SNOHOMISH COUNTY GENERAL FUND CHILD CARE FACILITY LOAN AGREEMENT

by and between

SNOHOMISH COUNTY, WASHINGTON

and

RISE UP ACADEMY

For

RISE UP ACADEMY EXPANSION

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RISE UP ACADEMY EXPANSION PROJECT

SNOHOMISH COUNTY GENERAL FUNDS CHILD CARE FACILITY AGREEMENT

This SNOHOMISH COUNTY GENERAL FUNDS CHILD CARE FACILITY AGREEMENT (this "**Agreement**") is made by and between **SNOHOMISH COUNTY**, a political subdivision of the State of Washington, (the "**County"**); and RISE UP ACADEMY, a Washington non-profit corporation, (hereinafter the "**Agency**"*)*;

RECITALS

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the parties have entered into this Agreement, on this date of____________________, 2026, and agree as follows:

I. GENERAL AGREEMENT

The Agency hereby agrees, to undertake the Child Care Facility Expansion Project more fully described in **Exhibit A** (the "**Project**"), attached hereto and by this reference incorporated herein and to receive up to One Million dollars ($1,000,000) ("Contract Maximum") on a cost reimbursement bases for eligible expenses, more fully described in **Exhibit B** (the "**Project Budget**"), attached hereto and by this reference incorporated herein. The Project shall be located at: 11229 4th Ave W, Everett, WA 98204, legally described in Attachment 1 hereto (the "Property").

A. Funding Source

As consideration for receiving the County General Funds in the amount set forth in Section I, the Agency expressly agrees to undertake the Project as set forth herein.

The undertaking of the Project and Agency's performance under this Contract shall be in full accordance with Washington state law, Snohomish County Code, Snohomish County Policies and all other applicable laws, ordinances, rules and regulations not inconsistent therewith, including licensing, permitting and accreditation requirements, in all activities funded in whole or in part with funds provided through this agreement.

B. Assignment of Obligations

The Agency shall not assign any of its obligations under this Agreement but shall remain obligated at all times to perform according to the terms of this Agreement.

C. Covenant Agreement; Promissory Note; Deed of Trust

The Agency shall execute and record the Use Restriction Covenant Agreement ("**Covenant Agreement**") in the form **Exhibit C** upon execution of this Agreement and prior to the Agency receiving any funds under this Agreement.

Except as otherwise provided herein, the Agency shall cause any subsequent mortgagee or lienholder on the Project to be approved in writing by the County and shall require such mortgagee or lienholder to agree to subordinate the lien of its security instruments, if any, to the Covenant Agreement.

The Loan shall be evidenced by the Promissory Note, (the “Promissory Note” or “Note”) in the form attached as **Exhibit E**.

The Promissory Note shall be secured by a Deed of Trust, which the Agency shall execute and record, in the form attached as **Exhibit F**, attached hereto and incorporated herein by reference (the “**Deed of Trust**”). The Deed of Trust shall secure repayment of all funds provided under this Loan Agreement for the acquisition of real property and predevelopment costs allowable pursuant to the terms of this Loan Agreement.

Prior to execution of the Deed of Trust, the Agency must submit to the County verification of ownership interest in the Property (as defined in Exhibit A, Attachment 1, the “**Property**”) and of mortgage balances and recorded liens against the real property to be improved. The Loan Agreement, the Promissory Note, the Deed of Trust, and the Covenant Agreement are, collectively, the Loan Documents.

D. The Loan, Loan Terms; Project Budget

The Agency is hereby provided a one percent (1.00%) simple interest forgivable loan in the amount of One Million dollars ($1,000,000) (“Contract Maximum”), (the "Loan") for the full undertaking and performance of the Project. The loan shall bear interest at the rate of 1.00%, with a term of 20 years. Principal and Interest payments on the loan shall be deferred. The Loan shall be due and payable on September 30, 2046 (the “Loan Term”) as specified. The Loan shall be forgiven on September 30, 2046, PROVIDED, HOWEVER, that the Agency has fully complied with the provisions of this Loan Agreement. If the Property is sold, refinanced, transferred, the use changes during the term of the Agreement, or the Agency is materially out of compliance with the terms and conditions of this Agreement and continues out of compliance after notice and the expiration of any period for cure, the loan amount and any accrued interest shall be immediately due and payable to the County.

The Loan is provided to the Agency for the undertaking and performance of the Project. The Loan may be amended from time to time in the manner described elsewhere in this Loan Agreement, so long as the same remains consistent with the object of Exhibit A, as now or hereafter amended. The sum of any amendments to the Loan and this Loan Agreement may only be expended in accordance with the budget contained in Exhibit B attached hereto or any amendments thereto which is incorporated herein by reference, (as may hereafter be amended the “Project Budget”). The Agency shall manage the Project so that Project activity costs do not exceed the Project Budget. Further, the Agency shall absorb all costs in excess of the authorized Loan amount.

E. Term of Agreement

The Effective Date (“**Effective Date**”) of this Agreement shall be the date first written above. The Term of this Loan Agreement begins on the Effective Date of the Agreement and shall expire on the earlier of i) September30, 2046, or ii) the date the Loan is repaid, the End Date ("End Date"), Section I. G. shall survive this Agreement.

County Compliance Period ("Compliance Period") The Compliance Period shall commence upon Agency's receipt of a certificate of occupancy and completion of licensing for the facility with the Washington State Department of Health, whichever is later, and shall continue until September 30, 2046.

F. Agency Operations

The Agency shall provide or cause to be provided administrative, fiscal, and management services; employ staff; and purchase, rent, and use supplies and materials as needed to operate, maintain, and protect the Project in accordance with this Agreement.

G. Obligations Following Termination

Following expiration or termination of this Agreement subject to the applicable notice and cure periods, the Agency's obligations to the County shall remain in full force and effect until all closeout requirements are completed. Closeout requirements comprise all actions required to demonstrate to the County's satisfaction that all terms and conditions of the Agreement have been fulfilled, including, but not limited to, disposition of tangible property and provision of reports and data.

H. Survival

The following Sections will survive termination or expiration of this Agreement: Sections II. H. (Title Insurance), IV. F. (Insurance), VII. A. (Relationship of the Parties), VII. B. (Hold Harmless and Indemnification), VII. D. (Rights in Data).

I. Title Insurance

Within twenty (20) days after the execution of this Agreement, the Agency shall provide the County with an ALTA Extended Lender's title insurance policy on the Property in an amount not less than the Contract Maximum, as may be amended. In the event additional funds are advanced to the Agency under this Agreement, prior to the disbursement of those funds, the Agency shall provide the County with an endorsement to the foregoing title insurance policy that increases the amount of the insurance to include the amount of the additional funds.

Said title insurance policy shall show at the time of execution no liens, encumbrances, or financing instruments secured by or in any way associated with the Property except:

1. Schedule B general exceptions listed on the title insurance policy;

2. Any Schedule B special exceptions, if any, listed on the title insurance policy;

3. Those documents identified as having a lien prior and superior to the County's Covenant; and

4. Such other liens or encumbrances as may be approved by the County.

II. USE OF PROPERTY

The provisions in this Section II apply to the real property acquisition of the Project as set forth in this Loan Agreement and **Exhibit A**. The Project shall also be operated consistent with the terms of this Section, or such other similar program requirements as may be required by the County.

A. Beneficiaries

Populations Served. The Project shall provide childcare services to children and families within Snohomish County of households that as identified set forth Exhibit A of the Agreement, and the Property shall be used as provided in the Covenant Agreement.

B. Period of Accessibility

During the **Compliance Period,** the Agency shall operate a licensed child care facility according to this Agreement and **Exhibit A**, The Agency shall ensure the Project remains consistent with any standard as the County may determine, throughout the Compliance Period of this Agreement, without regard to any transfer of ownership.

C. Maintenance

The Agency shall maintain the facility in a safe and sanitary manner in accordance with all federal and state law, applicable local codes, rehabilitation standards, and zoning ordinances at the time of Project completion, and the Management Plan provided for in this Agreement.

The Agency agrees to keep the Property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon the Property in violation of law; and to do all other acts which from the character or use of the Property may be reasonably necessary to preserve and conserve its value. The Agency shall maintain the Property as decent, safe, and sanitary and in good repair.

D. Taxes, Assessments, and Encumbrances

The Agency agrees to pay before delinquency all taxes, assessments, and any other charges affecting the Property when due, and all encumbrances, charges, and liens, with interest, on the Property or any part, subject to the Agency's right to contest such taxes, assessments, and other charges in good faith.

E. Admission Procedures; Management Plan

The Agency shall provide services at the Project, in accordance with the Management Plan approved by, and on file with the County.

F. Management and Maintenance

The Agency is specifically responsible for all maintenance, repair, and management functions, including, without limitation, the following: participant standards, complaint and grievance proceedings, routine and extraordinary repairs, and replacement of capital items. The Agency shall maintain facility and common areas in a safe and sanitary manner in accordance with all applicable state and federal law, local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of Project acquisition, and the Management Plan provided for in this Agreement.

The Agency may, with prior written approval of the County, contract with a management agent for the performance of the services or duties required above. However, such an arrangement does not relieve the Agency of responsibility for the proper performance of these duties. Such a management contract shall be subject to prior written approval by the County and shall contain provision allowing the Agency to terminate the management contract upon thirty (30) days' written notice, without penalty. Upon a determination by the County, and written notice to the Agency thereof, that the management agent performing the required functions has failed to operate the Project in accordance with this Agreement and the approved Management Plan the Agency shall make immediate arrangements, which shall be subject to County approval, for continuing performance of the required functions.

Upon a determination by the County, and written notice to the Agency thereof, that the Agency has failed to operate the Project in accordance with this Agreement, the County may require the Agency to contract with a qualified management agent to operate the Project, or to make such other arrangements as the County deems necessary to ensure performance of the required functions.

