

PROPERTY EXCHANGE AGREEMENT

This Agreement is effective _____, 2014, by and between the City of Seattle, a municipal corporation (“the City”) and the Seattle School District, a municipal corporation (“District”).

RECITALS

1. In 2008, the District renovated Garfield High School. As part of the renovation, it demolished the existing Teen Center used by the City’s Department of Parks and Recreation (“Parks”) to provide public programming and constructed a new Garfield Teen Life Center that Parks wishes to lease from the District.

2. During the course of construction, the District determined it required a portion of Parks’ adjacent Garfield Playfield for its project and the Parties negotiated and have recorded a lot boundary adjustment that will allow for the conveyance of approximately 35,000 square feet of the playfield to the District.

3. As consideration for the playfield property the District agreed to transfer to the City approximately 60,000 square feet of property that the District owns at the South Shore School and which is adjacent to the City’s Rainier Beach Community Center. A lot boundary adjustment has been recorded that will allow for this conveyance.

4. To develop their respective properties at the South Shore/Rainier Beach location, the City and the District must obtain from one another certain access easements and the Parties wish to memorialize their agreements with respect to such easements.

5. The City and the District agree that the undertakings contemplated by this Agreement to allow the Parties to complete these independent yet complementary projects is in their best interests and in the best interests of the public.

Now, therefore, in consideration of the mutual covenants contained herein and for other valuable consideration, the City and the District (the “Parties”) agree:

1. PURPOSE.

The purpose of this Agreement is to effectuate the exchange of the properties described in the recitals and the execution of such other documents as will allow each party to fully use and enjoy the property it receives as well as allowing for the City’s continued operation of the Garfield Teen Life Center. The specific transactions are:

- 1.1 The City conveying to the District its interest in the real property legally described in EXHIBIT A, located at Garfield Playfield (the “City Property”).

- 1.2 The District conveying to the City its interest in the real property legally described in EXHIBIT B, located at the Rainier Beach Community Center (the “District Property”).
- 1.3 The City granting certain easements for access and fire access to the District as described in Lot Boundary Adjustment No. 3015401, recording number 2013108900003.
- 1.4 The District granting an access easement to the City as described in Lot Boundary Adjustment No. 3015401, recording number 2013108900003.
- 1.5 The execution of an Easement Agreement, substantially in the form of EXHIBIT C.
- 1.6 The execution of a Lease from the District to the City of the Garfield Teen Life Center, substantially in the in form of EXHIBIT D.
- 1.7 The City’s payment of \$24,028.19 to the District.

2. EXCHANGE CONSIDERATION

The conveyance of the property interests and the payment of funds described in this agreement is the entire compensation that each party will receive for the exchange.

3. CLOSING

A. Closing Date

This closing of this transaction will be held at the offices of Pacific Northwest Title Company, 116 Washington Avenue N., Seattle, Washington 98032 (“Escrow Agent.”). The Parties shall work together diligently to accomplish the closing by March 1, 2015 (the “Closing Date”). If closing does not occur by the Closing Date, then unless the Parties have agreed in writing to an extension of time, Escrow Agent will terminate the escrow and return all documents and funds to the party that deposited them.

1) The City’s escrow deposits

By the Closing Date, the City shall have delivered to Escrow Agent a fully executed original copy of each of the following:

- a. A quitclaim deed, substantially in the form of EXHIBIT A hereto, conveying to District all of the City’s right, title, and interest in and to the City Property;
- b. A fully executed copy of the Easements Agreement, EXHIBIT C;

- c. A fully executed lease of the Garfield Teen Life Center from the District, substantially in the form of EXHIBIT D hereto, for a term of 43 years.
- d. Cash in the amount \$24,028.19;
- e. Real Estate Excise Tax Affidavit for the City Property;
- f. A non-foreign affidavit under Section 1445 of the Internal Revenue Code;
- g. Any other documents or instruments reasonably necessary to close this transaction;
- h. Cash in an amount sufficient to pay the City's share of closing costs.

2) District's escrow deposits

By the Closing Date, District shall have delivered to Escrow Agent a fully executed original copy of each of the following:

- a. A quitclaim deed, substantially in the form of EXHIBIT B hereto, conveying to the City all of District's right, title, and interest in and to the District Property;
- b. A fully executed copy of the Easements Agreement, EXHIBIT C;
- c. A fully executed lease of the Garfield Teen Life Center to the City, substantially in the form of EXHIBIT D hereto, for a term of 43 years;
- d. Real Estate Excise Tax Affidavit for the District Property;
- e. A non-foreign affidavit under Section 1445 of the Internal Revenue Code;
- f. Any other documents or instruments reasonably necessary to close this transaction;
- g. Cash in an amount sufficient to pay the District's share of closing costs.

B. Condition of Title

The City agrees to accept District's conveyance of the District Property subject to any and all encumbrance of record, except for any monetary encumbrances other than non-delinquent ad valorem property taxes. District represents there are no such monetary encumbrances, and District agrees to remove any such monetary encumbrance if they are found to exist.

District agrees to accept the City's conveyance of the City Property subject to any and all encumbrance of record except for any monetary encumbrances other than non-delinquent ad valorem property taxes. The City represents there are no such monetary encumbrances, and the City agrees to remove any such monetary encumbrance if they are found to exist.

The provisions of this Paragraph 3.B. shall survive the termination or expiration of this Agreement.

4. CONDITIONS TO CLOSING; CLOSING COSTS

The closing of this transaction is conditioned on each party's timely performance of all of its obligations under this Agreement; provided, that each party shall be given a reasonable period of time to cure any default alleged by the other party.

A. The City's Closing Costs:

The City shall pay (i) the recording fees for the deed to the District Property, (ii) one-half of the recording fees for the Easement Agreement, and (iii) one-half of Escrow Agent's fees.

B. The District's Closing Costs:

The District shall pay (i) the recording fees for the deed to the City Property, (ii) one-half of the recording fees for the Easement Agreement, and (iii) one-half of Escrow Agent's fees.

C. Excise Taxes

The District and the City acknowledge that based on existing State law, they anticipate that real estate excise taxes will not be payable on the conveyances contemplated. If, however, such taxes are imposed, the Parties will i) cooperate in good faith to obtain any relief available from the obligation to pay such taxes and (ii) each pays one-half of such taxes as may be imposed.

5. ADJUSTMENTS AND PRORATIONS

All property taxes payable in the year of closing and assessments will be prorated as of the Closing Date.

6. REPRESENTATIONS AND WARRANTIES

A. The City represents and warrants to District:

- 1) The City has full power and authority to convey the City Property to District.
- 2) The City is a municipal corporation duly organized and validly existing under the laws of the State of Washington. This Agreement and all documents executed by the City to be delivered to District at closing are, or at the time of closing will be (i) duly authorized, executed and delivered by the City, (ii) legal, valid and binding obligations of the City, (iii) sufficient to convey title or other property interest (if they purport to do so), and (iv) in compliance with all provisions of all agreements and judicial orders to which the City is a party or to which the City or any portion of the City Property is subject.

- 3) As of the date of this Agreement, the City is not aware of any default by District of any representation or warranty in this Agreement.
- 4) The City makes no representations or warranties, express or implied, regarding, and shall have no liability for: (i) the condition of the City Property or any buildings, structures or improvements thereon, or the suitability, habitability, merchantability, or fitness of the City Property for District's intended use or for any use whatsoever; (ii) compliance of the City Property with any building, zoning or fire laws or regulations or with the conditions of any permits of any governmental agency; (iii) the availability or existence of any water, sewer or other utility; (iv) the presence of any hazardous substances on or under the City Property or in any improvements thereon; (v) the accuracy or completeness of any plans and specifications, reports, or other materials provided to District; or (vi) any other matter relating to the condition of the City Property.

B. District represents and warrants to the City:

- 1) District has full power and authority to convey the District Property to the City.
- 2) District is a municipal corporation, duly organized and validly existing under the laws of the State of Washington. This Agreement and all documents executed by District to be delivered to the City at closing are, or at the time of closing will be (i) duly authorized, executed and delivered by District, (ii) legal, valid and binding obligations of District, (iii) sufficient to convey title or other property interest (if they purport to do so), and (iv) in compliance with all provisions of all agreements and judicial orders to which District is a party or to which District or any portion of the District Property is subject.
- 3) As of the date of this Agreement, District is not aware of any default by the City of any representation or warranty in this Agreement.
- 4) District makes no representations or warranties, express or implied, regarding, and shall have no liability for: (i) the condition of the District Property or any buildings, structures or improvements thereon, or the suitability, habitability, merchantability, or fitness of the District Property for the City's intended use or for any use whatsoever; (ii) compliance of the District Property with any building, zoning or fire laws or regulations or with the conditions of any permits of any governmental agency; (iii) the availability or existence of any water, sewer or other utility; (iv) the presence of any hazardous substances on or under the District Property or in any improvements thereon; (v) the accuracy or completeness of any plans and specifications, reports or other materials provided to the City; or (vi) any other matter relating to the condition of the District Property.

C. Survival of Representations and Warranties.

The provisions of this Section 6 shall survive the termination or expiration of this Agreement.

7. POSSESSION

At closing, the City shall deliver possession of the City Property to District, and District shall deliver possession of the District Property to the City, together with possession of the Garfield Teen Life Center.

8. NOTICES

Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service or given by mail, e-mail or facsimile. Any notice given by mail must be sent, postage prepaid, by certified or by registered mail, return receipt requested. All notices may from to time shall be directed in writing to:

The City of Seattle
Superintendent of Parks and Recreation
100 Dexter Avenue N.
Seattle, WA 98109

Seattle School District
Superintendent of Schools
John Stanford Center for Educational Excellence
2445 3rd Avenue South
Seattle, WA 98134

Seattle School District
Attn: General Counsel
John Stanford Center for Educational Excellence
2445 3rd Avenue South
Seattle, WA 98134

Any notice will be deemed to have been given, if personally delivered, when delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed two business days after deposit at any post office in the USA, and if delivered via facsimile, the same days as verified, provided that any verification that occurs after 5 p.m. on a business day, or any time on a Saturday, Sunday or Holiday, will be deemed to have occurred as of 9 a.m. on the following business day.

9. AMENDMENTS

This Agreement may be amended or modified only by a written instrument executed by the City and District.

10. GOVERNING LAW

This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Washington. Venue in any litigation shall be in King County, Washington.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties regarding the exchange of the City Property and the District Property and supersedes all prior agreements and understandings between the Parties relating to the subject matter of this Agreement. All recitals and exhibits are by this reference incorporated and made a part of this Agreement.

12. TIME IS OF THE ESSENCE

Time is of the essence of this Agreement.

13. EMINENT DOMAIN

If, after the date of this Agreement, either party receives any notice of any state or federal condemnation proceeding or other proceedings in the nature of eminent domain, it will promptly send a copy of such notice to the other party. If any part of the property to be conveyed under this Agreement is taken by condemnation or eminent domain, the Parties shall nevertheless proceed with the transactions contemplated herein to the fullest possible extent and any proceeds paid on account of such condemnation or exercise of eminent domain shall be assigned to the party who would have received the property but for the taking.

14. WAIVER

Neither the City's nor District's waiver of the breach of any covenant or obligation under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant or obligation.

15. NEGOTIATION AND CONSTRUCTION

This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.

16. EXHIBITS

The following exhibits are part of this Agreement:

EXHIBIT A – Quitclaim Deed for conveyance from the City to District
Attachment 1 to Exhibit A: Legal Description

EXHIBIT B – Quitclaim Deed for conveyance by District to the City
Attachment 1 to Exhibit B: Legal Description

EXHIBIT C – Easement Agreement
Attachment 1 to Exhibit C: Map of City Parcel A and District Parcel B
Attachment 2 to Exhibit C: Legal Descriptions
Attachment 3 to Exhibit C: Map of Access and Fire Easements
Attachment 4 to Exhibit C: Access and Fire Easements Legal Description

EXHIBIT D – Lease for conveyance of lease by District to the City
Attachment 1 to Exhibit D: Legal Description (Premises)
Attachment 2 to Exhibit D: Lease Area of Premises
Attachment 3 to Exhibit D: Reserved Parking Spaces for Garfield Teen Life
Center

EXHIBIT A – Parks to District Garfield High School

AFTER RECORDING MAIL TO:

The City of Seattle Department of Parks and Recreation
Property Management
800 Maynard Avenue S
3rd Floor
Seattle, WA 98134-1336

Reference Number of Related Documents: Lot Boundary Adjustment No. 3004623, Recording Number 20070723900014.

