conflict arises that cannot be resolved between designated staff representatives, the Parties designated representatives will meet and attempt to resolve the dispute in a timely manner. If the designated representatives cannot resolve the dispute in a timely manner, the dispute will be escalated to Everett's Executive Director and CT's Chief Executive Officer for resolution. Nothing in this Section 7.4 precludes either Party from pursuing any remedy available at law or in equity if good-faith escalation does not resolve a dispute, PROVIDED that prior to the initiation of any formal proceeding (i.e. litigation) the parties agree to participate in mediation with a mutually agreed upon mediator.

7.5 Amendments

Except for revisions to attached Schedules as set forth in this Agreement, no amendment to this Agreement will be effective unless it is in writing and signed by Everett and Community Transit, with the Mayor signing for Everett and an authorized representative signing for Community Transit.

7.6 Waiver

No waiver of satisfaction of any condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or nonperformance of any other obligation.

7.7 Severability

If any provision of this Agreement is unenforceable to any extent, the remainder of this Agreement, or the application of that provision to any persons or circumstances other than those as to which it is held unenforceable, will not be affected by that unenforceability and will be enforceable to the fullest extent permitted by law.

7.8 Notice

For a notice under this Agreement to be valid, it must be in writing and the sending party must use one of the following methods of delivery: (A) personal delivery to the address stated below; (B) first class postage prepaid U.S. Mail to the address stated below; or (C) nationally recognized courier to the address stated below, with all fees prepaid.

Notice to Everett	Notice to Community Transit
Mayor City of Everett 2930 Wetmore Avenue Everett, WA 98201 And to: City Attorney City of Everett 2930 Wetmore Avenue Everett, WA 98201	CEO Community Transit 2312 West Casino Road Everett, WA 98204 And to: Community Transit Attorney 2312 West Casino Road Everett, WA 98204

A Party may change its address stated above by delivering written notice to the other Party of the new address.

7.9 **Assignment/Dissolution**

No part of this Agreement or any rights, duties, or obligations described in this Agreement may be assigned or delegated to another without the express written consent of both Everett and Community Transit, which may be denied in either Party's sole discretion. Except as may be otherwise provided in this Agreement, neither Party may terminate its obligations under this Agreement without the consent of the other Party.

7.10 **Successors**

This Agreement shall be binding upon Everett and Community Transit and their respective successors.

7.11 **Recitals Incorporated by Reference**

The Recitals set forth above are incorporated into this Agreement in full by this reference.

7.12 **No Third- Party Beneficiaries**

Except as expressly set forth in this Agreement, nothing in this Agreement is intended to confer upon any person or entity, other than the Parties, any rights, benefits, privileges or obligations. No such third-party shall have any right to enforce any of the terms of this Agreement unless expressly stated otherwise.

7.13 **Records**

Everett and Community Transit shall keep books and records related to this Agreement in accordance with applicable law. The books and records required by this paragraph shall be available for examination by either Party during normal business hours for a period of seven years upon 15 days prior written notice.

7.14 Compliance with the Washington State Public Records Act

Both Everett and Community Transit are subject to the Public Records Act, chapter 42.56 RCW. All records owned, used or retained by the Parties are public records subject to disclosure unless exempt under the Public Records Act, whether or not such records are in the possession or control of Everett or Community Transit. The Parties shall cooperate with each other so that each Party may comply with all of its obligations under the Public Records Act.

7.15 Interlocal Cooperation Act Provisions

- (A) This Agreement terminates when the Parties obligations under this Agreement are completed.
- (B) Each party to this Agreement shall serve as an administrator of this Agreement for the purposes of compliance with RCW 39.34.030 for each party's respective actions in performance of this Agreement.
- (C) Each party to this Agreement shall serve as an administrator of this Agreement for the purposes of compliance with RCW 39.34.030 for each party's respective actions in performance of this Agreement.
- (D) Nothing contained in this Agreement shall be construed as creating any type or manner of partnership, joint venture or other joint enterprise between the parties.
- (E) The parties agree that no separate legal or administrative entities are necessary to carry out this Agreement.

7.16 Signature/Recording

Signatures may be by e-signature of any kind, including without limitation AdobeSign. Community Transit post the Agreement following its execution by the Parties.

[Signature page(s) follow]

The parties have executed this Agreement as of the dates indicated below. This Agreement becomes effective on the date set forth in Section 1.2(A) above.

Date: _____, 20__

CITY OF EVERETT ("EVERETT")

Date: _____, 20__

**SNOHOMISH COUNTY PUBLIC
TRANSPORTATION BENEFIT AREA
CORPORATION ("COMMUNITY TRANSIT")**

By: _____
Cassie Franklin, Mayor

By: _____
Ric Ilgenfritz, Chief Executive Officer

ATTEST:

ATTEST:

Office of the City Clerk

Secretary