The Agency agrees to assume full financial and management responsibility for all operating and maintenance costs, including all repairs, corrections, and replacements necessary to maintain and preserve the Project in a safe and sanitary condition in accordance with standards prescribed by the County, all obligations of this Agreement, and all applicable state laws and local ordinances.

To the extent that a permanent lender or grantor imposes requirements that are substantially different than the County's, the County may agree to adopt those requirements or allow that entity to have primary responsibility for monitoring management and maintenance.

G. Project Restructuring, Transfer, Sale, Change of Use

1. County Review. In the event of a proposed restructuring of the Project, which may include sale, refinancing, change of use, transfer of ownership interests and/or the ownership, the Agency shall submit to the County for review and approval, such information as the County deems necessary to review and approve the proposed terms of the transaction, including the proposed ownership entity, and information sufficient to ensure the continued viability of the Project for which the funding was

provided, or such alternate plan acceptable to the County that provides on-going viability of the Project.

Except as otherwise provided herein, the Agency may not change the use or planned use of the acquired or improved Property from that for which this Agreement was made unless the Agency receives prior written approval from the County and either:

The new use of the acquired or improved Property qualifies as meeting any eligible use of General Funds provided.

The requirements of paragraph 2 of this Section are met.

2. If the Agency determines, after prior approval of the County to change the use of the acquired, constructed, or improved Property to a use that does not qualify under (a) of this section, it may retain or dispose of the acquired or improved Property for the changed use if the Agency reimburses the County in the amount of the current fair market value of the acquired, constructed, or improved Property less any portion of the value attributable to expenditures of non-grant funds for the acquisition of or improvements, to the Property.

3. Any unpermitted transfer, restructuring, sale, or change of use shall be considered a material breach of this Agreement.

III. REQUIREMENTS

A. [Intentionally Deleted]

B. Non-Discrimination

It is the policy of the County to reject discrimination which denies equal treatment to any individual because of his or her race, creed, color, national origin, families with children, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability as provided in Washington's Law against Discrimination, Chapter 49.60 RCW, and the Snohomish County Human Rights Ordinance, Chapter 2.460 SCC. These laws protect against specific forms of discrimination in employment, credit transactions, public accommodation, housing, county facilities and services, and county contracts.

The Agency shall comply with Chapter 2.460 SCC, which is incorporated herein by this reference. Execution of this Agreement constitutes a certification by the Agency of the Agency's compliance with the requirements of Chapter 2.460 SCC. If the Agency is found to have violated this provision, or to have furnished false or misleading information in an investigation or proceeding conducted pursuant to Chapter 2.460 SCC, this Agreement may be subject to a declaration of default and termination at the County's discretion. This provision shall not affect the Agency's obligations under other federal, state, or local laws against discrimination.

C. Environmental Review

1. SEPA

The Agency retains responsibility for fulfilling the requirements of the State Environmental Policy Act ("SEPA") and regulations and ordinances adopted thereunder, as may be applicable.

2. Compliance as a Pre-Condition

Performance by the Agency under this Agreement shall include satisfaction of all applicable environmental requirements.

3. Contracting Requirements

a. This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. § 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1351 et seq., and the regulations of the Environmental Protection Agency with respect thereto, as amended from time to time. In compliance with said regulations, the Agency shall enforce and cause or require to be inserted in full in all contracts and subcontracts, with respect to any nonexempt transaction thereunder funded with assistance provided under this Agreement, the following requirements:

   1) A stipulation by the contractor or subcontractor that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities issued by the Environmental Protection Agency ("EPA") pursuant to 40 CFR § 15.20, as amended;

   2) Agreement by the contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. § 1857c-8), and Section 308 of the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1318), relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114, Section 308, and all regulations and guidelines issued thereunder;

   3) A stipulation that, as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities; and

   4) Agreement by the contractor that it will include or cause to be included the criteria and requirements referred to in this section in every non-exempt subcontract, and that it will take all appropriate actions to enforce these requirements.

b. In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility which has given rise to a conviction under Section 113(c)(l) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

D. Displacement, Relocation, and Acquisition

In the event any occupant is deemed by the County or State to have been displaced due to assistance provided under this Agreement and thereby to be entitled to relocation assistance, the Agency shall be solely responsible for providing the required assistance and paying all costs thereof, and the Agency shall hold the County harmless from any liability for such assistance. If there is displacement or relocation, the Agency shall follow the temporary relocation plan for current residents of the Property that has been approved by the County prior to any displacement or relocation of residents.

E. Lead-Based Paint

The Project shall be conducted and administered in compliance with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851-4856), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, M, and R, and with any and all applicable laws, regulations or standards hereafter enacted or issued with regard to lead-based paint.

F. Architectural and Construction Standards

Any facility constructed or rehabilitated pursuant to this Agreement shall comply with applicable design requirements of the Federal Architectural Barriers Act of 1968; Chapter 70.92 RCW; the Model Energy Code published by the Council of American Building Officials; Cost Effective Energy Conservation Standards, 24 CFR Part 39; and the Uniform Federal Accessibility Requirements, as required by 24 CFR Part 8. The Agency shall condition any lower tier transactions made with assistance under this Agreement to compliance with those applicable standards.

G. Architectural and Engineering Services

With regard to any capital improvements specified in **Exhibit A** under this Agreement, the Agency shall administer the Project in such a way as to ensure completion of the Project satisfactory to the County. In the event the Project includes substantial rehabilitation, the Agency shall use the services of a professional architect or engineer to perform Project design and contract administration. The Agency shall require that all architectural or engineering firms subcontracted for services certify that they are authorized to do business in the state of Washington and that they are in full compliance with the requirements of the Board of Professional Registration, and applicable requirements under Washington state law. The Agency shall require that all architectural or engineering firms be covered by Professional Liability Errors and Omissions Insurance in an amount not less than the $1,000,000 Occurrence/$1,000,000 Aggregate. The Agency shall cause the subcontractor to provide the County with a 45-day prior written notice of cancellation issued by the insurance company.

H. Procurement Contracts

1. The following provisions apply to procurements of supplies, equipment, construction, or other services financed in whole or part under this Agreement:

a. [Intentionally Deleted].

b. Bid procedures and bid documents must be reviewed by the County prior to award of any contracts for construction services for capital improvements financed in whole or in part under this Agreement, which approval will not be unreasonably withheld.

i) In addition to other provisions required by Snohomish County or non-Federal entity, all contracts made by the Agency under the Snohomish County award must contain provisions covering the following, as applicable, as referenced in RCW 39.04.350(1) and SCC 3.04.131(2).

ii) Records: The Contractor agrees to provide duly authorized representatives of the Agency, Snohomish County, and federal and state agencies access to any books, documents, papers, and records of the Agency which are pertinent to contract performance for the purpose of making audit examination, excerpts, and transcriptions.

2. The Agency shall procure all materials, property, supplies, or services in accordance with the requirements in the Snohomish County Environmentally Preferable Purchasing and Product Utilization Policies.

I. Labor Standards

1. Agency shall pay its laborers and mechanics at wage rates not less than those prevailing on similar construction in the locality in accordance with 39.12 RCW pertaining to payment of state prevailing wages on public works projects. For work financed under this Agreement, Agency shall require all contractors and subcontractors to comply with RCW 49.28.060 and 49.28.065. Agency shall file and ensure that any subcontractor file with Department of Labor and Industries a Statement of Intent to Pay Prevailing Wages and Affidavit of Wages Paid. Compliance with this section is material to this Agreement, any breach of this Section is cause for County termination under Section VI. B. of this Agreement.

2. Agency will comply with applicable prevailing wage rules set forth in Chapter 39.12 RCW, including the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" by RCW 39.12.040, if required under Chapter 39.12 RCW. Agency shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, if applicable, and shall make such records available for the County's review upon request.

J. Debarred and Suspended Parties

No portion of the funds provided under this Agreement shall be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund, any contractor or subcontractor during any period of debarment, suspension, voluntary exclusion or placement in ineligibility status of such contractor or recipient on the Washington State Department of Labor and Industries Debarred Contractor List or under the provisions of

RCW 39.12.130, RCW 39.06.020, and RCW 39.12.070. The Agency represents and warrants that the Agency is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any State of Washington assistance programs.

K. Personal Interest

The Agency agrees that it will incorporate into every lower tier contract required to be in writing and made pursuant to the Project assisted under this Agreement substantially the following provisions:

1. Interest of Agency and Employees

   The Agency warrants that no person who presently exercises any functions or responsibilities in connection with the Project has any personal financial interest, direct or indirect, in the Agreement.

   The Agency further represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Agency further covenants that in the performance of this Agreement no person having any conflicting interest shall be employed by Agency. Any interest on the part of the Agency or its employees must be disclosed in writing to the Agency and the County.

2. Covenant Against Contingent Fees

   The Agency warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or a bona fide established commercial or selling agency maintained by the Agency for the purpose of securing business. In the event of breach of this clause by the Agency, the Agency shall be required to annul this contract, without liability, or, in its discretion, to deduct from the contract price or consideration or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

L. Certain Acts Prohibited

The Agency shall not make any sale, encumbrance, assignment, or conveyance, or transfer in any other form, of the Property or Project or any part thereof or of any of its interest therein other than in accordance with the terms of this Agreement. The Agency shall not, without the prior approval of the County:

1. Make any distribution not permitted by the terms of this Agreement;

2. Assign or transfer any right to operate or manage the Project, except pursuant to the terms of this Agreement;

3. After the construction of the Project, except with respect to replacements of personal property and fixtures for the normal operations of Project, remodel, remove, add to,

reconstruct, or demolish any part of the Project, or impair any real or personal property of the Project, without prior written approval by the County;

4. Permit the use of the Project for any purpose except that which was approved by the County;

5. Incur any liability or obligation in connection with the Project, contingent or otherwise (other than liabilities and obligations in connection with the financing of the acquisition, payment of loans, development, construction of and operations of the Project);

6. Enter into any contract or contracts for supervisory or managerial services except as permitted by this Agreement; or

7. Invest any funds from the Project in any property, real or personal, for use on other properties of the Agency, except as authorized by this Agreement or by the County.