Grantor(s): THE CITY OF SEATTLE

Grantee(s): SEATTLE SCHOOL DISTRICT NO. 1

Abbreviated Legal Description: THAT PORTION OF PARCEL B OF CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 3004623, RECORDED IN VOLUME 229 OF SURVEYS, PAGES 44 THROUGH 46, UNDER KING COUNTY RECORDING NO. 20070723900014, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

QUITCLAIM DEED

THE **GRANTOR**, the **CITY OF SEATTLE**, a municipal corporation organized under the laws of the State of Washington, for and in consideration of valuable consideration, conveys and quit claims to the **GRANTEE**, the **SEATTLE SCHOOL DISTRICT No. 1**, the real estate described on Attachment 1 attached hereto and incorporated herein (“Property”), situated in the County of King, State of Washington, together with all after acquired title of the **GRANTOR** therein, **SUBJECT**, however, to all existing interests, including but not limited to all reservations, rights-of-way and easements of record or otherwise.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed by its proper officers this ____ day of _____ 2015.

THE CITY OF SEATTLE

STATE OF WASHINGTON

SS

COUNTY OF KING

On this _____ day of _____, 2015, before me undersigned, a Notary Public in and for Washington, duly commissioned and sworn, appeared Christopher Williams, known to

Richard Gholaghong
DPR Garfield - Rainier Beach CC Property Exchange ORD ATT 1
October 8, 2014
Version #1

be the Acting Superintendent of Parks and Recreation of The City of Seattle, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation and for uses and purpose mentioned, and on oath stated he was authorized to execute the said instrument and that the seal affixed is the corporate sign of said municipal corporation.

WITNESS my hand an official seal hereto affixed the day and year first above written.

Print Name _____

Notary Public in and for Washington residing at _____

My commission expires: _____

Attachment 1 to Exhibit A – City to District (Garfield High School)

PROPERTY ADDED TO PARCEL B OF CITY OF LBA NO. 3004623
GARFIELD HIGH SCHOOL

THAT PORTION OF PARCEL B OF CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 3004623, RECORDED IN VOLUME 229 OF SURVEYS, PAGES 44 THROUGH 46, UNDER KING COUNTY RECORDING NO. 20070723900014, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF EAST JEFFERSON STREET (VACATED) WITH THE CENTERLINE OF 24TH AVENUE EAST (VACATED), SAID POINT BEING MARKED BY A CONCRETE MONUMENT WITH BRASS PIN IN CASE;
THENCE NORTH 89°59'49" WEST ALONG THE CENTERLINE OF EAST JEFFERSON STREET, A DISTANCE OF 278.92 FEET TO A POINT, SAID POINT BEING SOUTH 89°59'49" EAST, A DISTANCE OF 4.11 FEET FROM A CONCRETE MONUMENT WITH BRASS PIN IN CASE MARKING THE INTERSECTION OF THE WEST LINE OF THE PLAT OF GAMMA PONCIN'S ADDITION TO THE CITY OF SEATTLE, (RECORDED IN VOLUME 20 OF PLATS AT PAGE 51) WITH THE CENTERLINE OF EAST JEFFERSON STREET;
THENCE NORTH 00°00'07" EAST, A DISTANCE OF 19.74 FEET;
THENCE SOUTH 89°59'53" EAST, A DISTANCE OF 35.99 FEET;
THENCE NORTH 00°00'07" EAST, A DISTANCE OF 51.53 FEET;
THENCE SOUTH 89°59'46" EAST, A DISTANCE OF 490.55 FEET TO A POINT ON THE WEST MARGIN OF 25TH AVENUE EAST;
THENCE SOUTH 00°00'45" WEST ALONG SAID WEST MARGIN A DISTANCE OF 70.59 FEET TO A POINT ON THE CENTERLINE OF EAST JEFFERSON STREET, SAID POINT BEING SOUTH 89°50'48" WEST, A DISTANCE OF 30.00 FEET FROM THE INTERSECTION OF THE CENTERLINE OF EAST JEFFERSON STREET WITH THE CENTERLINE OF 25TH AVENUE EAST, SAID INTERSECTION BEING MARKED BY A CONCRETE MONUMENT WITH BRASS PIN IN CASE;
THENCE SOUTH 89°50'48" WEST A DISTANCE OF 247.60 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

AREA: 35,587 SQUARE FEET AND/OR 0.8170 ACRES, MORE OR LESS.

Additional Legal Description on Attachment Assessor's Property Tax Parcel or Account No.: Parcel A 7544800245, Parcel B 6840701230 and 2779100175.

Richard Gholaghong
DPR Garfield - Rainier Beach CC Property Exchange ORD ATT 1
October 8, 2014
Version #1

EXHIBIT B – District to City (Rainier Beach Community Center)

AFTER RECORDING MAIL TO:

Seattle School District No. 1
Superintendent of Schools
John Stanford Center for Educational Excellence
2445 3rd Avenue South
Seattle, WA 98134

Reference Number of Related Documents: Lot Boundary Adjustment No. 3015401, Recording Number 20131018900003.

Grantor(s): SEATTLE SCHOOL DISTRICT NO. 1

Grantee(s): THE CITY OF SEATTLE

Abbreviated Legal Description: THAT PORTION OF PARCEL A OF CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 3015401, RECORDED IN VOLUME 303 OF SURVEYS, PAGES 15 THROUGH 20, UNDER KING COUNTY RECORDING NO. 20131018900003, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

QUITCLAIM DEED

THE GRANTOR, SEATTLE SCHOOL DISTRICT No. 1, a municipal corporation organized under the laws of the State of Washington, for and in consideration of valuable consideration, conveys and quit claims to the **GRANTEE, the CITY OF SEATTLE**, the real estate described on Attachment 1 attached hereto and incorporated herein (“Property”), situated in the County of King, State of Washington, together with all after acquired title of the **GRANTOR** therein, **SUBJECT**, however, to all existing interests, including but not limited to all reservations, rights-of-way and easements of record or otherwise.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed by its proper officers this ____ day of _____ 2015.

SEATTLE SCHOOL DISTRICT

STATE OF WASHINGTON

COUNTY OF KING

Richard Gholaghong
DPR Garfield - Rainier Beach CC Property Exchange ORD ATT 1
October 8, 2014
Version #1

On this _____ day of _____, 2015, before me undersigned, a Notary Public in and for Washington, duly commissioned and sworn, appeared _____, known to be the Superintendent of the Seattle School District No. 1, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation and for uses and purpose mentioned, and on oath stated he was authorized to execute the aid instrument and that the seal affixed is the corporate sign of said municipal corporation.

WITNESS my hand an official seal hereto affixed the day and year first above written.

Print Name _____

Notary Public in and for Washington residing at _____

My commission expires: _____

Attachment 1 to Exhibit B – District to Parks Rainier Beach Community Center

PROPERTY ADDED TO PARCEL A OF CITY OF SEATTLE LBA NO. 3015401
RAINIER BEACH COMMUNITY CENTER

THAT PORTION OF PARCEL A OF CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 3015401, RECORDED IN VOLUME 303 OF SURVEYS, PAGES 15 THROUGH 20, UNDER KING COUNTY RECORDING NO. 20131018900003, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST MARGIN OF RAINIER AVENUE SOUTH AND THE NORTH MARGIN OF SOUTH HENDERSON STREET;
THENCE NORTH 01°17'00" EAST 301.54 FEET ALONG SAID WEST MARGIN;
THENCE NORTH 01°00'50" EAST 230.47 FEET ALONG SAID WEST MARGIN TO THE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°00'50" EAST 63.18 FEET ALONG SAID WEST MARGIN;
THENCE NORTH 88°51'11" WEST 371.07 FEET;
THENCE SOUTH 01°08'50" WEST 131.70 FEET;
THENCE SOUTH 49°34'45" EAST 90.40 FEET;
THENCE SOUTH 01°08'50" WEST 55.25 FEET;
THENCE SOUTH 88°51'10" EAST 27.43 FEET;
THENCE SOUTH 01°24'40" WEST 8.85 FEET TO THE CENTERLINE OF A WALL;
THENCE ALONG THE CENTERLINE OF SAID WALL FOR THE NEXT TWO COURSES SOUTH 88°20'41" EAST 17.37 FEET;
THENCE SOUTH 01°08'50" WEST 138.49 FEET;
THENCE SOUTH 88°43'00" EAST 14.69 FEET TO A POINT OF NON-TANGENT CURVE, THE CENTER OF WHICH BEARS NORTH 59°07'52" EAST;
THENCE SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 62.85 FEET, THROUGH A CENTRAL ANGLE OF 43°39'46" A DISTANCE OF 47.89 FEET TO A POINT OF COMPOUND CURVE;
THENCE NORTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 21.78 FEET, THROUGH A CENTRAL ANGLE OF 58°59'19" A DISTANCE OF 22.42 FEET TO A POINT OF REVERSE CURVE;
THENCE EASTERLY, ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 81.31 FEET, THROUGH A CENTRAL ANGLE OF 32°44'36" A DISTANCE OF 46.47 FEET;
THENCE SOUTH 88°43'00" EAST 42.12 FEET;
THENCE SOUTH 01°17'00" WEST 7.89 FEET;
THENCE SOUTH 88°43'00" EAST 13.36 FEET TO A POINT OF NON-TANGENT CURVE, THE CENTER OF WHICH BEARS SOUTH 29°32'19" WEST;
THENCE SOUTHERLY, ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 81.31 FEET, THROUGH A CENTRAL ANGLE OF 13°41'47" A DISTANCE OF 19.44 FEET TO A POINT OF REVERSE CURVE;
THENCE SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 13.15 FEET, THROUGH A CENTRAL ANGLE OF 44°36'02" A DISTANCE OF 10.24 FEET TO A POINT OF COMPOUND CURVE;
THENCE EASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 70.00 FEET, THROUGH A CENTRAL ANGLE OF 35°00'26" A DISTANCE OF 42.77 FEET;
THENCE SOUTH 88°43'00" EAST 23.02 FEET TO SAID WEST MARGIN OF RAINIER AVENUE SOUTH;
THENCE NORTH 01°17'00" EAST 10.00 FEET ALONG SAID MARGIN;
THENCE NORTH 88°51'27" WEST 182.48 FEET;
THENCE NORTH 01°08'33" EAST 327.00 FEET;
THENCE SOUTH 88°51'27" EAST 182.21 FEET TO THE POINT OF BEGINNING.

SUBJECT TO AND TOGETHER WITH A 12.5 FOOT ACCESS EASEMENT, AS SHOWN ON THE LOT BOUNDARY ADJUSTMENT NO. 3015401;

AND SUBJECT TO AND TOGETHER WITH EASEMENTS, COVENANTS AND RESTRICTIONS OF RECORD;

SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

AREA: 66,192 SQUARE FEET AND/OR 1.5196 ACRES, MORE OR LESS.



