

Attachment 1 to Ordinance: Form of Third Amendment to Amended and Restated Lease and
Partial Termination of Lease

After recording return to:

City of Seattle
Office of Housing
PO Box 94725
Seattle, WA 98124-4725
Attention: Elsa Kings

**THIRD AMENDMENT TO
AMENDED AND RESTATED LEASE AND PARTIAL TERMINATION
OF LEASE**

Reference numbers of documents amended or released:

9804240454, 9805221596, 19990916001595, 20080423001677; 20100205001263;-
20121204001832

Grantor:

**THE CITY OF SEATTLE
Sand Point Community Connections LLC
YouthCare
Friends of Youth
SPH ONE LLC
SAND POINT PHASE 2 LP**

Grantee:

**Sand Point Community Connections LLC
THE CITY OF SEATTLE**

Legal Description:

**1. Abbreviated form: Ptn. E. 1/2 SW 1/4, Sec. 2, TWP 25N, RNG 4 E, W.M., King County,
WA**

2. Additional legal description: N/A.

Assessor's Property Tax Parcel Account Nos.: 0225049070; 0225049069; 0225049068;

This Third Amendment to Amended and Restated Lease (“Amendment”) is entered into as of the _____ day of _____, 2016 by The City of Seattle, a municipal corporation of the State of Washington (“City” or “Lessor”) and Sand Point Community Connections LLC, a Washington limited liability company (“SPCC” or “Lessee”) and amends that certain Amended and Restated Lease dated as of April 23, 2008 between City as lessor and Sand Point Community Connections LLC as lessee, recorded in King County, Washington under Recording No. 20080423001677, as amended by the First Amendment to Amended and Restated Lease and Partial Termination of Lease recorded under King County recording no. 20100205001263, and by the Second Amendment to Amended and Restated Lease recorded under King County recording no. 20121204001832 (as so amended, the “Lease”), which Lease amended and replaced the lease between the City and Sand Point Community Housing Association recorded under King County recording no. 9804240454, rerecorded under No. 9805221596, and amended by that certain First Amendment to Lease dated September 10, 1999 and recorded in King County, Washington under Recording No. 19990916001595. The City is acting through its Director of Housing (referred to herein, together with any official who may succeed to the authority or responsibility of such Director to act for the City under this Amendment or the Lease as hereby amended in the future, as the “Director”).

In consideration of the termination of the Lease as to three parcels, as provided herein, and new ground leases of those parcels to other parties made on or about the date hereof, and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties amend the Lease as follows:

A. The Lease, including all right, title and interest of Lessee pursuant to the Lease, is hereby terminated with respect to the following part of the Premises only, situate in the City of Seattle, County of King, State of Washington:

Parcels C, D, and E of Seattle Short Subdivision No. 9904055, recorded under King County recording no. **19991214900007**, designated in Exhibit D to the Lease as “Parcels 6, 7 and 8.

Such partial termination and any terms of such Short Subdivision notwithstanding, SPCC agrees that as between SPCC and Lessor (together with Lessor’s successors in interest as to such Parcels C, D and E), SPCC shall be solely responsible for, and shall indemnify Lessor and its successors for, all costs, including without limitation maintenance and repair, related to the easement and access serving Parcels A and B of said Short Subdivision during the term of the Lease.

B. Article 1 of the Lease is amended so that the definitions of the following terms read in their entirety as follows (all other definitions remain unchanged):

1. DEFINITIONS

“Buildings” means the buildings on the Premises identified in the Application as Buildings 224, 26S, 26N (including all fixtures therein or attached thereto), but does not include “building 310”. Building numbers used in this Amended Lease correspond to the numbers in the Application.

“Navy Deed” means the deed conveying the Premises and other property from the United States Navy to the Lessor dated April 22, 1998 and recorded under King County recording no. 9804240453.

“Parcel” means one of the parcels of the Premises designated in Exhibit D that is included in the definition of “Premises”, as the same may be modified by lot boundary adjustment or otherwise, but not including any parcel that is not within the Premises.

“Premises” means the portion of the land depicted in Exhibit C that is described in Exhibit D attached hereto and incorporated by this reference as PARCELS 1, 2, 3, 4 and 9, but not including PARCELS 5 through 8 on Exhibit D (other designations of Parcels in parentheses on Exhibit Cs and D are for purposes of reference to another document only, and of no effect).

C. Subsection 4.2(a) of the Lease is amended to read in its entirety as follows:

4.2 Property Management Costs and Grounds Maintenance Costs.

(a) Lessee shall pay to Lessor, as additional rent, an amount determined annually by Lessor to cover the share fairly allocable to the Premises of the costs of management of the Sand Point Property (“Management Costs”) and the costs of the maintenance of the grounds of the Sand Point Property (“Grounds Maintenance Costs”). Management Costs shall include:

- (i) costs of preparation and administration of the plans and guidelines identified in Article 32 of this Amended Lease;
- (ii) related administrative costs (including the costs of maintaining an administrative office on the Sand Point Property).