M. Religious or Faith-Based Organizations

Agency may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as a part of the programs or services funded this Agreement. If the Agency conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this Agreement, and participation must be voluntary for the beneficiaries of the -funded programs or services. Agency may not make religious observance compulsory, and Agency may not coerce anyone to o participate in any religious worship, exercise, or instruction in order to have access to the facilities funded by this Agreement.

IV. FISCAL MANAGEMENT

A. Eligible Costs

No payment shall be made by the County for any expenditure made or service rendered by the Agency except for expenditures made and services rendered within the scope of a category set forth in the Project Budget in **Exhibit B** of this Agreement, and all funds received must be used for expenditures and services as identified in this Agreement.

B. Payment and Disbursements

The Agency may not request disbursement of funds under this Loan Agreement until the funds are needed for the payment of eligible Project costs. The amount of each request shall be limited to the amount needed.

Disbursements by the County pursuant to this Loan Agreement shall be on a reimbursement basis, with five percent (5.00%) withheld as retainage until Project completion, covering eligible and actual acquisition and Project costs. These funds shall be managed through the County's General Fund account, in the following manner:

1. The Agency's Project staff will prepare the Request for Reimbursement Actual Expenditure Report (attached hereto as **Exhibit D** and incorporated herein by this

reference) as may be modified by the County and incorporated herein by this reference) and submit them to the County with adequate notice to allow processing by the County. Each Request for Reimbursement shall be submitted by the Agency only for funds needed for reimbursement of eligible and actual Project acquisition costs and reimbursement will be limited to the amount so needed.

C. Budget Revisions and Other Adjustments

1. The County reserves the right to reduce the amount of the Project Budget established by this Agreement if the Agency is not undertaking the Project activity at a level consistent with the terms and conditions of this Agreement. In addition, the County reserves the right to withhold payments pending delivery of Project reports or documents as may be required under this Agreement. All disbursements under this Agreement shall be subject to audit and recovery of disallowed costs.

2. The Agency acknowledges that the County will not provide additional financial assistance to the Agency in the form of operational or capital subsidies for the Project under this Agreement. The Agency agrees to assume full financial responsibility for the operating and maintenance of the Project throughout the Term of this Agreement.

D. Budget Surplus

All County funds and authorization of funds remaining in the Project Budget upon closeout of the Project, subject to applicable notice and cure periods, shall, unless otherwise agreed to by the County revert to the County. The Agency shall, upon closeout of the Project subject to applicable notice and cure periods, expiration or termination of this Agreement, transfer to the County:

A. Any County General Funds on hand; and

B. Its rights in any accounts receivable attributable to the use of County General Funds.

E. Political Activities

No funds may be used for working for or against ballot measures or for or against the candidacy of any person for public office.

F. Insurance

INSURANCE REQUIREMENTS – GENERAL

1. Insurance Required

   By the date of execution of this Agreement, the Agency shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to Property which may arise from, or in connection with, the performance of work hereunder by the Agency, its agents, representatives, employees and/or contractor/subcontractors, and successors and assigns. The Agency or contractor/subcontractor shall pay the costs of such insurance. The Agency shall furnish separate certificates of insurance and policy endorsements from each contractor/subcontractor as evidence of compliance with the insurance requirements of this Agreement.

The Agency is responsible for ensuring compliance with all of the insurance requirements stated herein. Failure by the Agency, its agents, employees, officers, contractor/subcontractors, providers and/or provider subcontractors to comply with the insurance requirements stated herein shall constitute a material breach of this Agreement.

Each insurance policy shall be written on an “occurrence” form; except that insurance on a “claims made” form may be acceptable with prior County approval. If coverage is approved and purchased on a “claims made” basis, the Agency warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of Agreement termination, and/or conversion from a “claims made” form to an “occurrence” coverage form.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded by said policies, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained in this provision shall affect and/or alter the application of any other provision contained within this Agreement.

2. Risk Assessment by Agency

   By requiring such minimum insurance, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Agency under this Agreement, nor shall such minimum limits be construed to limit the limits available under any insurance coverage obtained by the Agency. The Agency shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

3. Minimum Scope of Insurance

   Coverage shall be at least as broad as the following:

   a. General Liability Insurance: Insurance Services Office form number (CG 00 01) covering COMMERCIAL GENERAL LIABILITIY.

   b. Professional Liability, Errors and Omissions Coverage: In the event that services delivered pursuant to this Agreement either directly or indirectly involve or require professional services, Professional Liability, Errors and Omissions coverage shall be provided. “Professional Services”, for the purpose of this Agreement section, shall mean any services provided by a licensed professional or those services that require a professional standard of care.

   c. Automobile Liability: Insurance Services Office form number (CA 00 01) covering BUSINESS AUTO COVERAGE, symbol 1 “any auto”; or the appropriate coverage provided by symbols 2, 7, 8, or 9. Alternatively, if autos are not owned, then hired and non-owned coverage is acceptable.

d. Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, as well as any similar coverage required for this work by applicable federal or "Other States" state law.

e. Stop Gap/Employers Liability: Coverage shall be at least as broad as the protection provided by the Workers' Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the general liability policy.

f. Property Insurance: Insurance Services Office form number (CP 00 10) covering BUILDING AND PERSONAL PROPERTY COVERAGE and Insurance Services Office form number (CP 10 30) CAUSES OF LOSS – SPECIAL FORM or project appropriate equivalent.

g. National Flood Insurance: The use of funds for acquisition or construction purposes in identified special flood hazard areas shall be subject to Agency mandatory purchase of flood insurance as required by Section 102(a) of the Flood Disaster Protection Act of 1973 (Pub L. 93-237).

4. Minimum Limits of Insurance – Services Agreements

The Agency shall maintain limits no less than the following:

a. Commercial General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage and $2,000,000 in the aggregate.

b. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage.

c. Professional Liability, Errors & Omissions: $1,000,000, Per Claim and in the Aggregate.

d. Property Insurance: One hundred percent replacement value of acquired structure.

e. Workers Compensation: Statutory requirements of the State of Residency.

f. Stop Gap or Employers Liability Coverage: $1,000,000.

5. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to the County. The deductible and/or self-insured retention of the policies shall not apply to the Agency's liability to the County and shall be the sole responsibility of the Agency.

6. Other Insurance Provisions

The insurance policies required in this Agreement are to contain, or be endorsed to contain, the following provisions:

a. All Liability Policies except Professional and Workers Compensation:

1) "Snohomish County, its officers, officials, employees, and agents" are to be covered as Additional Insureds as respects liability arising out of activities performed by or on behalf of the Agency/Contractor in connection with this Agreement. Such coverage shall include Products-Completed Operations.

2) To the extent of the Agency's/Contractor's negligence, the Agency's Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Agency's insurance or benefit the Agency in any way.

3) The Agency’s insurance shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to the limits of the insurer’s liability.

b. Property Coverage Policies

The County shall be added to all Property Coverage Policies as a loss payee as its interests may appear.

c. All Policies

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after 30 days prior written notice has been given to the County.

7. Acceptability of Insurers

Unless otherwise approved by the County, insurance is to be placed with insurers with a Bests' rating of no less than A: VIII, or, if not rated with Bests, with minimum surpluses the equivalent of Bests' surplus size VIII.

Professional Liability, Errors, and Omissions insurance may be placed with insurers with a Bests' rating of B+VII. Any exception must be approved by the County.

If, at any time, the foregoing policies shall fail to meet the above requirements, the Agency shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with appropriate certificates and endorsements, for approval.

8. Verification of Coverage

The Agency shall furnish the County with certificates of insurance and endorsements required by this Agreement. Certificate holder shall be Snohomish County, as per Section VII. H.- Notifications.

The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the County prior to the commencement of activities associated with the Agreement. The County reserves the right to require complete, certified copies of all required insurance policies at any time.

9. Subcontractors

The Agency shall include all subcontractors as insureds under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. If the Agency is relying on the insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this Agreement, then such requirements and documentation shall be subject to all of the requirements stated herein.

10. Municipal or State Agency Provisions

If the Agency is a municipal corporation or an agency of the state of Washington and is self-insured for any of the above insurance requirements, a certification of self-insurance shall be provided for the self-insured requirements and attached hereto and be incorporated by reference and shall constitute compliance with this Section. If the certificate of self-insurance does not cover all mandatory requirements, the Agency shall provide separate certificates and endorsements that document coverage.

13. Casualty & Condemnation.

In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, the Agency shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefor, provided that:

a. such proceeds are sufficient to rebuild the Property in a manner that provides adequate security to the County to maintain the purpose of the Project, or, if such proceeds are insufficient, then the Agency shall have funded any deficiency;

b. the County shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement; and

c. no material default then exists under the Agreement or the Covenant Agreement.

If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding in a manner that provides adequate security to maintain the purpose of the Project.

G. Retainage

The County shall withhold the amount of Fifty Thousand ($50,000) from the loan proceeds as a retainage fee until final close-out and receipt of Project completion documents listed in the General Funds Child Care Facility Completion Report (attached hereto as Exhibit I and incorporated herein by this reference) and any other loan requirements or close out reports identified in Section V.
RECORDS AND REPORTS, B.1. Reports, herein, including, but not limited to:

1. Documentation demonstrating that all Snohomish County General Funds assisted facility childcare spaces meet the applicable codes.