SEATTLE DEPARTMENT OF PARKS AND REC.
PARK DEPARTMENT
OLIVER Q. ROBAR, P.L.S.
BRH JOB NO. 2014080.00
DATE 04/18/14
REVISED 07/15/14

BUSH, ROED & HITCHINGS, INC.
2009 MINOR AVENUE EAST
SEATTLE, WA 98102
(206) 323-4144

EXHIBIT C – EASEMENT AGREEMENT

WHEN RECORDED, RETURN TO:

GRANTORS: The City of Seattle, a Washington municipal corporation; and
Seattle School District No. 1, a municipal corporation

GRANTEES: Seattle School District No. 1, a municipal corporation; and
The City of Seattle, a Washington municipal corporation

ABBR. LEGAL: Lots 1 & 2 of LBA No. 3015401, King County

TAX PARCEL NUMBERS: 212370-0240-03 and 212370-0250-00

RECORDING NUMBER OF
RELATED AGREEMENTS: 20131018900003

RECIPROCAL EASEMENT AGREEMENT

This Reciprocal Easement Agreement (“Easement Agreement”) is entered into and effective this _____ day of _____, 2015 (the “Effective Date”), by and between the City of Seattle (“City”), a municipal corporation and the Seattle School District No. 1 (“District”), a municipal corporation.

RECITALS

WHEREAS, the City owns certain real property located at 8825 Rainier Avenue South in Seattle, King County, designated as Parcel A on Attachment 1 to Exhibit C page 1 and described on Attachment 3 to Exhibit C page 1 attached hereto (the “City Property”); and

WHEREAS, the District owns certain real property located at 4800 Henderson Street in Seattle, King County, designated as Parcel B on Attachment 1 to Exhibit C page 1 and described on Attachment 3 to Exhibit C page 2 attached hereto (the “District Property”); and

WHEREAS, the City Property and the District Property are adjacent to one another and the boundaries of the two properties were adjusted to allow the City to redevelop its Rainier Beach Community Center and the District to redevelop its South Shore School, as contemplated by Ordinance 106212; and

WHEREAS, the parties intend that the City Property and the District Property be benefited by two mutual easements, one for vehicular and pedestrian access (the “Access Easement”) and the other for emergency vehicle and pedestrian access (the “Fire Access Easement”), that will run across certain portions of the City Property and the District Property as shown on Attachment 3 to Exhibit C; and

WHEREAS, the areas across which the easements shall run (the “Access Easement Area” and the “Fire Access Easement Area”) are legally described in Attachment 4 to Exhibit C ; and

WHEREAS, the parties have caused certain improvements, including driveways and a driveway security system that serve both properties (the “Access Easement Improvements” and the “Fire Access Easement Improvements”), to be constructed within the easement areas along the borderline of said properties, approximately one-half within the boundaries of each and the parties wish to provide for the on-going use and maintenance of the easement areas and their improvements.

As used in this agreement, the invitees, licensees, agents, employees and tenants of the City Property and the District Property are referred to as their respective “Authorized Users.”

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt, value and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

AGREEMENT

1. Easement Use.

1.1 Grant of Access Easements. The City grants to the District and the District grants to the City a non-exclusive perpetual easement to, over and upon their respective interests in the Access Easement Area. The purposes of the Easement are (i) to provide to the City and the District and their respective Authorized Users 24-hour pedestrian and vehicular ingress and egress to and from the public right-of-way commonly known as Rainier Avenue South; and (ii) to allow the City and the District to install, maintain and repair the current and future improvements within the Access Easement Area. The parties will not use or permit their respective Authorized Users to use the Access Easement for any unlawful purpose, nor will either party or their respective Authorized Users commit any nuisance or waste in connection with use of the Access Easement.

1.2 Grant of Fire Access Easements. The City grants to the District and the District grants to the City a perpetual non-exclusive easement to, over and upon their respective interests in the Fire Access Easement Area. The purposes of the Easement are (i) to provide to the City and the District and their respective Authorized Users 24-hour pedestrian ingress and egress to and from the public right-of-way commonly known as Rainier Avenue South; (ii) to provide for access by emergency vehicles, including fire trucks and ambulances; and (iii) to allow the City and the District to install, maintain and repair the current and future improvements within the Fire Access Easement Area. The parties will not use or permit their respective Authorized Users to use the Fire Access Easement for any unlawful purpose, nor will either party or their respective Authorized Users commit any nuisance or waste in connection with use of the Fire Access Easement.

1.3 Binding Effect of Easement. This Easement Agreement and its terms and conditions shall constitute covenants running with the land affected or benefited thereby and the rights and obligations of both parties shall inure to the benefit of and be binding upon their respective successors and assigns.

2. Non-Interference. Neither party shall permit, operate or install any parked vehicle, other object, or any improvements on its property which in any way unreasonably restricts or interferes with the reciprocal easements granted herein. The parties shall cooperate in scheduling temporary closures of the easement areas for repairs or maintenance and shall document such closures in writing. Apart from maintenance, the easement areas shall only be closed in cases of emergency, including civil unrest.

3. Nature of Easements and Rights Granted.

3.1 Easements Appurtenant. Each of the easements and rights granted or created herein is an appurtenance to the applicable benefited site, and none of such easements or rights may be transferred, assigned or encumbered except as an appurtenance to the applicable benefited site.

3.2 Nature and Effect of Easements. All of the easements, covenants, restrictions and provisions contained in this Easement Agreement:

3.2.1 create equitable servitudes upon the City Property and the District Property in favor of the other property;

3.2.2 constitute covenants running with the land; and

3.2.3 shall bind every person or entity having any fee, leasehold or other interest in any portion of either property at any time or from time to time, to the extent that such portion is affected or bound by the easement, covenant, restriction, or provision in question, or to the extent that such easement, covenant, restriction or provision is to be performed on such portion.

3.3 Transfer of Title. The acceptance of any transfer or conveyance of title from any owner of all or any part of its interest in its property shall be deemed, without any further action by the grantor or the grantee, to:

3.3.1 require the grantee to agree not to use, occupy or allow any lessee or occupant of such property to use or occupy the property in any manner which would constitute a violation or breach of any of the easements and covenants contained herein; and

3.3.2 require the grantee to assume and agree to perform each and all of the obligations of the conveying party under this Easement Agreement with respect to all (or the applicable portion of) such property which will be conveyed to such grantee.

3.4 Successors. The obligations set forth in this Section 3 shall be binding on any successors or assigns of the named parties.

4. Maintenance. The Access Easement Improvements and the Fire Access Easement Improvements shall be maintained in a manner that preserves their function and appearance as integral facilities serving the City Property and the District Property, reasonably free of defects and serviceable to both owners. The easements shall also be constructed and maintained in accordance with the provisions of Seattle Municipal Code Section 23.53.025 or any successor ordinance. The City and the District shall share responsibility for all maintenance (including repair and replacement, as appropriate) associated with the easement improvements. Said maintenance responsibilities shall include, without limitation, any maintenance necessary for the attractive appearance and proper functioning of the driveway security gate or bollards installed in the Fire Access Easement Area. Before making any arrangements for maintenance of the easement improvements, the owner proposing to undertake such maintenance shall provide notice to the other owner not less than fifteen (15) days prior to the commencement of any such work.. Any notice provided shall include reasonably detailed information concerning the nature and scope of the proposed maintenance work and the estimated cost thereof, and shall request the other owner's concurrence in the proposed work. Should the owner receiving the request disagree with the nature and/or scope of such proposed maintenance, the owner to whom such notice is provided may request that the owner providing such notice meet and confer to discuss and, if possible, come to an agreement on the nature and scope of such proposed maintenance work. Should the parties fail to come to an agreement regarding the nature and scope of such maintenance or, should either of the owners decline to meet and confer regarding such maintenance, the provisions of Section 7.7 shall apply. (If emergency maintenance is required and cannot reasonably be delayed for the fifteen (15) day notice period, the owner proposing emergency maintenance work shall make a reasonable effort to notify the other owner of the proposed work and to obtain that owner's concurrence prior to the commencement of such maintenance work.) Each of the owners and either one of them individually, shall exercise reasonable judgment in arranging for such maintenance to the easement improvements at reasonable cost. The owner making any such arrangements shall make payment to any vendor or contractor performing such maintenance and shall be entitled to reimbursement of the other owner's share of the maintenance expense so incurred in accordance with this Section. The owners shall share such reasonable expenses for maintenance of the easement improvements on a 50/50 basis; that is, each owner shall be responsible for fifty percent (50%) of such maintenance expenses.

Notwithstanding the foregoing, in the event damage to the easement area improvements is caused by one party or its Authorized Users, including damage caused by hauling or construction activities in or around the easement areas but not including ordinary wear or tear, that party will promptly restore such improvements to the condition in which they existed prior to such damage.

Within ten (10) days after delivery of a statement documenting reasonable maintenance costs incurred in accordance with this Section, an owner shall reimburse the other owner for the share of easement improvements maintenance expenses due in accordance with this Section. Each owner shall be responsible for all maintenance associated with any objects or improvements owned by such owner, and properly placed within the easement area, at the owner's sole expense.

5. Indemnification. (a) The owner of the City Property shall defend, indemnify and hold the owner of the District Property and all of its employees or agents harmless from any and all claims, demands, or liability arising from alleged acts or omissions by the owner of the City Property or its employees or agents, or the negligent maintenance, construction, or dangerous condition of the City Property; and (b) The owner of the District Property shall defend, indemnify and hold the owner of the City Property and all of its employees or agents harmless from any and all claims, demands, or liability arising from alleged acts or omissions by the owner of the District Property or its employees or agents, or the negligent maintenance, construction or dangerous condition of the District Property. For purposes of this Easement Agreement only, each of the parties specifically and expressly waives, with respect to the other, its immunity and limitation on liability under any industrial insurance legislation including but not limited to Title 51 RCW.

6. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be delivered in person or sent by registered or certified mail, postage prepaid, commercial overnight courier with written verification of receipt or by telecopy facsimile. A notice shall be deemed given: (a) when delivered by personal delivery (as evidenced by the receipt); (b) two (2) business days after deposit in the mail if sent by registered or certified mail; (c) one (1) business day after having been sent by commercial overnight courier (as evidenced by the written verification of receipt); or (d) on the date of confirmation if telecopied. Notices shall be addressed as set forth below, but any addressee may change its address by written notice in accordance herewith.

To the City: The City of Seattle
 Superintendent of Parks and Recreation
 100 Dexter Avenue N.
 Seattle, WA 98109

To the District: Seattle School District #1
 Superintendent of Schools
 John Stanford Center for Educational Excellence
 2445 3rd Avenue South
 Seattle, WA 98134

7. General Provisions.

7.1 Entire Agreement. This Easement Agreement (including Exhibits attached) constitutes the entire agreement and understanding between the parties with respect to the subject matter contained herein, and supersedes any prior agreement and understanding about the subject matter hereof. This Easement Agreement may be modified or amended only by a written instrument executed by the parties hereto.

7.2 Headings. The subject headings of the sections and paragraphs of this Easement Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

7.3 Severability. If any term or provision of this Easement Agreement shall, to any extent, be held invalid or unenforceable, the remaining terms and provisions of this Easement Agreement shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.

7.4 Waiver. No waiver of any breach of any of the easements, covenants and/or agreements herein contained shall be construed as, or constitute, a waiver of any other breach or a waiver, acquiescence in or consent to any further or succeeding breach of the same or any other covenant and/or agreement.

7.5 Successors and Assigns. Each covenant and condition contained in this Easement Agreement shall run with the land affected thereby and inure to the benefit of and be binding on the parties to this Easement Agreement and their respective heirs, executors, administrators, personal representatives, successors and assigns, except as otherwise provided herein.

7.6 Recording. A fully executed counterpart of this Easement Agreement shall be recorded in the King County Department of Records and Elections.

7.7 Modifications/Termination. Neither this Agreement nor any provision may be modified or terminated except by a written agreement of the record owners of the City Property and the District Property duly recorded in the real property records of King County, Washington.

7.8 Dispute Resolution. Except as provided herein, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Easement Agreement may be commenced until the matter has been submitted to mediation. Either party may commence mediation by providing to the other party a written request for mediation, setting forth the subject of the dispute or the relief requested. If the parties are unable to agree on a mediator within five days from the date of the request, then the party requesting mediation may submit the matter to the Judicial Arbitration and Mediation Service, or any similar professional mediation organization in King County, Washington, and the parties will cooperate with such organization and with one another in selecting a mediator from the organization's panel of neutrals, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. Either party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or 45 days after the date of filing the written request for mediation, whichever occurs first.