For purposes of allocating Management Costs, Lessee agrees that any portion reasonably allocable to any of Parcels 5 through 8 as described in Exhibit D to this Lease may be allocated to Lessee, notwithstanding the termination of this Lease as to those Parcels.

The Lessor shall reasonably allocate Sand Point Property Management Costs and Grounds Maintenance Costs among Lessee and the users of other Sand Point Property, using any reasonable methods of cost allocation; provided, however (1) the total additional rental

cost charged to Lessee shall not exceed \$100,000.00 per year; (2) the Premises' shares of Sand Point Property Management Costs and Grounds Maintenance Costs shall not exceed 25% of each in any year; and (3) in the event of any reduction in area of the Premises due to partial termination of this Amended Lease, the Lessee's share of Grounds Maintenance Costs shall be based on the reduced area and the 25% maximum for Grounds Maintenance Costs in clause (2) above shall be proportionately reduced. Lessor shall give a written statement to Lessee annually of Lessee's share of Management Costs and Grounds Maintenance Costs for the previous calendar year, and Lessee shall pay such Costs within thirty (30) days of receipt of such statement. Such payment shall be without prejudice to Lessee's right to make timely objection to the allocation or calculation of such Costs, or a portion thereof, by appeal as provided in Section 4.3 below.

In order to assist Lessee in budgeting expenditures, no later than November 30th of each year, the Lessor shall develop and provide to Lessee an estimate of Lessee's share of Sand Point Property Management Costs and Grounds Maintenance Costs for the next calendar year and a narrative describing the proposed method of allocation.

AGREEMENT OF SUBLESSEES

SPH ONE LLC, a Washington limited liability company (“SPH”), as assignee of Sand Point Housing Associates I Limited Partnership, a Washington limited partnership (“Partnership”); SAND POINT PHASE 2 LP, a Washington limited partnership, YouthCare, a Washington non-profit corporation, and Friends of Youth, a Washington non-profit corporation, all as Sublessees of certain portions of the Premises and as owners or tenants of portions of the Improvements, agree to the terms of this Amendment and to the termination of the Lease as to Parcels 6, 7 and 8 hereby, and that all references to the Lease or “Master Lease” in subleases to such Sublessees and in any deeds of the Improvements, shall mean the Amended and Restated Lease as further amended by this Amendment.

YouthCare and Friends of Youth understand and agree that the termination of the Lease as to Parcels 6, 7 and 8 terminates the subleases to them and all right title and interest they have in and to those parcels and any real property thereon or therein.

The Lessor and SPH further agree that the Lease as further amended by this Amendment shall constitute the “Ground Lease” under that certain Ground Lessor’s Estoppel and Agreement signed by the Lessor, the Partnership and Sand Point Community Housing Association dated September 10, 1999, and that nothing herein shall modify the covenants of the Lessor contained therein.

Signed:

LESSOR:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: _____

Print Name: Steve Walker

Title: Director, Office of Housing

Pursuant to Ordinance _____

LESSEE:

SAND POINT COMMUNITY CONNECTIONS LLC,
a Washington limited liability company

By: Solid Ground Washington, a Washington nonprofit corporation
Its Sole Member and Manager

By: _____

Print Name: _____

Title: _____

SUBLESSEE:

SPH ONE LLC,

a Washington limited liability company

By: Solid Ground Washington, a Washington nonprofit corporation, sole member[and manager]

By: _____
Print Name: _____
Title: _____

SUBLESSEE:

SAND POINT PHASE 2 LP, a Washington limited partnership

By: Sand Point Community Connections LLC, its general partner

By: Solid Ground Washington, a Washington nonprofit corporation, sole member[and manager]

By: _____
Print Name: _____
Title: _____

SUBLESSEE:

YOUTHCARE, a Washington nonprofit corporation

By: _____
Print Name: _____
Title: _____

SUBLESSEE:

FRIENDS OF YOUTH, a Washington nonprofit corporation

By: _____
Print Name: _____
Title: _____

LESSOR ACKNOWLEDGMENT

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this ____ day of _____, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the Director of the Office of Housing of The **City of Seattle**, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____
Print Name: _____

LESSEE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the _____ of Solid Ground Washington, a Washington non-profit corporation, the sole member and manager of **Sand Point Community Connections LLC**, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____, 201_

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____
Print Name: _____

SUBLESSEE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the _____ of Solid Ground Washington, a Washington non-profit corporation, the sole member [and manager] of **SPH ONE LLC**, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____, 2016

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____

Print Name: _____

SUBLESSEE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of Solid Ground Washington, a Washington nonprofit corporation, which is the sole member [and manager] of Sand Point Community Connections LLC, a Washington limited liability company, which is the general partner of Sand Point Housing Phase 2 LP, a Washington limited partnership, to be the free and voluntary act of such partnership for the uses and purposes mentioned in this instrument.

DATED: _____

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington,
residing at _____

My appointment expires _____