2. A Certificate of Occupancy issued by the local building department, if applicable.

3. [Intentionally Deleted]

4. Certification from the Project architect or 3rd party inspector, as approved by the County that the Project is completed per the construction contract documents, and that all Snohomish County General Funds assisted facility childcare spaces meet Section 504 accessibility standards.

5. Other Project Closeout Reports/ Submittals as identified in Section V.B.1 and Exhibit I, as may be modified.

6. In the event that the Project does not meet the Snohomish County General Funds requirements for the specified terms of the loan per Section I, Subsection D, the Snohomish County General Funds shall be repaid.

V. RECORDS AND REPORTS

The Agency agrees to maintain the following records and submit the following reports to assist the County in meeting its recordkeeping and reporting requirements.

A. Records

The Agency agrees to generate and maintain sufficient records to enable the County to determine whether the Agency has met the requirements of this Agreement, which records shall include the following:

1. Financial management records in the form of separate accounts, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature and all services performed under this Agreement;

2. Records that demonstrate compliance **Exhibit A**;

3. Equal Opportunity records containing:

    a. Data on the extent to which each racial and ethnic group and single-headed families (by gender of family head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with County funds;

    b. Records that demonstrate compliance with environmental review requirements;

4. Records demonstrating that each project meets the lead-based paint requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851-4856), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, M and R;

5. Records demonstrating compliance with the requirements of this Agreement;

6. Retention. The above records and all other financial records, supporting documents, statistical records and all other records pertinent to this Agreement shall be retained for a period of seven (7) years after close out or termination of this Agreement, except as follows:

    a. Records that are the subject of audit, litigation, claims, negotiations or other actions shall be retained until the completion of the actions and resolution of all issues or for seven (7) years, whichever occurs later;

    b. Records for non-expendable property shall be retained for seven (7) years after its final disposition; and

    c. Records for any displaced person shall be retained for seven (7) years after the person has received final payment.

B. Reports

The Agency agrees to submit to the County such reports as the County requests pursuant to the requirements of state or federal law. As a minimum, the Agency shall submit, in a format prescribed by the County, the following:

1. Project Close Out Reports/Submittals

   The Agency shall provide applicable close out documentation required by this Agreement and as may be required by the County, which may include, but is not limited to the following: evidence of required insurance coverages; copies of occupancy permits; architect's certificate of final completion; final lien releases from contractors in the full amount of the construction contract; affidavits that state prevailing wage have been paid; copies of the general contractor's 1 year warranty; Capital Needs Assessment; copies of final executed property management agreements and final management plan, electronic copies of all final executed financing documents (including any senior or subordinate loan documents that have been revised or amended after the recording of the Covenant Agreement); a final accounting of total project costs, including final sources and uses; and if available, cost certification audits.

2. Quarterly Reports

   Quarterly reports shall be provided to the County as set forth in **Exhibit A**.

3. Annual Reports

   In addition to the annual reports required by **Exhibit A**, the Agency shall file with the County, each year annually, an annual report or such other form of annual report as the County may require, covering the preceding fiscal year, the first such report to be due on June 30th of the year following the Project acquisition, and the last such report to be due ninety (90) days after the end of the fiscal year following the expiration or termination of this Agreement. The report shall contain such information as the County may then require, including, but not limited to, the following:

   a. A financial accounting of the fiscal condition of the Project, required whenever financial assistance is provided by the County. This financial accounting, which may include an audit, if so required by the County, shall include financial statements indicating surplus or deficits in operating accounts, a detailed itemized listing of income and expenses, and the amounts of any fiscal reserves, and others such information as may be required by the County to determine the financial condition and financial viability of the project. Such financial report shall be prepared in accordance with the requirements of the County and if an audit is required, the audit shall be certified by an independent certified public accountant licensed in the State of Washington or other accountant acceptable to the County;

   b. A description of any substantial physical defects in the Project, including a description of any major repair or maintenance work undertaken in the reporting year; and

   c. A description of any fiscal or other difficulties related to the operation of the Project consistent with the requirements of this Agreement;

4. Other Reporting Requirements

    a. Any reports as may be required by the County requirements, or as set forth in this Agreement. Each such report shall be subject to the approval of the County.

    b. The County may perform or cause to be performed audits of any and all phases of the Agency's activities related to the Project. At the County's request, the Agency shall provide, at its own expense, an audit of the Project certified by an independent certified public accountant.

    c. Tax Credit Projects – If the Project is financed by New Markets Tax Credits, the Agency shall provide to the County a copy of the annual partnership or non-profit corporation company annual audit.

    d. The County may request any other information that it deems necessary to monitor compliance with requirements set forth in this Agreement. Such information shall be provided promptly by the Agency.

    e. In addition to the annual report required above, if required by the County, the Agency, shall file with the County an operating report including such information as the County may reasonably require and submit it at intervals as directed by the County, but no more frequently than on a monthly basis.

5. Other Information

   The County may request any other information that it deems necessary to monitor compliance with the requirements set forth in this Agreement. Such information shall be provided promptly by the Agency.

6. Inspections

   At any time during the term of this Agreement, upon reasonable prior notice to the Agency and during normal business hours and subject to the legal rights of individuals receiving services at the Property, the County or its designee may enter and inspect the physical premises of the Agency’s office and inspect all accounting and other records pertaining to the assistance activities and operation of the Project. Upon request by the County, the Agency shall notify individuals receiving services at the Property of upcoming inspections to ensure compliance with County General Fund rules and requirements of this Agreement.

   The County shall inspect the Project periodically for compliance with certain property standards to ensure the Property is maintained as decent, safe, sanitary, and in good condition.

VI. ENFORCEMENT OF THE AGREEMENT

A. Disputes

Any dispute concerning questions of fact in connection with the obligations covered by this Agreement and not disposed of by the terms herein shall be referred for determination to the Director of the Human Services Department, or his/her designee, whose decision in the matter shall be final and binding upon the parties, PROVIDED, that if an action is brought challenging the decision, the matter shall be subject to *de novo* judicial determination. Nothing contained herein shall excuse either party from otherwise complying with the terms of this Agreement to the extent reasonably possible pending final resolution of the dispute.

B. Breach by Agency; Termination by County

1. Curing of Monetary Default. In the event of a monetary default under the terms of any of the Loan documents, before exercising any remedies, County shall give Agency written notice of such default at the notice address determined pursuant to this Agreement. Agency shall have a period of ten (10) days after such notice is given within which to cure the default before exercise of remedies by County, or such longer period of time as may be specified in the written notice.

2. Curing of Nonmonetary Default. In the event a nonmonetary default occurs under the terms of this any of the Loan Documents, prior to exercising any remedies thereunder, County shall give Agency written notice of such default at the notice address determined pursuant to this Agreement. If the default is reasonably capable of being cured within thirty (30) days, Agency shall have such period to effect a cure prior to exercise of remedies by County under the Loan Documents or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Agency in the reasonable determination of County (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Agency shall have such additional time as County determines is reasonably necessary to cure the default prior to exercise of any remedies by County. In no event shall County be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or if the default is not cured within sixty (60) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

If an event of default is not corrected to the satisfaction of the County within the applicable time period set forth above, the County may, without further prior notice, terminate or suspend this Agreement. The County also may, if it deems it appropriate, apply to any court, state or federal, for remedy for breach of contract; for specific performance of this Agreement; for an injunction against any violation by the Agency of this Agreement; for the appointment of a receiver to take over and operate the Project in accordance with the terms of the Loan Documents; or for such other relief as may be appropriate, it being agreed by the Agency that the injury to the County arising from a default under and of the terms of the Loan Documents would be irreparable and that it would be extremely difficult to ascertain the amount of compensation to the County which would afford adequate relief in light of the purposes and policies of the County General Fund. As an alternative, the County may, in its sole discretion, submit the matter to arbitration.

As an alternative to any remedy set forth in this Section VI, B, the County may, in its sole discretion, submit the matter to arbitration.

C. Non-Waiver of Breach

The County's failure to insist upon strict performance of any provision of this Agreement, or to exercise any rights or remedies herein, or its acceptance of any defective performance, shall not be construed to be a waiver or relinquishment of any rights, and shall not prevent the County from pursuing that or any other right at any future time, unless stated in a writing signed by an authorized representative of the County and attached to the original Agreement.

D. Governing Law and Venue Stipulation

This Agreement has been and shall be construed as having been entered into and delivered within the State of Washington, and it is mutually understood and agreed by each party hereto that this Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance, and applicable federal laws and regulations.

Any action at law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provision hereof, shall be instituted and maintained only in any of the courts of competent jurisdiction at Everett in Snohomish County, unless the County determines a federal forum is appropriate to the issue raised.

VII. MISCELLANEOUS PROVISIONS

A. Relationship of the Parties

The parties intend that an independent contractor/county relationship will be created by this Agreement. Except to the extent specific Agency performance is required by this Agreement or by applicable provisions of law, the County is interested only in the results to be achieved and the implementation of services will lie solely with the Agency. No agent, officer, employee, servant or representative of the Agency shall be deemed to be an agent, officer, employee, servant or representative of the County for any purpose, and none of the Agency's employees shall be entitled to any benefits or rights enjoyed by employees of the County. The Agency will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, contractors and subcontractors during the performance of this Agreement. Nothing in this Agreement shall be construed to render the parties partners or joint venturers.

B. Hold Harmless and Indemnification

The Agency agrees that it is subject to audit and recovery for any audit exception which occurs due to its negligence or failure to comply with the terms of this Agreement. The Agency further agrees to protect, save harmless, indemnify, and defend, all at its own expense, the County, its elected and appointed officials, officers, employees, and agents, from any loss or claim for damages of any nature whatsoever, arising out of the performance of this Agreement by the Agency, its officers, employees, agents or subcontractors, including claims by the Agency's employees or third parties and including litigation costs and reasonable attorneys' fees, except for those damages solely caused by the negligence or willful misconduct of the County, its elected or appointed officials, officers, employees, or agents.