7.9 Attorneys' Fees and Costs. If any legal action or any other proceeding is brought for the enforcement of this Easement Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Easement Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other

Richard Gholaghong
DPR Garfield - Rainier Beach CC Property Exchange ORD ATT 1
October 8, 2014
Version #1

relief to which it or they may be entitled, including the fees and costs incurred in enforcing any judgment which may be obtained in said action.

7.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF, the parties hereto have executed this Easement Agreement as of the date first written above.

Seattle School District No. 1

By: _____

Name: _____

Its: _____

The City of Seattle

By: _____

Name: Christopher Williams

Its: Acting Superintendent of Parks and Recreation

Attachment 2 to Exhibit C – City Property (page 1 of 2)

LEGAL DESCRIPTION PROPOSED NEW PARCEL A:

THOSE PORTIONS OF LOT 10, DUNLAP'S PLAT OF LAND ON LAKE WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 3 OF PLATS, PAGE 54, AND OF BLOCK 6, PIONEER ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 25 OF PLATS, PAGE 35, AND OF BLOCK 6, PLAT OF LINDENAU, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 7 OF PLATS, PAGE 50, RECORDS OF KING COUNTY, WASHINGTON, TOGETHER WITH THOSE PORTIONS OF VACATED SOUTH TRENTON STREET, VACATED 50TH AVE SOUTH, AND VACATED ALLEY IN SAID BLOCK 6, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST MARGIN OF RAINIER AVENUE SOUTH AND THE NORTH MARGIN OF SOUTH HENDERSON STREET;

THENCE NORTH 01°17'00" EAST 195.00 FEET ALONG SAID WEST MARGIN OF RAINIER AVENUE SOUTH TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 01°17'00" EAST 106.54 FEET ALONG SAID WEST MARGIN;

THENCE NORTH 01°00'50" EAST 293.64 FEET ALONG SAID WEST MARGIN;

THENCE NORTH 88°51'11" WEST 371.07 FEET;

THENCE SOUTH 09°08'59" WEST 131.70 FEET;

THENCE SOUTH 49°34'45" EAST 90.40 FEET;

THENCE SOUTH 01°08'50" WEST 55.25 FEET;

THENCE SOUTH 88°51'10" EAST 27.43 FEET;

THENCE SOUTH 01°24'40" WEST 8.85 FEET;

THENCE SOUTH 88°20'41" EAST 17.37 FEET;

THENCE SOUTH 01°08'50" WEST 138.49 FEET;

THENCE SOUTH 88°43'00" EAST 14.89 FEET TO A POINT OF NON-TANGENT CURVE, THE CENTER OF WHICH BEARS NORTH 59°07'52" EAST;

THENCE SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 62.85 FEET, THROUGH A CENTRAL ANGLE OF 43°39'46" A DISTANCE OF 47.89 FEET TO A POINT OF COMPOUND CURVE;

THENCE NORTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 21.78 FEET, THROUGH A CENTRAL ANGLE OF 58°59'19" A DISTANCE OF 22.42 FEET TO A POINT OF REVERSE CURVE;

THENCE EASTERLY, ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 81.31 FEET, THROUGH A CENTRAL ANGLE OF 32°44'36" A DISTANCE OF 46.47 FEET;

THENCE SOUTH 88°43'00" EAST 42.12 FEET;

THENCE SOUTH 01°17'00" WEST 7.89 FEET;

THENCE SOUTH 88°43'00" EAST 13.36 FEET TO A POINT OF NON-TANGENT CURVE, THE CENTER OF WHICH BEARS SOUTH 29°32'19" WEST;

THENCE SOUTHERLY, ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 81.31 FEET, THROUGH A CENTRAL ANGLE OF 13°41'47" A DISTANCE OF 19.44 FEET TO A POINT OF REVERSE CURVE;

THENCE SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 13.15 FEET, THROUGH A CENTRAL ANGLE OF 44°36'02" A DISTANCE OF 10.24 FEET TO A POINT OF COMPOUND CURVE;

THENCE EASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 70.00 FEET, THROUGH A CENTRAL ANGLE OF 39°00'26" A DISTANCE OF 42.77 FEET;

THENCE SOUTH 88°43'00" EAST 23.02 FEET TO THE POINT OF BEGINNING;

SUBJECT TO AND TOGETHER WITH A 12.5 FOOT ACCESS EASEMENT, AS SHOWN ON THE LOT BOUNDARY ADJUSTMENT NO. 3015401;

ALSO TOGETHER WITH A 20' FIRE ACCESS EASEMENT AS SHOWN ON THE LOT BOUNDARY ADJUSTMENT NO. 3015401;

AND SUBJECT TO AND TOGETHER WITH EASEMENTS, COVENANTS AND RESTRICTIONS OF RECORD;

SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

Attachment 2 to Exhibit C – The District Property (page 2 of 2)

LEGAL DESCRIPTION PROPOSED NEW PARCEL B:

THOSE PORTIONS OF BLOCKS 1 AND 2, HOLMES & LAWRENCE'S 5TH ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 14 OF PLATS, PAGE 44, AND PORTIONS OF LOTS 10 AND 12, DUNLAP'S PLAT OF LAND ON LAKE WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 3 OF PLATS, PAGE 54, AND OF BLOCK 6, PIONEER ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 25 OF PLATS, PAGE 35, AND THAT PORTION OF BLOCK 1 OF SPEEDWAY ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 15 OF PLATS, PAGE 62, AND OF THOSE PORTIONS OF BLOCKS 1, 5 AND 6, PLAT OF LINDENAU, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 7 OF PLATS, PAGE 50, ALL IN RECORDS OF KING COUNTY, WASHINGTON, TOGETHER WITH THOSE PORTIONS OF VACATED STREETS AND ALLEYS CONTAINED THEREIN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST MARGIN OF RAINIER AVENUE SOUTH AND THE NORTH MARGIN OF SOUTH HENDERSON STREET;

THENCE NORTH 88°51'27" WEST ALONG SAID NORTH MARGIN OF SOUTH HENDERSON STREET, 970.05 FEET TO THE EAST MARGIN OF 46TH AVENUE SOUTH;

THENCE NORTH 01°15'17" EAST ALONG SAID EAST MARGIN 121.75 FEET;

THENCE SOUTH 88°51'27" EAST 295.90 FEET;

THENCE NORTH 01°08'33" EAST 210.39 FEET;

THENCE NORTH 48°08'33" EAST 415.72 FEET;

THENCE NORTH 01°08'33" EAST 333.29 FEET TO THE SOUTH MARGIN OF SOUTH CLOVERDALE STREET;

THENCE SOUTH 89°15'05" EAST 379.18 FEET ALONG SAID SOUTH MARGIN TO THE WEST MARGIN OF RAINIER AVENUE SOUTH;

THENCE SOUTH 01°00'50" WEST 366.88 FEET ALONG SAID WEST MARGIN;

THENCE NORTH 88°51'34" WEST 373.07 FEET;

THENCE SOUTH 01°08'50" WEST 431.70 FEET;

THENCE SOUTH 49°34'45" EAST 90.40 FEET;

THENCE SOUTH 01°08'50" WEST 55.25 FEET;

THENCE SOUTH 88°51'10" EAST 27.43 FEET;

THENCE SOUTH 01°24'40" WEST 6.45 FEET;

THENCE SOUTH 88°20'41" EAST 17.37 FEET;

THENCE SOUTH 01°08'50" WEST 138.49 FEET;

THENCE SOUTH 88°43'00" EAST 14.89 FEET TO A POINT OF NON-TANGENT CURVE, THE CENTER OF WHICH BEARS NORTH 59°07'52" EAST;

THENCE SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 62.85 FEET, THROUGH A CENTRAL ANGLE OF 43°39'48" A DISTANCE OF 47.89 FEET TO A POINT OF COMPOUND CURVE;

THENCE NORTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 201.76 FEET, THROUGH A CENTRAL ANGLE OF 58°58'19" A DISTANCE OF 22.42 FEET TO A POINT OF REVERSE CURVE;

THENCE EASTERLY, ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 81.31 FEET, THROUGH A CENTRAL ANGLE OF 32°44'36" A DISTANCE OF 46.47 FEET;

THENCE SOUTH 88°43'00" EAST 42.12 FEET;

THENCE SOUTH 01°17'00" WEST 7.89 FEET;

THENCE SOUTH 88°43'00" EAST 13.36 FEET TO A POINT OF NON-TANGENT CURVE, THE CENTER OF WHICH BEARS SOUTH 29°32'19" WEST;

THENCE SOUTHERLY, ALONG THE ARC OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 81.31 FEET, THROUGH A CENTRAL ANGLE OF 13°41'47" A DISTANCE OF 19.44 FEET TO A POINT OF REVERSE CURVE;

THENCE SOUTHEASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 13.15 FEET, THROUGH A CENTRAL ANGLE OF 44°36'02" A DISTANCE OF 10.24 FEET TO A POINT OF COMPOUND CURVE;

THENCE EASTERLY, ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 70.00 FEET, THROUGH A CENTRAL ANGLE OF 35°00'28" A DISTANCE OF 42.77 FEET;

THENCE SOUTH 88°43'00" EAST 23.02 FEET

TO SAID WEST MARGIN OF RAINIER AVENUE SOUTH;

THENCE SOUTH 01°17'00" WEST 193.00 FEET TO THE POINT OF BEGINNING;

SUBJECT TO AND TOGETHER WITH A 12.5 FOOT ACCESS EASEMENT, AS SHOWN ON THE LOT BOUNDARY ADJUSTMENT NO. 3015401;

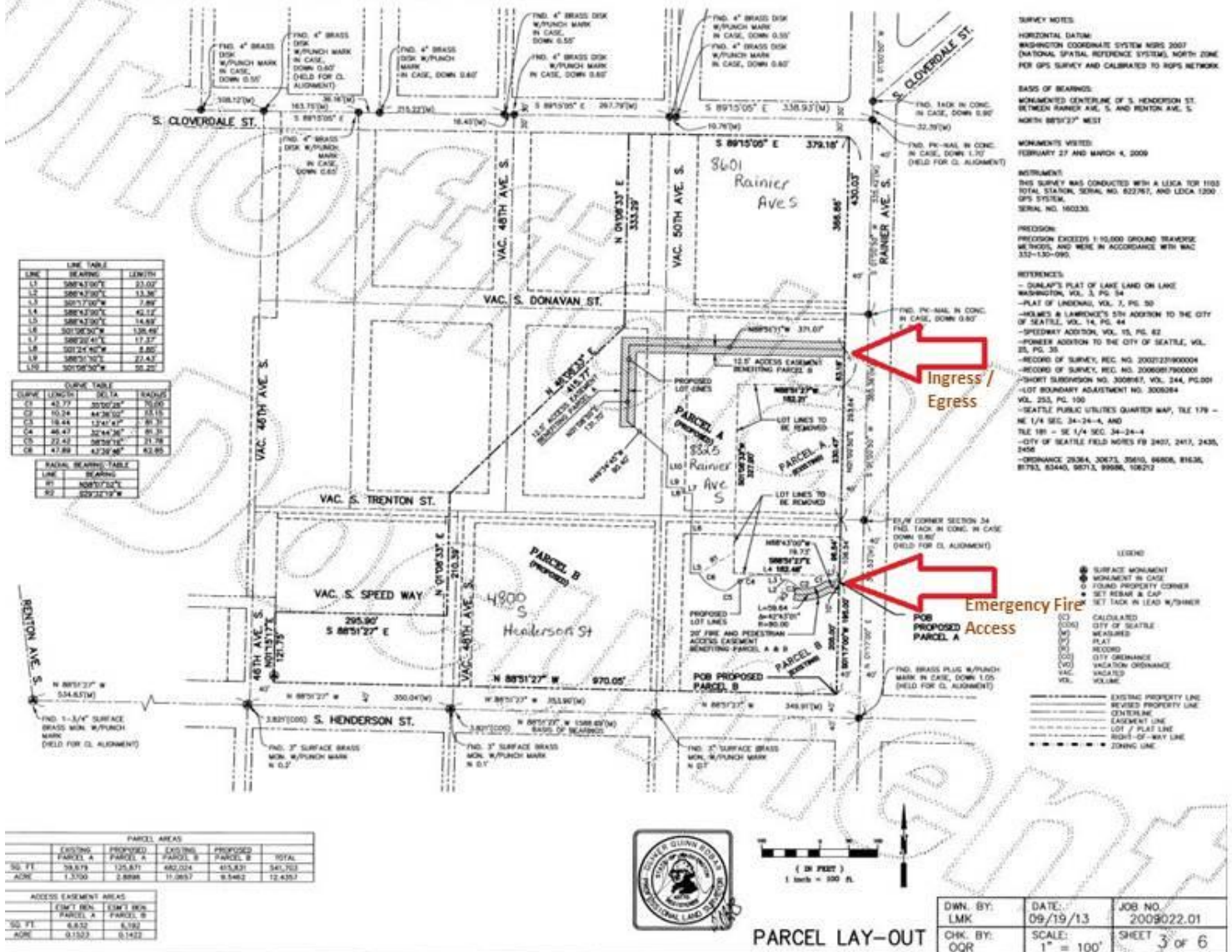
ALSO TOGETHER WITH A 20' FIRE ACCESS EASEMENT AS SHOWN ON THE LOT BOUNDARY ADJUSTMENT NO. 3015401;