This indemnification obligation shall include, but is not limited to, all claims against the County by an employee or former employee of the Agency, and the Agency, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects the County only, under any industrial insurance act, including Title 51 RCW, other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim.

Nothing contained within this Section shall affect and/or alter the application of any other term or condition of this Agreement. This hold harmless agreement and waiver of immunity was mutually and expressly negotiated and agreed between the County and the Agency. The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment, or termination of this Agreement.

C. Recording of Documents

The Covenant Agreement (**Exhibit C**) and the Deed of Trust (**Exhibit F**) in a form acceptable to the County, shall be acknowledged by each of the parties thereto and shall be recorded by Agency, at the expense of the Agency and in the name of the Agency, in the official records of the county in which the Project is situated upon execution of this Agreement and prior to Agency receiving any funds under this Agreement.

D. Rights in Data

The County may duplicate, use, and disclose in any manner and for any purposes whatsoever, and have others so do, all data delivered under this Agreement. The Agency hereby grants to the County a royalty-free, nonexclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all data now or hereafter covered by copyright, PROVIDED, that with respect to data not originated in the performance of this Agreement, such license shall be only to the extent that the Agency has the right to grant such license without becoming liable to pay compensation to others because of such grant. The Agency shall exert all reasonable effort to advise the County, at the time of delivery of data furnished under this Agreement, of all invasions of right of privacy contained therein and of all portions of such data copied from work not composed or produced in the performance of this Agreement and not licensed under this clause. The Agency shall report to the County promptly, and in written detail, each notice of claim of copyright infringement received by the Agency with respect to all data delivered under this Agreement. The Agency shall not affix any restrictive markings upon any data, and if such markings are affixed, the County shall have the right at any time to modify, remove, obliterate, or ignore such markings.

E. Evaluation

The Agency agrees to participate with the County in any evaluation or audit of the Project conducted by the County and to make available all information in its possession relevant to such evaluation or audit.

F. Severability

It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held by a court to be invalid or void, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall remain in full force and effect and shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

If it should appear that any provision hereof is in conflict with any statute or ordinance of the United States, the State of Washington, or Snohomish County, said provision that which may conflict therewith shall be deemed modified to conform to such statutory provision.

G. Entire Agreement – Modification

This Agreement constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by a duly authorized officer or representative of each of the parties hereto.

H. Notices

Written notices and other written communications by and between the parties hereto shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, and shall be deemed given when so delivered or received.

All notices shall be addressed as follows:

COUNTY:	AGENCY:
Snohomish County Office of Housing and Community Development 3000 Rockefeller Avenue, M/S 305 Everett, WA 98201	Rise Up Academy 11229 4th Ave W Everett, WA 98204

Either party may change the address to which notices shall be sent by notice to the other party in the manner and with the effect set forth in this Section VII-H.

I. Gender

The use of the plural in this Agreement shall include the singular and the singular shall include the plural; and the use of one gender shall be deemed to include either gender.

J. Captions

The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of the intent of this Agreement.

K. Time of the Essence

Time is of the essence in the performance of each party's obligations under this Agreement. Each party will carry out its obligations under this Agreement diligently and in good faith.

L. Oral Agreements

Oral agreements or oral commitments to loan money, to extend credit or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Agreement as of the day and year written above.

[SIGNATURE PAGES FOLLOW]

WHEREFORE, this Loan Agreement is executed by the authorized representative of each of the parties, on the date first written above.

COUNTY:

SNOHOMISH COUNTY, a political subdivision of the State of Washington

By: ______________________________
Dave Somers,
County Executive

Date: ____________________________

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF ____________)

On this _________ day of __________________, 2026, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Dave Somers**, and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **County Executive, SNOHOMISH COUNTY,** a political subdivision of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said jurisdiction on behalf of said jurisdiction for the uses and purposes therein mentioned.

By ____

____
(Print Name)

My appointment expires:

WHEREFORE, this Loan Agreement is executed by the authorized representative of each of the parties, on the date first written above.

AGENCY:

RISE UP ACADEMY, a non-profit corporation of the State of Washington

By: ______________________________
Dr. Paul A. Stoot, Sr.
Founder and CEO
Rise Up Academy

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF ___________)

On this _________ day of __________________, 2026, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Dr. Paul A. Stoot, Sr.,** and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **Founder and CEO** of **RISE UP ACADEMY,** a non-profit corporation of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said company, on behalf of said company, for the uses and purposes therein mentioned.

By: ______________________________

____
(Print Name)
My appointment expires:

ATTACHMENT 1

Property Legal Description

Real property including those buildings, improvements and facilities, now existing or hereafter erected, in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

LOT 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO. 229-92 RECORDED UNDER AUDITOR'S FILE NO. 9310120342 BEING A PORTION OF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M

EXCEPT THAT PORTION CONVEYED TO SNOHOMISH COUNTY FOR A ROAD UNDER STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NO. 200011090017.

TAX PARCEL NO(S): 28042400406000

Situs Address: 11229 4th Ave W, Everett, WA 98204

EXHIBIT A

PROJECT DESCRIPTION

Rise Up Academy Expansion

1. PROJECT DESCRIPTION

Rise Up Academy ("Agency"), shall acquire real property for, and complete associated predevelopment of said real property for the Rise Up Academy Expansion ("Facility"), licensed childcare facility. As part of the consideration for the funds provided in this Agreement, Agency shall develop and operate the Facility for the benefit of the Target population during the term of the Compliance Period.

II. PROJECT CONFIGURATION

The Project to be acquired consists of two buildings on one parcel of land, total combined square footage is approximately 6,800 square feet and licensed to serve up to 75 children. The facility includes three (3) childcare classrooms, office spaces, a cafeteria and kitchen.

The Agency shall design a licensed childcare facility for demolition of all buildings (excluding the sport court structure) and builds a one-story building approximately 10,000 square feet on the parcel. The building is to consist of six (6) classrooms, library, cafeteria/kitchen, multi-purpose room, and offices to support 130 childcare slots for infants through grade five (5). The following will be the allocation of the facility space designated for those age five (5) and under:

- Two (2) preschool classrooms for 30 children, two (2) years old through to four (4) years old
- Two (2) pre-kindergarten classrooms for 40 children, four (4) and five (5) years old

III. PARTICIPANT POPULATION AND COUNTY AREA

A. Population Served

During the term of the Compliance Period, Agency shall operate a licensed childcare facility that provides childcare services to children and families within Snohomish County that are low-income, very low- income, and extremely low- income as defined by the United States Department of Housing and Urban Development (HUD).

During the term of the Compliance Period, the Agency shall provide childcare services to children within Snohomish County who are meet the requirements for the targeted population The Target population requirements for the Project may not be changed unless written approval is received in advance from the County.

B. Income Requirements (Target Population):

During the Compliance Period, the Agency shall provide services to children and families of households at or below 40% AMI. With 35 childcare slots for infants and children through to five (5) years old.

V. IMPLEMENTATION SCHEDULE

Complete drawings and specifications	N/A
NEPA Part 58 approval	N/A for County General Funds
Choice Limiting Action Clearance	N/A for County General Funds
Final construction pricing	N/A
Tax Credit Investor – final approval	N/A
All financing committed	03/2025
Financing/Acquisition Closing	09/2026 (Estimated)
Building Permit issued	TBD
Construction contract execution, construction start	TBD
Notice to Proceed	TBD
Certificate of Substantial Completion	TBD
Participant services start date	TBD
Project Close-out	TBD

VI. REPORTING

The Agency shall submit to the County such reports as the County requests pursuant to the requirements of applicable federal, state, and local laws and regulations. At a minimum, the Agency shall submit reports in a format prescribed by the County, the following reports:

Report Title	Description	Due Date
Quarterly Performance Report	Report on the above project data elements for each quarter as well as cumulatively. Narrative that highlights work-to-date, best practices, obstacles, lessons learned and how lessons learned are being integrated into program implementation.	By Jan 10th April 10th July 10th Oct 10th each year through June 30, 2030.

Annual Performance Progress Report	Report on the above project data elements annually. Narrative that highlights work-to-date, best practices, obstacles, lessons learned and how lessons learned are being integrated into program implementation.	By each year through September 30, 2046.

VII. PERFORMANCE REQUIREMENTS AND LICENSING

Agency shall:

1. Collect and report the following Data Elements, Outputs, and Outcomes. Data elements provided are to be deidentified.

   Project Output Measure(s) are as follows:

Measure	Description	Output
Enrollment	Unduplicated number of children enrolled in childcare at the project's site	TBD number of children per calendar year
Enrollment	Unduplicated number of households enrolled in childcare at the project's site	TBD number of households per calendar year
Enrollment	Unduplicated number of children enrolled in childcare designated for preschool or pre-kindergarten	TBD number of children per calendar year
Enrollment	Unduplicated number of households enrolled in childcare designated for preschool or pre-kindergarten	TBD number of households per calendar year

2. The Agency shall meet the requirements of the State of Washington, applicable local and state rules, and state and federal statutes. In addition, the Agency shall meet the applicable specific program requirements for licensure and certification to perform childcare services at the Facility. A copy of the original and annual renewal certification shall be submitted to the County.

3. The Agency shall maintain relevant and appropriate licensure by the State of Washington to provide childcare services. The Agency Shall ensure that its staff

maintains relevant and appropriate licensures and certifications by the state of Washington. The Agency shall notify the County in writing within five (5) business days of any change in licensure status.

4. All services provided under this Contract shall meet all standards set forth in current, revised and replaced WACs and RCWs.

5. The Agency shall meet all applicable standards for program operations set forth in WAC and RCW. The Agency shall ensure that WAC and RCW requirements are followed and are adjusted as the WAC and RCW are amended, revised, eliminated or added. The Agency will provide to the County all state monitoring and inspection reports.

6. Staff and volunteers who have access to children or vulnerable adults are required to have a background check per RCW and WAC. A background check is required at the time of employment or commencement of volunteer duties. Agency shall conduct additional background checks if circumstances arise that cause the Agency concern. The Agency shall ensure that all persons convicted of crimes preventing contact with vulnerable populations are prohibited from having access to those populations.

VIII. DOCUMENTATION

The Agency shall:

1. Ensure all County requirements for documentation are met as outlined in Section VI and VII of this Exhibit A;

2. Submit all required reports documenting performance in a timely manner. All reports shall be completed on approved forms and in accordance with procedures issued by the County. In the event the Agency fails to maintain its reporting obligations, the County reserves the right to withhold reimbursements to the Agency or order payment stopped to the Agency in an amount proportional to the data estimated to be outstanding until such time that the data is current:

3. Provide additional data or records as requested by the County; and

4. Assure that accurate and appropriate documentation is maintained to support the provision of each incurred expense.

ATTACHMENT 1

Property Legal Description

Real property including those buildings, improvements and facilities, now existing or hereafter erected, in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

LOT 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO. 229-92 RECORDED UNDER AUDITOR'S FILE NO. 9310120342 BEING A PORTION OF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M

EXCEPT THAT PORTION CONVEYED TO SNOHOMISH COUNTY FOR A ROAD UNDER STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NO. 200011090017.

TAX PARCEL NO(S): 28042400406000

Situs Address: 11229 4th Ave W, Everett, WA 98204

EXHIBIT B

CONTRACT BUDGET - COST REIMBURSEMENT

[General Funds]

AGENCY NAME: Rise Up Academy, Rise Up Academy Expansion

CONTRACT PERIOD: 5/18/2023 **to** 12/31/2026

FUNDS AWARDED UNDER CONTRACT:

REVENUE SOURCE	FUNDING PERIOD	AMOUNT	AMENDMENT	TOTAL AMOUNT
Snohomish County General Funds	5/18/2023 – 12/31/2046	$1,000,000		$1,000,000
ALN#				
	TOTAL FUNDS AWARDED:	$1,000,000	$ -	$1,000,000

MATCHING RESOURCES:

TOTAL MATCHING RESOURCES:

MATCH REQUIREMENTS FOR CONTRACT: **%** AMOUNT:

OTHER PROGRAM RESOURCES (Identify):

SOURCE	FUNDING PERIOD	AMOUNT

TOTAL OTHER RESOURCES: $

EXHIBIT B (cont)

CATEGORY	FUND SOURCE	FUND SOURCE	FUND SOURCE	FUND SOURCE	TOTAL	MATCHING RESOURCES	OTHER RESOURCES
	GENERAL FUNDS						
Salaries/Wages							
Benefits							
Supplies/Minor Equip.							
Prof. Services							
Postage							
Telephone							
Mileage/Fares							
Meals							
Lodging							
Advertising							
Leases/Rentals							
Insurance							
Utilities							
Repairs/Maint.							
Client Flex Funds							
Client Rent							
Printing							
Dues/Subscrip.							
Regis./Tuition							
Machinery/Equip.							
Administration							
Indirect							
Occupancy							
Miscellaneous							
Misc. Construction							
Acquisition	464,518						
Relocation							
Closing/Title/Recording							
Legal							
Consultant Reports							
Construction/Rehabilitation							
Appraisal							
Cash Advance							
Other: Pre-Construction	535,482				-		
TOTAL	**$ 1,000,000.00**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**

EXHIBIT B (cont)

EXPENDITURE NARRATIVE

AMOUNT	CATEGORY	**NARRATIVE** (provide justification describing each category supported with funds awarded under this contract)
$ 464,518	Acquisition	
$ 535,482	Other: Pre-Construction	
$ 1,000,000.00	**TOTAL**	

EXHIBIT B (cont)

DETAIL SALARIES / WAGES

POSITION	FUND SOURCE	% OF TIME TO FUND SOURCE	TOTAL MONTHLY	MONTHLY CHARGE TO FUND SOURCE	# OF MONTHS	TOTAL CHARGE TO FUND SOURCE
N/A						
					TOTAL:	$0

NOTE: Above figures may reflect rounding

EXHIBIT C

Form of
USE RESTRICTION COVENANT AGREEMENT

WHEN RECORDED RETURN TO:

Snohomish County
3000 Rockefeller Ave.,
Everett, WA 98201
Attention: Human Services - OHCD

USE RESTRICTION COVENANT AGREEMENT

RISE UP ACADEMY
RISE UP ACADEMY EXPANSION
(GENERAL FUNDS)

GRANTOR:	**RISE UP ACADEMY,** a non-profit corporation of the State of Washington
GRANTEE:	**SNOHOMISH COUNTY**, a political subdivision of the State of Washington
LEGAL DESCRIPTION:	LOT 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO. 229-92 RECORDED UNDER AUDITOR'S FILE NO. 9310120342 BEING A PORTION OF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M EXCEPT THAT PORTION CONVEYED TO SNOHOMISH COUNTY FOR A ROAD UNDER STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NO. 200011090017. (Additional Legal Description on Attachment 1)
TAX PARCEL NUMBERS:	28042400406000

USE RESTRICTION COVENANT AGREEMENT

RISE UP ACADEMY
RISE UP ACADEMY EXPANSION

This Use Restriction Covenant Agreement (this “Covenant Agreement”), made this _____ day of ______________________________, by and between **RISE UP ACADEMY,** a Washington non-profit corporation, (the “Grantor” or the “Owner”) and **SNOHOMISH COUNTY** (the “Grantee” or the “County”), a political subdivision of the State of Washington, is part of the consideration for the financial assistance provided by County pursuant to the SNOHOMISH COUNTY GENERAL FUND CHILD CARE FACILITY LOAN AGREEMENT (the “Agreement”) entered into by the County and the Owner, dated _____________________, 2026, and as may be amended, for the acquisition of certain real property legally described on Attachment 1 attached hereto (“the “Property”), together with all tenements, privileges, reversions, remainders, irrigation and water rights, and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances belonging or in any way pertaining to the Property, and the rents, issues, and profits thereof.

This Covenant Agreement will be filed and recorded in the official public land records of Snohomish County, Washington, and shall constitute a restriction upon the use of the Property described herein, subject to and in accordance with the terms of this Covenant Agreement, throughout the Compliance Period of the Agreement, ending on September 30, 2046.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Owner, its successors and assigns, heirs, grantees, or lessees of the Property, beginning on the date of this Covenant Agreement. Each and every contract, deed, or other instrument covering or conveying the Property, or any portion thereof, shall be conclusively held to have been executed, delivered, and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, or other instrument.

The covenants herein are independent of and in addition to the covenants in the Agreement. No transfer of the Property shall operate to relieve Grantor or any successor of its obligations hereunder unless expressly so agreed in writing by the County.

NOW, THEREFORE, it is hereby covenanted as follows:

1. Target Population. The Owner shall provide childcare services to children and families within Snohomish County of households with incomes at or below 40% AMI. With 35 childcare slots for infants and children through to five (5) years old.

2. The Owner shall operate the Property as a licensed childcare facility serving households with incomes at or below 40% AMI during the Compliance Period pursuant to the provision of the Agreement.

3. County Compliance Period ("Compliance Period").

   The Owner shall operate the Property as a licensed childcare facility must remain accessible to the Target Population at the Property for the term of the Compliance Period until September 30, 2046.

4. The Owner shall provide a safe and sanitary facility and will comply with all state and local codes, nondiscrimination, licensing requirements, and other requirements regarding the condition of the structure and the operation of a child health care facility in the jurisdiction in which the facility is located.

5. The Owner shall keep any records and make any reports relating to compliance with this Covenant Agreement that the County may reasonably require. The Owner will make annual reports and certifications to the County in such form and with such accompanying documentation, and on such dates as the County may require.

6. Upon providing reasonable notice to the Owner, the County and its agents and employees, for the duration of this Covenant Agreement, may enter the Property during business hours on reasonable notice, subject to the rights of individuals receiving services, to inspect the condition of the Property, to interview verify matters relevant to this Covenant Agreement, and to inspect and copy any documents maintained by Owner or its agents relevant to this Covenant Agreement.

7. If the Owner violates any of the foregoing covenants, and upon providing notice and the opportunity to cure, fails to correct the violation for a period of thirty (30) calendar days, or such additional time as may be reasonably necessary to cure the violation, after Owner's receipt of written notice of such violation from the County, the County may institute and prosecute any proceeding at law or equity to abate, prevent, or enjoin any such violation or to compel specific performance by the Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Covenant Agreement as of the day and year written above.

OWNER:

RISE UP ACADEMY, a non-profit corporation of the State of Washington

By: ___________________________________

Dr. Paul A. Stout, Sr.
Founder and CEO
Rise Up Academy

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF ___________)

On this _________ day of __________________, 2026, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Dr. Paul A. Stoot, Sr.,** and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **Founder and CEO** of **RISE UP ACADEMY,** a non-profit corporation of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said company, on behalf of said company, for the uses and purposes therein mentioned.

By: ___________________________________

____
(Print Name)

My appointment expires: ___________________________

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Covenant Agreement as of the day and year written above.

COUNTY:

SNOHOMISH COUNTY, a political subdivision of the State of Washington

By: ______________________________
Dave Somers
County Executive

Department Date: ________________

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)
SS. COUNTY OF ___________)

On this ___________ day of _________________, 2026, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Dave Somers**, and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **County Executive, SNOHOMISH COUNTY,** a political subdivision of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said jurisdiction on behalf of said jurisdiction for the uses and purposes therein mentioned.