AND SUBJECT TO AND TOGETHER WITH EASEMENTS, COVENANTS AND RESTRICTIONS OF RECORD;

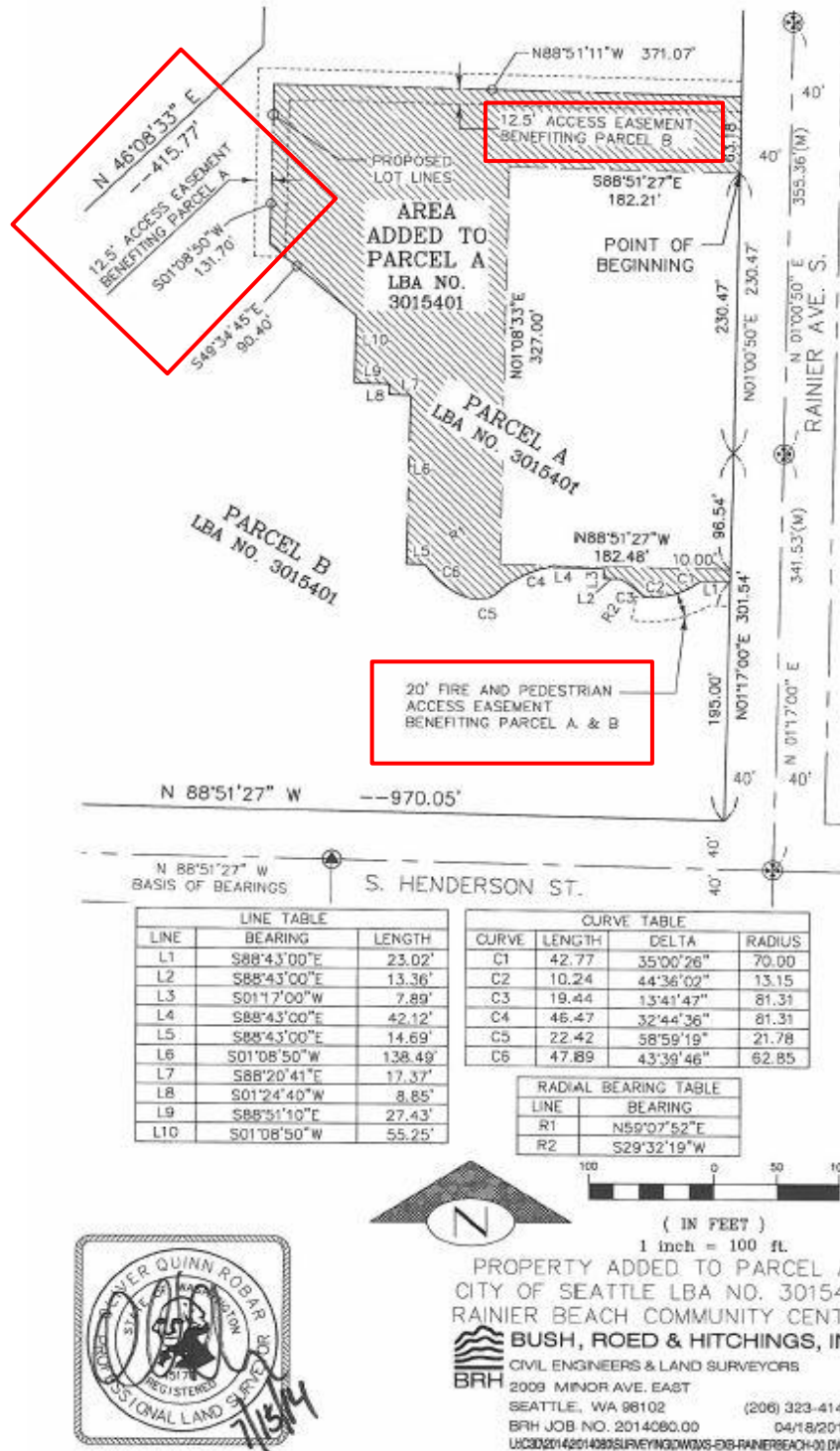
SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

Attachment 3 to Exhibit C – Easements (page 1 of 2)

LOT BOUNDARY ADJUSTMENT NO. 3015401



Attachment 3 to Exhibit C – Easements (page 2 of 2)



Attachment 4 to Exhibit C – Access and Fire Easements Legal Description (page 1 of 6)

ACCESS EASEMENT BENEFITING PARCEL A

THAT PORTION OF PARCEL B OF CITY SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 3015401, RECORDED IN VOLUME 303 OF SURVEYS, PAGES 15 THROUGH 20, UNDER KING COUNTY RECORDING NO. 20131018900003, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST MARGIN OF RAINIER AVENUE SOUTH AND THE NORTH MARGIN OF SOUTH HENDERSON STREET, BEING 40 FEET WESTERLY OF THE MONUMENTAL CENTERLINE OF RAINIER AVENUE SOUTH AND 40 FEET NORTHERLY OF THE MONUMENTED CENTERLINE OF SOUTH HENDERSON STREET;
THENCE NORTH 01°17'00" EAST, A DISTANCE OF 301.54 FEET ALONG SAID WEST MARGIN;
THENCE NORTH 01°00'50" EAST, A DISTANCE OF 293.64 FEET ALONG SAID WEST MARGIN TO THE TRUE POINT OF BEGINNING AND THE NORTHEAST CORNER OF PARCEL A OF SAID CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT;
THENCE CONTINUING NORTH 01°00'50" EAST, A DISTANCE OF 12.50 FEET ALONG SAID WEST MARGIN;
THENCE NORTH 88°51'11" WEST, A DISTANCE OF 383.54 FEET;
THENCE SOUTH 01°08'50" WEST, A DISTANCE OF 154.42 FEET;
THENCE SOUTH 88°51'10" EAST, A DISTANCE OF 25.00 FEET TO THE WEST LINE OF PARCEL A OF SAID CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT;
THENCE ALONG WEST AND NORTH LINE OF SAID PARCEL A FOR THE NEXT THREE COURSES, NORTH 49°34'45" WEST, A DISTANCE OF 16.15 FEET;
THENCE NORTH 01°08'50" EAST, A DISTANCE OF 131.70 FEET;
THENCE SOUTH 88°51'11" EAST, A DISTANCE OF 371.07 FEET TO SAID WEST MARGIN AND THE TRUE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

CONTAINING AN AREA OF 6,632 SQUARE FEET, MORE OR LESS.



SEATTLE DEPARTMENT OF PARKS AND REC.
PARK DEPARTMENT
OLIVER Q. ROBAR, P.L.S.
BRH JOB NO. 2014080.01
DATE 07/15/14

BUSH, ROED & HITCHINGS, INC.
2009 MINOR AVENUE EAST
SEATTLE, WA 98102
(206) 323-4144

Attachment 4 to Exhibit C – Access and Fire Easements Legal Description (page 2 of 6)



EXHIBIT A
 ACCESS EASEMENT BENEFITING
 PARCEL A OF COS LBA# 3015401

BUSH, ROED & HITCHINGS, INC.
 CIVIL ENGINEERS & LAND SURVEYORS
 BRH 2009 MINOR AVE. EAST SEATTLE, WA 98102 (206) 323-4144
 BRH JOB NO. 2014080.01 07/15/2014
 U:\CD\2014\2514080\SURVEYING\DWG\SS-EXB-RAINIERBEACH-00.DWG

Attachment 4 to Exhibit C – Access and Fire Easements Legal Description (page 3 of 6)

ACCESS EASEMENT BENEFITING PARCEL B

THAT PORTION OF PARCEL A OF CITY SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 3015401, RECORDED IN VOLUME 303 OF SURVEYS, PAGES 15 THROUGH 20, UNDER KING COUNTY RECORDING NO. 20131018900003, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST MARGIN OF RAINIER AVENUE SOUTH AND THE NORTH MARGIN OF SOUTH HENDERSON STREET, BEING 40 FEET WESTERLY OF THE MONUMENTED CENTERLINE OF RAINIER AVENUE SOUTH AND 40 FEET NORTHERLY OF THE MONUMENTED CENTERLINE OF SOUTH HENDERSON STREET;
THENCE NORTH 01°17'00" EAST, A DISTANCE OF 301.54 FEET ALONG SAID WEST MARGIN;
THENCE NORTH 01°00'50" EAST, A DISTANCE OF 293.64 FEET ALONG SAID WEST MARGIN TO THE TRUE POINT OF BEGINNING AND THE NORTHEAST CORNER OF PARCEL A OF SAID CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT;
THENCE ALONG THE NORTH AND WEST LINES OF SAID PARCEL A FOR THE NEXT 3 COURSES, NORTH 88°51'11" WEST, A DISTANCE OF 371.07 FEET;
THENCE SOUTH 01°08'50" WEST, A DISTANCE OF 131.70 FEET;
THENCE SOUTH 49°34'45" EAST, A DISTANCE OF 16.15 FEET;
THENCE NORTH 01°08'50" EAST, A DISTANCE OF 129.42 FEET;
THENCE SOUTH 88°51'11" EAST, A DISTANCE OF 358.60 FEET TO SAID WEST MARGIN;
THENCE ALONG SAID WEST MARGIN NORTH 01°00'50" EAST, A DISTANCE OF 12.50 FEET TO THE TRUE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

CONTAINING AN AREA OF 6,192 SQUARE FEET, MORE OR LESS.