By

____

____
(Print Name)
My appointment expires:
____

ATTACHMENT 1

Property Legal Description

Real property including those buildings, improvements and facilities, now existing or hereafter erected, in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

LOT 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO. 229-92 RECORDED UNDER AUDITOR'S FILE NO. 9310120342 BEING A PORTION OF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M

EXCEPT THAT PORTION CONVEYED TO SNOHOMISH COUNTY FOR A ROAD UNDER STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NO. 200011090017.

TAX PARCEL NO(S): 28042400406000

Situs Address: 11229 4th Ave W, Everett, WA 98204

Exhibit D
REQUEST FOR REIMBURSEMENT / ACTUAL EXPENDITURE REPORT

Date: ________________________________

Project Title: **RISE UP ACADEMY EXPANSION**
Project Number: HCS-26-80-2601-282

Contracting Organization/Agency**: RISE UP ACADEMY**

Report Period: ________________________________ Draw #: ______________

Amount of Request: __________________________

CERTIFICATIONS:

I, the undersigned, do hereby certify under penalty of perjury:

1. That I am duly authorized to submit this claim for reimbursement on behalf of the above Contract Organization/Agency;
2. That the enclosed Report of Actual Expenditures and documentation accurately reflects materials furnished, services rendered, and/or labor performed in furtherance of the above Project;
3. That payment has been made or is currently due or obligated for such materials, services and/or labor;
4. That such expenditures or current obligation constitute allowable costs under the Generally Accepted Accounting Principles (GAAP) and conform to the approved Project Budget; and
5. That the materials, services, and/or labor for which reimbursement from Snohomish County funds is requested by this document have not and will not be paid for or reimbursed by any other agency, corporation, partnership, firm or individual, OTHER THAN the Contracting Organization/Agency, its officers, agents, and/or employees.

Compliance

- ☐ Authorized Signature
- ☐ Within Budget
- ☐ Allowable/Eligible Cost
- ☐ Meets Contract Terms

G.A. ____________ Date ____________________

- ☐ Sufficient Funds
- ☐ Documentation
- ☐ Allowable/Eligible Costs

Financial _________ Date ______________________

IDIS #:_______________

____
(Signature)

____
(Typed Name)

____
(Position)

REPORT OF ACTUAL EXPENDITURES

(To accompany Request for Reimbursement)

Project Name: **Rise Up Academy Expansion**

Project Number: HCS-26-80-2601-282

Agency: **Rise Up Academy**

Report Period: __________ to __________

CATEGORY	County Budget (General Funds)	County General Funds Expenditure (This Draw)	Total County General Funds Drawn (incl. this Draw)	Total Disbursed to Date (all Sources incl. this Draw)
Salaries/Wages				
Benefits				
Supplies/Minor Equip.				
Prof. Services				
Postage				
Telephone				
Mileage/Fares				
Meals				
Lodging				
Advertising				
Leases/Rentals				
Insurance				
Utilities				
Repairs/Maint.				
Client Flex Funds				
Client Rent				
Printing				
Dues/Subscrip.				
Regis./Tuition				
Machinery/Equip.				
Administration				
Indirect				
Occupancy				
Miscellaneous				
Misc. Construction				
Acquisition	$ 464,518			
Relocation				
Closing/Title/Recording				
Legal				
Consultant Reports				
Construction/Rehabilitation				
Appraisal				
Cash Advance				
Other: Pre-Construction	$ 535,482			
TOTAL	**$ 1,000,000.00**		**$**	**$**

EXHIBIT E

Form of
PROMISSORY NOTE

$1,000,000 Everett, Washington

1. Promise to Pay. This Promissory Note, (this "NOTE"), made this ________ day of ___ ____________, 2026, in consideration for the financial assistance provided by Snohomish County ("Holder") pursuant to the Snohomish County General Funds Child Care Facility Loan Agreement entered into between Maker and Holder on the ____ day of ___________________________ ___, 2026 ("Loan Agreement"). **RISE UP ACADEMY**, a Washington nonprofit corporation, ("Maker"), hereby promises to pay to the order of Holder, at such place as Holder may designate in writing, in lawful money of the United States of America, the principal sum of One Million dollars **($1,000,000)**, on the terms and conditions set forth herein and in the Loan Agreement (the "Loan").

2. Term. The Note shall be due on September 30, 2046, (the "End Date"), as defined in the Section I.F of the Loan Agreement.

3. Payment of Principal and Interest; Forgivable. The Holder shall forgive the principal and interest under this Note on ___________, September 30, 2046, provided that the Maker has fully complied with the provisions of this Note and the Loan Agreement.

4. Interest. One percent (1.0%) simple interest shall accrue on the unpaid principal balance unless penalty interest is imposed pursuant to Section 6 of this Note.

5. Prepayment. Maker shall have the right to prepay this Note in full or in part at any time and from time to time without payment of a prepayment fee or penalty.

6. Default. This Note shall be in default (a) if payment is not made when due, and such default shall continue for a period of ten (10) days after any written notice to the Maker from Holder hereof specifying such default and requiring the same to be remedied; or (b) if Maker fails to fully comply with any covenants, terms, or provisions of the Loan Agreement or any instruments relating to or securing this Note executed by Maker ("Loan Documents"), and such default continues after notice to Maker and the expiration of any period granted to Maker for curing such default as set forth below.

Upon such a default the whole sum of principal hereunder shall become immediately due and payable according to the terms herein. As long as this Note is in default, then, at the option of the Holder, without prior notice, this Note shall bear interest at the rate of ten percent (10%) per annum.

A. Curing of Monetary Default. If a monetary event of default occurs under the terms of any of the Loan Documents, before exercising any remedies thereunder, Holder shall give Maker written notice of such default. Maker shall have a period of ten (10) days after such notice is given within which to cure the default before exercise of remedies by Holder under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. A default in payment of any amount due hereunder may be cured only by payment in full of such amount plus the interest accrued from the date of default, as stated above, on the unpaid principal balance as of the date of default until the date of payment resulting from application of a default rate of interest as provided herein, if any, that may be due hereunder or under any instrument relating to or securing this Note, plus any attorneys' fees incurred by the Holder by reason of such default.

B. Curing of Nonmonetary Default. If a nonmonetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Holder shall give Maker written notice of such default. If the nonmonetary default is reasonably capable of being cured within thirty (30) days, Maker shall have such period to effect a cure prior to exercise of remedies by Holder under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Maker in the reasonable determination of Holder (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Maker shall have such additional time as Holder determines is reasonably necessary to cure the default prior to exercise of any remedies by Holder. In no event shall Holder be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or if the default is not cured within sixty (60) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

7. Nonwaiver. Failure to exercise any right the Holder may have or be entitled to in the event of any default hereunder shall not constitute a waiver of such right or any other right in the event of any subsequent default.

8. Waiver of Presentment. The Maker and all guarantors and endorsers hereof hereby severally waive presentment for payment, protests, and demand, notice of protest, demand, dishonor, and nonpayment of this Note, and consent that the Holder hereof may extend the time of payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced by this Note, by agreement between the Holder and Maker, and such consent shall not alter or diminish the liability of any person or the enforceability of this Note. Each and every party signing or endorsing this Note binds itself as a principal and not as a surety. This Note shall bind the undersigned and its successors and assigns, jointly and severally.

9. Security for Note. This Note is secured by a Deed of Trust (the "Deed of Trust") of even date herewith granted by **RISE UP ACADEMY**, ("Agency," "Maker," and "Owner"),

10. Collection Costs. Maker agrees to pay all costs, including reasonable attorneys' fees, incurred by Holder hereof in any suit, action, or appeal therefrom, or without suit, in connection with collection hereof, foreclosure of the Deed of Trust, or enforcement of any instrument securing payment hereof or otherwise relating to or securing this Note.

11. Maximum Interest. Neither this Note nor any instrument securing payment hereof or otherwise relating to the debt evidenced hereby shall require the payment or permit the collection of interest in excess of the maximum permitted by any applicable usury statute or any other law (the "Maximum Rate"). If this Note or any other such instrument does so provide, the provisions of this paragraph shall govern, and neither Maker nor any endorsers of this Note nor their respective heirs, personal representatives, successors, or assigns shall be obligated to pay the amount of interest in excess of the Maximum Rate. In such event, the interest rate in excess of the Maximum Rate shall be reduced by appropriate credits to the balance owing at maturity hereunder so that the Maximum Rate shall not be exceeded.

12. Notice. Any demand or notice to be made or given under the terms hereof or any instrument now or hereafter relating to or securing this Note by the Holder to Maker shall be effective when mailed, emailed, or delivered by registered mail, postage prepaid, to the Maker to the addresses set forth in the Loan Agreement.

13. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Washington and applicable federal law.

14. Nonrecourse. Notwithstanding any other provision hereof or of any other instrument relating to or securing this Note, the Maker, the Owner, their managers, members, officers and employees shall not have any personal liability for the indebtedness evidenced hereby or any deficiency judgment, and upon the occurrence of a default or event of default hereunder, the Holder hereof shall look solely to the instruments by which this Note is secured and the Premises constituting the security, together with the rents, issues, and profits thereof for satisfaction of the indebtedness, and resort shall not be made to any other property of the Maker; PROVIDED, HOWEVER, that nothing herein contained shall limit or be construed to limit or impair the enforcement against said Premises of the rights and remedies of the Holder hereof, including the joinder of the Maker in any action to foreclose the liens and security interests securing this Note, and PROVIDED, FURTHER, that nothing herein shall diminish Maker's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation or misuse of rents.

15. Loan Agreement. This Note is subject to the terms and conditions of the Loan Agreement between the Maker and Holder dated as of the ____ day of ______________, 2026. Disbursement of the funds evidenced by this Note is to be made subject to the terms and conditions of said Loan Agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS HEREOF, the undersigned has executed this Promissory Note as of the day and year first written above.