SEATTLE DEPARTMENT OF PARKS AND REC.
PARK DEPARTMENT
OLIVER Q. ROBAR, P.L.S.
BRH JOB NO. 2014080.01
DATE 07/15/14

BUSH, ROED & HITCHINGS, INC.
2009 MINOR AVENUE EAST
SEATTLE, WA 98102
(206) 323-4144

Attachment 4 to Exhibit C – Access and Fire Easements Legal Description (page 4 of 6)



EXHIBIT B
ACCESS EASEMENT BENEFITING
PARCEL B OF COS LBA# 3015401

BUSH, ROED & HITCHINGS, INC.
CIVIL ENGINEERS & LAND SURVEYORS
BRH
2009 MINOR AVE EAST
SEATTLE, WA 98102 (206) 323-4144
BRH JOB NO. 2014080.01 07/15/2014
UV20221420140805.SURVEYINGDWG\5-EB-RAINIERBEACH-00.DWG

Attachment 4 to Exhibit C – Access and Fire Easements Legal Description (page 5 of 6)

EASEMENT FOR FIRE AND PEDESTRIAN ACCESS

THAT PORTION OF PARCEL B OF CITY SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 3015401, RECORDED IN VOLUME 303 OF SURVEYS, PAGES 15 THROUGH 20, UNDER KING COUNTY RECORDING NO. 20131018900003, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST MARGIN OF RAINIER AVENUE SOUTH AND THE NORTH MARGIN OF SOUTH HENDERSON STREET, BEING 40 FEET WESTERLY OF THE MONUMENTED CENTERLINE OF RAINIER AVENUE SOUTH AND 40 FEET NORTHERLY OF THE MONUMENTED CENTERLINE OF SOUTH HENDERSON STREET;

THENCE NORTH 01°17'00" EAST, A DISTANCE OF 195.00 FEET ALONG SAID WEST MARGIN TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 88°43'00" WEST, A DISTANCE OF 23.02 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTH, WITH A RADIUS OF 70.00 FEET WHICH CENTER BEARS NORTH 36°22'22" WEST;

THENCE WESTERLY ALONG SAID CURVE A DISTANCE OF 55.26 FEET AND THROUGH A CENTRAL ANGLE OF 45°13'52";

THENCE SOUTH 08°51'30" WEST, A DISTANCE OF 20.00 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTH, WITH A RADIUS OF 90.00 FEET WHICH CENTER BEARS NORTH 08°51'30" EAST;

THENCE EASTERLY ALONG SAID CURVE A DISTANCE OF 63.85 FEET AND THROUGH A CENTRAL ANGLE OF 40°38'51";

THENCE SOUTH 88°43'00" EAST, A DISTANCE OF 16.67 FEET TO SAID WEST MARGIN;

THENCE ALONG SAID WEST MARGIN NORTH 01°17'00" EAST, A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING;

SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

CONTAINING AN AREA OF 1,588 SQUARE FEET, MORE OR LESS.



SEATTLE DEPARTMENT OF PARKS AND REC.
PARK DEPARTMENT
OLIVER Q. ROBAR, P.L.S.
BRH JOB NO. 2014080.01
DATE 07/15/14

BUSH, ROED & HITCHINGS, INC.
2009 MINOR AVENUE EAST
SEATTLE, WA 98102
(206) 323-4144

Attachment 4 to Exhibit C – Access and Fire Easements Legal Description (page 6 of 6)



- L1 = N88°43'00\"W 23.02'
- L2 = S08°51'30\"W 20.00'
- L3 = S88°43'00\"E 16.67'
- L4 = N01°17'00\"E 20.00'
- C1 = R=70.00'
 $\Delta=45^{\circ}13'52''$
 L=55.26'
- C2 = R=90.00'
 $\Delta=40^{\circ}38'51''$
 L=63.85'



EXHIBIT C
 FIRE AND PEDESTRIAN EASEMENT

BUSH, ROED & HITCHINGS, INC.
 CIVIL ENGINEERS & LAND SURVEYORS
 BRH 2009 MINOR AVE. EAST SEATTLE, WA 98102 (206) 323-4144
 BRH JOB NO. 2014080.01 07/15/2014
 U:\C30201420140809\SURVEYING\DWGS\EX-RAINIERBEACH-00.DWG

EXHIBIT D – GARFIELD TEEN LIFE CENTER LEASE

LEASE AGREEMENT

THIS LEASE AGREEMENT is made by and between SEATTLE SCHOOL DISTRICT No. 1, a municipal corporation (hereinafter "District"), and THE CITY OF SEATTLE, a municipal corporation acting by and through its DEPARTMENT OF PARKS AND RECREATION (hereinafter "City").

WITNESSETH:

FOR AND IN CONSIDERATION of the rent herein and in further consideration of the mutual promises, terms and conditions hereof, the parties agree as follows:

1. PREMISES.

1.1 Lease to City. In consideration of the rents to be paid and the covenants and agreements hereinafter provided which District and City hereby agree to keep and perform, District hereby leases to City and City hereby leases from District certain real property situated in the City of Seattle, King County, Washington, commonly known as the Garfield Teen Life Center and more particularly described on Exhibit A attached hereto and by this reference incorporated herein.

1.2 Condition of Premises. City has had an opportunity to and has conducted an investigation of the Premises and is generally knowledgeable and familiar with the present condition and state of repair of the Premises. City acknowledges that, except to the extent expressly set forth in this Lease, neither District nor any agent of District has made any representation or warranty with respect to the Premises or with respect to the suitability or fitness of the Premises for the conduct of City's business or any other purposes. Prior to the Commencement Date of this Lease, District ensured that the Premises existing mechanical and electrical systems are in good operating condition and state of repair. City shall take possession of the Premises in their current "AS IS" condition and state of repair. The parties agree that District shall not be responsible for performing any alterations or improvements to the Premises which may be required as a result of City's use and occupancy of the Premises, including, but not limited to, any alterations or improvements to the Premises required to comply with The Americans with Disabilities Act of 1990, nor shall District be required to make any other alterations, repairs or improvements to the Premises. The taking of possession or use of the Premises by City for the conduct of its business shall conclusively establish that the Premises were at such time in satisfactory condition and state of repair, and without any representation or warranty by District, express or implied, and expressly without recourse to District as to the physical condition or suitability of the Premises for City's intended purposes.

LOCATION OF BUILDING: Garfield High School
428 23rd Ave.
Seattle, WA 98109
The legal description for the Building is
attached hereto as Exhibit A.

2. TERM.

2.1 Term. This Lease shall be for a term of forty three (43) years (“Term”) commencing on the date of execution of this lease (“Commencement Date”) and shall terminate forty three (43) years from the Commencement Date, unless sooner terminated as provided in this Lease, subject to City’s right to extend the Term in accordance with the provisions of Section 2.2 of this Lease.

2.2 Options to Extend. Provided City is not in default, and there is no event that with the giving of notice, the passage of time or both would constitute an Event of Default under this Lease, City shall have three (3) options to renew the Term of this Lease for additional terms of ten (5) years each (each, an “Option Period”).

3. CONSIDERATION / RENT.

Consideration for this lease shall be the mutual and offsetting benefits incurred by the presence of this facility on the campus of Garfield High School together with the sum of One Dollar (\$1.00) per year to be fully prepaid for the remaining term of 43 years, by City to District, upon the Commencement Date.

4. TAXES AND ASSESSMENTS.

4.1 Payment. Any and all taxes and assessment accruing to the property associated with the premises herein, shall be the sole responsibility for payment by District.

4.2 Definition. “Taxes” means all real and personal property taxes and assessments (including assessments for public improvements), license and permit fees, charges, leasehold excise taxes, other excise taxes, levies, sales, use and occupancy taxes, business and occupation taxes, any tax or charge assessed against the Rent or fair market value of the Premises and all other governmental impositions and charges of every kind and nature, general and special, ordinary and extraordinary, foreseen and unforeseen of every character (including interest and penalties thereon) which at any time during or in respect of the Term may be imposed, levied upon or assessed against or which arise with respect to or constitute a lien upon the Premises (or any part thereof), the leasehold estate created by this Lease or any part thereof, or any estate, right or interest therein.

4.3 Personal Property Taxes. City shall pay prior to delinquency all personal property taxes assessed against and levied upon City’s furnishings, equipment and all other of

City’s personal property contained in the Premises. If possible, City shall cause City’s furnishings, equipment and all other of City’s personal property to be assessed and billed separately from the Premises. If any Taxes on City’s personal property or trade fixtures are levied against District or, if the assessed valuation of the Premises are increased by the inclusion therein of a value attributable to City’s personal property or trade fixtures, and if District, after written notice to City, pays the Taxes based upon such increase in the assessed value, then City shall upon demand repay to District the Taxes so levied against District.

4.4 Further Improvements. Notwithstanding any provision of this Section 4 to the contrary, City shall pay any increase in Taxes resulting from any and all improvements of any kind whatsoever placed on or in the Premises at the request of City regardless of whether said improvements were installed or constructed by District or City.

5. USE OF THE PREMISES.

5.1 Use. City may use and occupy the Premises solely for youth oriented community center, cultural events, educational, instructional, recreational and associated administrative or support functions, (collectively, the “Permitted Use”) and for no other purpose without the prior written consent of District, which consent shall not be unreasonably withheld, conditioned or delayed. City agrees that it has determined to its satisfaction that the Premises can be used for the Permitted Use.

CITY’S HOURS OF OPERATION: Monday – Thursday, 8 a.m. to 10 p.m.
Friday, 8 a.m. to 12 a.m.
Saturday, 8 a.m. to 12 a.m.
Sunday, 8 a.m. to 10 p.m.

5.2 Compliance with Laws. City, at its expense, shall promptly comply with (a) all applicable federal, state and local laws, ordinances and regulations and other governmental rules, orders and determinations now or hereafter in effect, whether or not presently contemplated, applicable to the Premises, or its ownership, operation, use or possession (collectively, “Legal Requirements”), including, without limitation, all those relating to Premises codes, zoning or other land use matters, The Americans with Disabilities Act of 1990, as amended, life safety requirements, environmental compliance with respect to the handling, treatment, storage, disposal, discharge, use and transportation of Hazardous Substances, and (b) all insurance policies, to the extent necessary to prevent cancellation and to ensure full payment of all claims made under such policies, covenants, conditions and restrictions and all other agreements applicable to the Premises and its ownership, operation, use or possession (collectively, “Agreements”), which compliance includes the making of any and all required physical alterations or structural changes to the Premises, except for those items, if any, that are the responsibility of District under Section 8.1 or Section 13 hereof. If any governmental license or permit shall be required for the proper and lawful use of the Premises, City shall at its expense

obtain and thereafter maintain such license or permit in full force and effect and in compliance with all conditions or requirements set forth therein.

5.3 Uses Prohibited.

(a) City shall not knowingly do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Premises or any of its contents (unless City shall pay any increased premium as a result of such use or acts), or cause a cancellation of any insurance policy covering said Premises or any part thereof or any of its contents, nor shall City sell or permit to be kept, used or sold in or about said Premises any articles which may be prohibited by a standard form policy of fire insurance.

(b) City shall not allow the Premises to be used for any unlawful purpose, nor shall City cause, maintain or permit any public or private nuisance in, on or about the Premises. City shall not commit or suffer to be committed any waste in or upon the Premises. City shall not, without the prior written consent of District which may be withheld in District's sole discretion, use, operate or maintain any apparatus, machinery, equipment or device in or about the Premises that will cause any noise beyond the levels permitted by law, increase electrical loads or usage, or cause vibration of or structural damage to the Premises, or device and in the event of any such use or operation, then City shall cease operating such apparatus, machinery, equipment or device until it has provided adequate insulation or taken such other action as District shall reasonably require to eliminate or minimize the disturbance.

(c) City shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated.

(d) City shall not, without the prior written consent of District, use any device in the Premises, including, without limitation, computer equipment, data processing machines or telecommunications equipment which will in any way increase the amount of ventilation, air exchange, gas, steam, electricity or water beyond the existing capacity of the Premises.

5.4 Exterior Fixtures. City shall not install exterior lighting fixtures, shades or awnings or do any exterior decoration or paint, or make any structural alterations to the Premises without the prior written consent of District.

5.5 Advertising and Signs. City may install a standard Department of Parks and Recreation sign on the exterior of the Premises. Tenant shall also have the right to display temporary signs or banners on the Premises to advertise special events or activities, directional and identification signage to identify entrances and exits on the exterior of the Premises with the prior written consent of District which shall not be unreasonably withheld. City shall not place any other signage on the exterior of the Premises or on any exterior door or wall or the exterior

or interior of any window thereof, or on any part of the interior of the Premises visible from the exterior thereof, (except as required by law) or any advertising matter, and shall not place any decoration, letter or other thing of any kind on the glass of any window or door to the Premises visible from the exterior thereof (except as required by law) without the prior written consent of District. District hereby reserves the exclusive right to use for any purpose whatsoever the roof of the Premises; provided, however, District shall not install any advertising materials or billboards on the roof of the Premises. Upon the expiration or sooner termination of this Lease, City at District's request shall remove all signs, advertising matters or decorations at City's sole cost and expense and repair any resulting damage to the Premises.

5.6 Premises Rules. City shall observe such reasonable rules related to the Premises as may be adopted from time to time by District and delivered to City provided such rules do not conflict with the express terms of this Lease.

6. UTILITIES AND SERVICES.

6.1 Utility Services Payment and Allocation. From and after the Lease Commencement Date, the District will provide the following utilities and services to the Building and the Premises: potable water, electricity, sanitary sewer, trash, and garbage disposal. The City shall pay District's pro rata share of water and electricity, based upon the percentage of square feet that the Premises bears to the total square footage of the Building. Payment shall be by check to the address shown in Section 1, within fourteen (14) days after receiving District's invoice therefor, together with reasonable supporting documentation. All utility services shall be available 24 hours a day, seven days a week. The District shall be responsible for the maintenance of electricity, potable water, sanitary sewer and trash and garbage disposal services and systems serving the Premises or Building. The District will connect data and telecommunications services to the Building. The City shall bring, at its cost, such services from the Building's telecommunications room to the Premises. The City shall pay for its data and telecommunications services at the Building. In no event shall District be liable for any interruption or failure in the supply of any utilities to the Premises. City shall provide its own janitorial service using a company reasonably approved by District.

6.2 Access to Utility Control Systems. The City shall have access to utility and mechanical control systems, circuit breakers, control panels, shut-off valves and any system control room/panel used by the Premises in the event of an emergent condition or imminent failure of a system i.e. electrical, water, gas or communications during City's Hours of Operation. The City will report all incidents involving emergency system control access to the District within a reasonable time period after each occurrence. Non-emergency access during District's regular hours of operation will be coordinated through the District's and City's maintenance staff. For systems that are off-site or centrally controlled by the School District, the District shall provide the City with contact information for access and control during emergency conditions or to activate or deactivate a failed system.

6.3 Additional Utility Capacity. If City has mechanical, cooling, heating, ventilation, electrical or other requirements for utility services in excess of the existing electrical, HVAC, mechanical, plumbing or other Premises systems presently installed in the Premises or in

the event that any existing Premises or utility systems presently installed on the Premises, including, but not limited to, the fire sprinkler system, needs to be relocated or modified to accommodate any improvement City elects to make to the Premises in accordance with Section 7.3 of this Lease, then the cost of furnishing, installing, relocating, upgrading, renovating, operating and maintaining the equipment and appurtenances thereto shall be borne by City. Before installing lights or equipment or making use of the Premises in excess of the capacity or design of existing Premises systems, City shall obtain the prior written permission of District. District may refuse to grant such permission unless City shall agree to pay all costs to install supplementary air conditioning capacity or electrical systems or other upgrades, relocation, renovation or revisions to Premises systems as necessitated by such equipment or lights or if the equipment or lights requested by City will, in District's reasonable judgment, overburden the Premise's structure or mechanical, HVAC, plumbing or electrical system(s), even if supplemented at City's expense.

6.4 Telephone and Data Transmission. City shall have the right to install telephone and data communication systems in the Premises. City shall pay for such services directly to the appropriate telephone or data processing company or other service provider.

6.5 Parking. Landlord agrees to reserve the four (4) parking spaces depicted on Exhibit C for the City's exclusive use throughout the term on a 24-hour basis. The City shall have the right to use the undesignated parking spots and access the parking lots surrounding the building from public streets, and walkways during Tenant's Hours of Operation. At no time during the Term shall District authorize general parking for Garfield High School teachers, visitors or students within the reserved parking spaces shown on Exhibit C. Landlord shall keep the parking lot and causeway lighting between Garfield Playfield and the Premises well-lighted during City's Hours of Operation as described in Section 5 above, for safety and security purposes.

6.6 No District Liability. District shall not be liable for any loss or damage caused by or resulting from any variation, interruption or failure of any utility services due to any cause whatsoever except for loss or damage directly caused by the willful misconduct of District, its agents or employees, and no temporary interruption or failure of such services incident to the making of repairs, alterations or improvements or due to accident or strike conditions shall be deemed an eviction of City or relieve City from any of City's obligations hereunder. In the event of such failure not directly caused by the willful misconduct of District, its agents or employees, City shall not be entitled to any abatement or reduction of Rent. City shall have the right to take all steps City reasonably deems necessary at City's sole cost to obtain the resumption of interrupted utility services or to obtain alternative sources of utility services.

7. MAINTENANCE AND REPAIRS.

7.1 District's Obligations. Except for damage caused in whole or in part by any negligent or intentional act or omission of City, City's agents, employees or invitees, District, at District's expense, shall keep in good order, condition and repair the foundations, exterior walls (but not windows) and the structural components of the roof (excluding gutters and

downspouts, which City shall keep clear of leaves and other debris). District shall not be obligated to paint the exterior, nor shall District be required to maintain any windows, doors or plate glass nor the interior surface of exterior walls. District shall have no obligation to make repairs under this Section 7.1 until a reasonable time (not to exceed sixty (60) days) after receipt of written notice of the need for such repairs.

7.2 City's Obligations. Subject to the provisions of Section 7.1 above, City, at City's sole cost and expense, shall keep in good order, condition and repair the Premises and every part thereof, including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning and ventilating, electrical and lighting facilities and equipment within the Premises, fixtures, interior walls, ceilings, windows, doors, plate glass and skylights located within the Premises, any nonstructural components of the roof. If mechanical, electrical or other Premises systems as may be specified by District from time to time require attention or repair, City shall (except in case of emergency) first notify District in writing prior to such attention or repair. Although maintenance of such systems shall still be the obligation of City, District may, if City fails to do so, repair such systems and charge City for same.

In the event City fails to maintain the Premises in good order, condition and repair, District shall give City notice to do such acts as are reasonably required to so maintain the Premises. In the event City fails to commence such work within ten (10) days following written notice and/or fails to diligently prosecute such work to completion, then District shall have the right to do such acts and expend such funds at the expense of City as are reasonably required to perform such work. Any amount so expended by District shall be paid by City promptly after demand as Additional Rent together with interest at the rate of twelve percent (12%) per annum from the date incurred until paid in full. District shall have no liability to lien City for any damage, inconvenience or interference with the use of the Premises by City as a result of performing any such work. Nothing in this Lease shall imply any duty or obligation upon the part of District to do any such work or to make any such alterations and repairs and the performance thereof by District shall not constitute a waiver of City's default in failing to perform the same.

Subject to the terms of Section 12 relating to damage and destruction, upon expiration or earlier termination of the Term of this Lease, whether by lapse of time or otherwise (including any holdover period), City at its expense shall: (a) remove all of City's moveable personal property, goods and effects and those of all persons claiming under City from the Premises; (b) remove all telecommunications and computer network wiring and cabling, to the extent required by District, and (c) promptly and peacefully surrender the Premises (including surrender of all City improvements and other attached equipment and/or other alterations, additions or improvements installed in the Premises by District or City). Provided District so informed City at the time the improvements were made, City shall repair and restore the Premises or any applicable portion thereof, to the same condition as received by City from District, reasonable wear and tear excepted. Any property left on the Premises more than thirty (30) days after the expiration or termination of the Lease Term shall be deemed to have been abandoned and to have become the property of District to dispose of as District deems expedient and City shall be liable for all costs associated with the disposal of such property. City hereby waives all claims for

damages that may be caused by District re-entering and taking possession of the Premises or removing and storing City's property as herein provided, and City shall indemnify and hold District harmless therefrom. No such reentry shall be considered or construed to be a forcible entry.

City agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, furniture or movable partitions including, without limitation thereto, repairing the floor and patching and painting the walls where required by District to District's reasonable satisfaction all at City's sole cost and expense. City shall indemnify the District against any loss or liability resulting from delay by City in so surrendering the Premises, including, without limitation, any claims made by any succeeding City based on such delay.

7.3 Modifications, Alterations and Additions.

(a) City shall make no modifications, alterations, additions or improvements to the Premises or any part thereof without first obtaining the prior written consent of District, which consent shall not be unreasonably withheld (provided, however, that in the event any proposed alteration, addition or improvement affects (a) any structural portions of the Premises including exterior walls, roof, foundation and core of the Premises then District may withhold its consent in the reasonable exercise of its discretion); (b) the exterior of the Premises or which are visible from outside the Premises or which are likely to increase insurance costs (unless City agrees to pay such increased taxes or insurance costs) then District may withhold its consent thereto in its sole and absolute discretion; or (c) any of the Premises systems, including elevator, plumbing, air conditioning, heating, electrical, security, life safety and power, then District may withhold its consent with respect thereto in the reasonable exercise of its discretion. In seeking District's approval, City shall provide District at least thirty (30) days in advance of any proposed construction with plans, specifications, bid proposals, work contracts, the identity of architects, contractors, subcontractors and suppliers and such other information concerning the nature and cost of the alterations as may be reasonably requested by District. At the conclusion of said thirty (30) day period, District shall indicate its consent to the proposed construction or, if District shall refuse consent, specify the reasons therefore, in writing. If the District fails to respond at the end of the thirty (30) day period, District shall be deemed to have consented to the proposed construction as set forth in City's proposed construction plans and specifications. City shall pay District a reasonable fee to cover District's costs incurred in reviewing City's plans and specifications. As a condition to giving such consent, District may require City to remove any such modification, alteration, improvement or addition at the expiration of the Lease Term and to restore the Premises to their prior condition. All such modifications, alterations, additions and/or improvements shall be constructed at City's sole cost and expense and shall be performed in a good and workmanlike manner in accordance with District approved plans and specifications and by a contractor and under a construction contract, the terms and conditions of which have been approved by District (such approval not to be unreasonably withheld). If District consents to any proposed modification, alteration, addition or improvement to the Premises, the same shall not be a warranty as to the adequacy of the design, workmanship or quality of materials and District hereby expressly disclaims any responsibility or liability for the same. District shall under no

circumstances have any obligation to repair, maintain or replace all or any portion of such modifications, alterations, additions or improvements.

(b) Before commencing any work relative to the modifications, alterations, improvements or additions affecting the Premises; City, regardless of whether District consent is required or not, shall notify District in writing of the expected date of commencement thereof and shall, if required by District, require its contractor to secure, at no cost or expense to District, a payment and performance bond satisfactory to District for such work, naming District and City as joint obligees. District shall then have the right at any time and from time to time to post and maintain on the Premises such notices as District reasonably deems necessary to protect the Premises and District from mechanics' liens, materialmen's liens or any other liens. Any such modification, alteration, improvement or addition shall not decrease the value of the Premises, shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable Legal Requirements and the requirements of all insurance policies applicable to the Premises. City shall provide District with "as-built" plans showing any change in the Premises. City shall maintain a safe working environment at all times, including the continuation of all fire and security protection devices, including fire sprinkler systems and availability and operation of fire water supply lines during any such construction. All damage or injury done to the Premises or on the Premises during the construction of such work by City or by any persons who may be in or upon the Premises with the express or implied consent of City or which is caused by acts or omissions by City's officers, contractors, subcontractors, agents, invitees, licensees, employees, successors or assigns shall be paid by City. City shall pay, when due, all claims for labor or materials furnished to or for City for use in the Premises. City shall not permit any mechanics or materialmen's liens to be levied against the Premises for any labor or materials furnished to City or claimed to have been furnished to City or to City's agents or contractors in connection with the work. Without waiving any of District's remedies, in the event any such lien is filed against the Premises, City shall forthwith cause such lien to be discharged by payment, bonding or otherwise and if City fails to cause such lien to be discharged within ten (10) days after notice of the existence of such lien to City, then District may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defense thereto, and shall have the right to collect from City, as Additional Rent, all amounts so paid, and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees and disbursements, together with interest thereon at the rate of twelve percent (12%) per annum from the date such cost or expense was incurred until paid in full.