MAKER: **Rise Up Academy,** a Washington non-profit corporation

By:____
Dr. Paul A. Stoot, Sr.
Founder and CEO

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF ___________)

On this _________ day of __________________, 2026, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Dr. Paul A. Stoot, Sr.,** and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **Founder and CEO** of **RISE UP ACADEMY,** a non-profit corporation of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said company, on behalf of said company, for the uses and purposes therein mentioned.

By: ____

____
(Print Name)
My appointment expires:

ATTACHMENT 1

LOAN AMORTIZATION SCHEDULE
RISE UP ACADEMY EXPANSION

BORROWER:	**RISE UP ACADEMY**	
PRINCIPAL AMOUNT:	**$1,000,000**	
INTEREST RATE:	**1.00%**	simple interest
TERMS:	Principal and interest deferred; forgivable loan	
COMMENCEMENT DATE:		
DUE DATE (END DATE):	September 30, 2046	

Year	Date	Annual Accrued Interest %1.00	Cumulative Accrued Principal and Interest
Year 1	9/30/2027	$ 10,000.00	$ 1,010,000.00
Year 2	9/30/2028	$ 10,000.00	$ 1,020,000.00
Year 3	9/30/2029	$ 10,000.00	$ 1,030,000.00
Year 4	9/30/2030	$ 10,000.00	$ 1,040,000.00
Year 5	9/30/2031	$ 10,000.00	$ 1,050,000.00
Year 6	9/30/2032	$ 10,000.00	$ 1,060,000.00
Year 7	9/30/2033	$ 10,000.00	$ 1,070,000.00
Year 8	9/30/2034	$ 10,000.00	$ 1,080,000.00
Year 9	9/30/2035	$ 10,000.00	$ 1,090,000.00
Year 10	9/30/2036	$ 10,000.00	$ 1,100,000.00
Year 11	9/30/2037	$ 10,000.00	$ 1,110,000.00
Year 12	9/30/2038	$ 10,000.00	$ 1,120,000.00
Year 13	9/30/2039	$ 10,000.00	$ 1,130,000.00
Year 14	9/30/2040	$ 10,000.00	$ 1,140,000.00
Year 15	9/30/2041	$ 10,000.00	$ 1,150,000.00
Year 16	9/30/2042	$ 10,000.00	$ 1,160,000.00
Year 17	9/30/2043	$ 10,000.00	$ 1,170,000.00
Year 18	9/30/2044	$ 10,000.00	$ 1,180,000.00
Year 19	9/30/2045	$ 10,000.00	$ 1,190,000.00
Year 20	9/30/2046	$ 10,000.00	$ 1,200,000.00

Total Principal and Interest Due at Term:	$ 1,200,000.00

EXHIBIT F

Form of
DEED OF TRUST

WHEN RECORDED RETURN TO:

Snohomish County
3000 Rockefeller Ave.,
Everett, WA 98201
Attention: Human Services - OHCD

DEED OF TRUST

RISE UP ACADEMY

RISE UP ACADEMY EXPANSION PROJECT
(General Funds)

GRANTOR: **RISE UP ACADEMY ,** a non-profit corporation of the State of Washington

GRANTEE: SNOHOMISH COUNTY, a political subdivision of the State of Washington

LEGAL DESCRIPTION: LOT 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO. 229-92 RECORDED UNDER AUDITOR'S FILE NO. 9310120342 BEING A PORTION OF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M

EXCEPT THAT PORTION CONVEYED TO SNOHOMISH COUNTY FOR A ROAD UNDER STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NO. 200011090017.

(Additional Legal Description on Attachment 1)

TAX PARCEL NUMBERS: 28042400406000

EXHIBIT F

Form of
DEED OF TRUST

THIS DEED OF TRUST ("DEED OF TRUST"), made this _____ day of_________, 2026, by and among **RISE UP ACADEMY,** a Washington non-profit corporation, whose mailing address is 11229 4th Ave W, Everett, WA 98204, as grantor ("GRANTOR"); **CHICAGO TITLE INSURANCE COMPANY,** a Washington corporation whose mailing address is 3002 Colby Ave., Suite 200, Everett, WA 98201, as trustee ("TRUSTEE"); and Snohomish County, a political subdivision of the State of Washington, ("GRANTEE" or "BENEFICIARY"), whose address is 3000 Rockefeller Avenue, MS 305, Everett, WA 98201.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the real property in Snohomish County, Washington described in Attachment 1 attached hereto and incorporated herein by this reference ("the Premises"), which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof (the "Property").

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor contained herein and in the General Fund Agreement between the Grantor and the Beneficiary (hereinafter the "Loan Agreement") dated the _______day of________, 2026, and payment of the sum of One Million dollars **($1,000,000)**, in accordance with the terms of a Promissory Note of even date herewith (the "Note"), payable to Beneficiary or order, made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the Premises in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Premises or requiring any alterations or improvements to be made; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon the Premises in violation of law; and to do all other acts which from the character or use of the Premises may be reasonably necessary to preserve and conserve its value.

2. To pay before delinquent all taxes, assessments and any other charges affecting the Property when due; and to keep the Property free and clear of all other encumbrances, charges, and liens impairing the security of this Deed of Trust, subject to the Grantor's right to contest such taxes, assessments, and other charges in good faith.

3. To keep all buildings now or hereafter erected on the Property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. The Beneficiary shall be an additional insured under all such insurance policies, which shall be issued by such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor.

Except as otherwise set forth in the Loan Agreement or the Note, the amount collected under any insurance policy may be applied to any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and attorneys' fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the Property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. Except as otherwise set forth in the Loan Agreement or the Note, in the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon the occurrence of default by Grantor in the payment of any indebtedness secured hereby ("Monetary Default") or in the performance of any agreement contained herein ("Non-Monetary Default") (after the expiration of any applicable cure period), all sums secured hereby shall immediately become due and payable in accordance with the loan documents (at the option of the Beneficiary). In such event and upon written request of Beneficiary, Trustee shall sell the trust Property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

a. Curing of Monetary Default. If a monetary event of default occurs under the terms of any of the Loan Documents, before exercising any remedies thereunder, Grantee shall give Grantor written notice of such default and provide for a cure period of ten (10) calendar days after such notice is given, or such longer period of time as may be specified in the Loan Documents, within which to cure the default before exercise of remedies by Grantee under this Deed of Trust or the Loan Documents.

b. Curing of Non-Monetary Default. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Grantee shall give Grantor written notice of such default and provide for a cure period of thirty (30) calendar days after such notice is given, or such longer period of time as may be specified in the Loan Documents, within which to cure the default before exercise of remedies by Grantee under this Deed of Trust or the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) calendar days or such longer period if so specified, and if Grantor, in the reasonable determination of Grantee, (a) initiates corrective action within said period and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Grantor shall have such additional time as Grantee determines is reasonably necessary to cure the default prior to exercise of any remedies by Grantee. In no event shall Grantee be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of its execution of this Deed of Trust, and such as it may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to and inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the Holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

9. Notwithstanding any provision contrary in any Loan Document, Beneficiary acknowledges and agrees that (a) the Property is or will be subject to a Land Use Restriction Agreement (as defined below), (b) the recordation of the Land Use Restriction Agreement against

the Property is permitted under the terms of the Loan Documents and (c) the lien of any Loan Document, and the terms and provision thereof, shall be subordinate to the Use Restriction Agreement, regardless of the order of recording of either document. " Use Restriction Agreement" means the extended Covenant restrictive covenants executed or to be executed by Grantor setting forth certain terms and conditions under which the Property is operated.

GRANTOR FURTHER AGREES**:**

1. Grantor will perform each and every obligation contained in the Loan Agreement and any amendments thereof.

2. Grantor will ensure that the Property will serve target population pursuant to the terms of the foregoing Loan Agreement without regard to the term of any other deed of trust or the transfer of ownership, for not less than the term of this Deed of Trust.

3. If Grantor shall fail to perform any obligation hereunder and the Beneficiary elects to perform the same and expends any monies therefor, such expenditure shall be deemed in addition to the amount secured by this deed of trust and be immediately due and payable in accordance with the loan documents.

4. If an event of default occurs under the foregoing Loan Agreement or Note (after the expiration of any applicable cure period), the whole indebtedness secured thereby shall be due and payable in accordance with the Loan Documents, and the Beneficiary may proceed to foreclose this Deed of Trust. If the Beneficiary shall incur any costs and expenses, including reasonable attorneys' fees and costs of any title reports, in connection with the performance of any of its rights hereunder including foreclosure, such costs and expenditures shall remain secured by this Deed of Trust and shall be immediately due and payable by Grantor.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS HEREOF, the undersigned has executed this Deed of Trust as of the day and year first written above.

GRANTOR: **RISE UP ACADEMY**, a Washington non-profit corporation

By:

____
Dr. Paul A. Stoot, Sr.
Founder and CEO

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF ___________)

On this _________ day of __________________, 2026, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Dr. Paul A. Stoot, Sr.,** and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **Founder and CEO** of **RISE UP ACADEMY,** a non-profit corporation of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said company, on behalf of said company, for the uses and purposes therein mentioned.

By: ____________________________________

____
(Print Name)
My appointment expires:

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated_____________________________________

____

____

ATTACHMENT 1

Property Legal Description

Real property including those buildings, improvements and facilities, now existing or hereafter erected, in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

LOT 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO. 229-92 RECORDED UNDER AUDITOR'S FILE NO. 9310120342 BEING A PORTION OF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M

EXCEPT THAT PORTION CONVEYED TO SNOHOMISH COUNTY FOR A ROAD UNDER STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NO. 200011090017.

TAX PARCEL NO(S): 28042400406000

Situs Address: 11229 4th Ave W, Everett, WA 98204