(c) All such modifications, alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of District and remain upon and be surrendered with the Premises unless specified to be removed pursuant to Section 7.3(a) above.

(d) All articles of personal property, furniture and movable partitions owned by City or installed by City at its expense in the Premises shall be and remain the property of City and may be removed by City at any time during the Term of this Lease provided that City shall, at its sole cost and expense, repair any damage to the Premises caused by such removal.

8. ENTRY BY DISTRICT. District reserves and shall at all reasonable times during City's business hours after twenty-four (24) hours' notice (except in the case of emergencies), have the right to enter the Premises to inspect the same, or to post notices of non-responsibility. For each of the aforesaid purposes, District shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding City's files, vaults and safes.

9. LIENS. City shall keep the Premises and the Premises of which the Premises are a part, free from any liens out of work performed, materials furnished, or obligations incurred by City and shall protect, indemnify, hold harmless and defend District from and against any and all liabilities, losses, damages, expenses and costs (including reasonable attorneys' fees and costs) incurred in connection with any such liens and encumbrances arising out of any work performed or services, materials or equipment furnished by or at the direction of City. City's obligations pursuant to this Section 9 shall survive the expiration or earlier termination of this Lease. In the event that City shall not, within ten (10) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, District shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by District and all expenses incurred by it in connection therewith including attorneys' fees and costs shall be payable to District by City on demand with interest at the rate of twelve percent (12%) per annum from the date incurred until paid in full. Nothing contained in this Lease shall be construed as the consent or request of District, express or implied, for the performance of any labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, repair or demolition of or to the Premises (or any part thereof). NOTICE IS HEREBY GIVEN THAT DISTRICT WILL NOT BE LIABLE FOR ANY LABOR, SERVICES, MATERIALS OR EQUIPMENT FURNISHED OR TO BE FURNISHED TO CITY, OR ANYONE HOLDING AN INTEREST IN THE PREMISES (OR ANY PART THEREOF) THROUGH OR UNDER CITY, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES, MATERIALS OR EQUIPMENT SHALL ATTACH TO OR AFFECT THE INTEREST OF DISTRICT IN THE PREMISES.

10. INDEMNITY.

10.1 City's Indemnity. Except as caused by the act or neglect of District or District's contractors, agents or employees, City shall protect, defend, indemnify and hold District harmless from and against any and all claims (including, but not limited to employee claims) arising from City's use of the Premises or the conduct of its business or from any activity, work or thing done, permitted or suffered by City in or about the Premises and shall further protect, defend, indemnify and hold District harmless from and against any and all claims arising from any breach or default in the performance of any obligation on City's part to be performed under the terms of this Lease, or arising from any act or negligence of City, or any of its agents, contractors and employees, and from and against any and all costs, attorneys' fees, expenses and liabilities incurred in connection with such claim or any action or proceeding brought against District by reason of any such claim. City upon notice from District shall defend the same at City's expense. For purposes of this Section 10.1 and Sections 10.2 and 10.3,

District shall not be deemed negligent if the matter in question arises from conditions of those portions or items of the Premises the maintenance of which is not the District's responsibility under this Lease.

10.2 District's Indemnity. District shall protect, defend, indemnify and hold City and its agents harmless from and against any and all losses and liability for bodily injury to persons, loss of life and damage to property occurring on the Premises and caused by the negligence of District, its contractors, agents or employees, or the negligent performance by District of any of District's obligations under this Lease.

10.3 Joint or Concurrent Negligence. In the event of any concurrent negligence of City, its managers, members, agents, employees or contractors on the one hand, and that of District, its managers, members, agents, employees or contractors on the other hand, which concurrent negligence results in injury or damage to persons or property, then City's and District's obligation to indemnify the other as set forth in this Section 10 shall be limited to the extent of the indemnifying party's negligence, and that of their respective managers, members, agents, employees or contractors, including the indemnifying party's proportional share of costs, attorneys' fees and expenses incurred in connection with any claim, action or proceeding brought with respect to such injury or damage.

10.4 Exculpation of District from Liability. Except to the extent set forth in Section 10.2 and 10.3 above, District shall not be liable to City and City hereby waives all claims against District for injury, illness or death to any person or for damage to any property in or about the Premises by or from any cause whatsoever and, without limiting the generality of the foregoing, whether caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises or from breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or from other sources.

11. INSURANCE.

11.1 Liability Insurance. City shall, at City's sole cost and expense, but for the mutual benefit of District and City, obtain and keep in force throughout the Term of this Lease, comprehensive general liability insurance (full form personal injury and broad form property damage) with respect to the Premises, insuring against claims for personal injury (including, without limitation, bodily injury or death) and property damage liability with a combined single limit of not less than \$5,000,000 per occurrence, automobile liability (with limits of not less than \$1,000,000 per occurrence) and workers' compensation insurance (as required by law). The amount of such insurance coverage shall not be less than commercially reasonable insurance carried by owners of properties of similar nature and occupancies as the Premises. Such insurance shall be in form and with deductibles satisfactory to District. District shall be an additional insured and City's policy shall be primary and non-contributory to any coverage maintained by District. The limits of such insurance shall not, however, limit the liability of City hereunder.

11.2 Property Insurance for Premises. At all times during the term of this Lease, District shall maintain in force at City's expense property insurance in the amount of not less than 100% of the full replacement cost, which cost shall be reasonably determined by the District, of the Premises and other improvements, fixtures and equipment which are a part of the Premises (exclusive of the cost of excavations, foundations and footings) and without deduction for physical depreciation and 18 months loss of rents insurance, together with such other insurance coverage as is customarily carried on comparable Premises in the City of Seattle or as District may reasonably determine, with insurance companies which are authorized to do business in the State of Washington. Such insurance shall cover loss or damage from all perils included within the policy classification now known as "all risk" or "special cause of loss" including, without limitation, fire and extended coverage, vandalism, malicious mischief, sprinkler leakage, earthquake, flood, boiler and machinery insurance and special extended peril (all-risk). Such property insurance shall be in builder's risk form during construction of any modifications, alterations or additions to the Premises or the Premises and during any restoration accomplished in connection with damage or destruction to the Premises or in connection with any condemnation of the Premises. City is responsible for the payment of any deductibles under said insurance policies and any costs or restoration resulting from any uninsured or underinsured losses. The insurance policies shall be issued in the name of District and City as their interests may appear, and shall provide that any proceeds be payable solely to District, or to District's lenders, if any, holding any first mortgage or deed of trust on the Premises.

11.3 Coverage for City's Personal Property. District shall have no obligation to insure any of City's personal property or trade fixtures or repair, replace or restore same when damaged or destroyed from any cause whatsoever.

11.4 Insurance Policies. All insurance required under this Lease shall: (i) be issued by insurance companies authorized to do business in the State of Washington with a rating reasonably satisfactory to District, (ii) be issued as a primary policy, and (iii) contain an endorsement requiring forty-five (45) days' prior written notice from the insurance company to District, City and District's lenders, if any, before cancellation or change in the coverage, scope or amount of any policy. District and District's lenders, if any, shall be named as additional insured on City's liability policies. Each policy or certificate of the policy shall be deposited with District on or before the Commencement Date and as reasonably available upon replacement or renewal of each policy.

11.5 Indemnification and Waivers. The parties agree to mutually waive all right of recovery against the other for any loss or damage covered by their respective first party commercial insurance policies for all perils insured thereunder and in the event of any commercially insured loss, neither party's insurance carrier shall have a subrogation claim against the other party; provided, however, that this waiver of subrogation shall not apply if the effect is to void such insurance coverage.

12. DAMAGE TO PREMISES.

12.1 Damage; Extent of Obligation to Restore. If during the term of this Lease more than 50% of the Premises are damaged or destroyed, then either party shall have the option, upon written notice to the other which option shall be exercised within thirty (30) days of the date of such damage or destruction, to terminate the Lease. If neither party elects to terminate the Lease or if less than 50% of the Premises are damaged or destroyed, this Lease shall continue in full force and effect and District shall proceed as promptly as is practicable to restore the Premises to an architectural unit as nearly comparable as is reasonable to the unit existing just prior to such damage to the extent that such restoration and/or repair can be accomplished with the available insurance proceeds and completed within eighteen (18) months following the date of such casualty. If either party elects to terminate this Lease, such notice of termination shall specify the date for termination of this Lease, which date shall not be more than thirty (30) days after the giving of such notice, and upon the date so specified the Term of this Lease shall expire as fully and completely as if such date were the date hereinabove set forth for the end of the Term of this Lease and City shall thereupon vacate the Premises, without prejudice to any rights and remedies accrued to District under this Lease prior to such termination and any Rent or other obligations to the District paid or payable by City shall be adjusted as of the date of such termination. If District elects or is required to rebuild and is delayed or prevented from completing the repairs or restoration of the damage to the Premises after the occurrence of such damage or destruction by reason of force majeure, the time for District to commence or complete repairs shall be extended for the period of force majeure. In the event of repair, reconstruction and restoration as herein provided, the Fixed Rent provided to be paid under this Lease shall be abated proportionately based upon the extent to which City's use of the Premises is impaired during the period for such repair, reconstruction or restoration.

12.2 Extent of District's Obligation to Restore. If District is required or elects to restore the Premises or such portion thereof which has been destroyed as provided in this Section 12, District shall not be required to restore City's personal property, machinery, furniture or equipment, such excluded items being the sole responsibility of City to restore. City shall not be entitled to any compensation or damages from District for the loss of the use of the whole or any part of the Premises, its City improvements, alterations, modifications or additions made to the Premises or City's personal property, or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration, except as may be otherwise provided in Section 12.1 above.

12.3 Damage Near End of Term. Notwithstanding anything to the contrary contained in this Section 12, District shall not have any obligation whatsoever to repair, reconstruct or restore the Premises (a) when the damage occurs during the last twenty-four (24) months of the Term, (b) to the extent that insurance proceeds are not available therefore, or (c) to the extent District is unable to obtain necessary permits for the construction thereof.

13. EMINENT DOMAIN.

13.1 Total Taking. In the event of a Total Taking, this Lease shall terminate as of the date of the taking of physical possession of the Premises. A “Total Taking” shall be defined as when (i) the entire Premises are taken or appropriated under the power of eminent domain (other than by The City of Seattle), or (ii) when less than the entire Premises are taken or appropriated under the power of eminent domain (other than by The City of Seattle), but where the City’s use of the Premises is materially interfered with. Upon the date of such taking or transfer, the Term of this Lease shall expire as fully and completely as if such date were the date hereinabove set forth for the end of the Term of this Lease and City shall thereupon vacate the Premises, without prejudice to any rights and remedies accrued to District under this Lease prior to such termination and any Rent or other financial obligation paid or payable by City shall be adjusted as of the date of such termination.

13.2 Partial Taking. In the event there is a “Partial Taking,” defined as a taking or appropriation under the power of eminent domain (other than by The City of Seattle) other than a Total Taking, then, unless City notifies District within thirty (30) days of the date of such taking or transfer that City has reasonably determined that the portion of the Premises remaining is not adequate to enable City to carry on the Permitted Use, the Lease shall continue in full force and effect as to the portion of the Premises remaining; provided, however, that District shall proceed as promptly as is practicable to restore the Premises to an architectural unit as nearly comparable as is reasonable to the unit existing just prior to such taking or transfer to the extent that such restoration can be accomplished with the available condemnation proceeds, and the Fixed Rent shall be abated in the ratio which the part of the floor area of the Premises so taken or transferred bears to the entire floor area of Premises immediately prior to such taking or transfer.

13.3 Condemnation Award. The entire award for the taking under any right of condemnation or eminent domain or any transfer in lieu thereof shall belong to District, and City shall not be entitled to any part thereof or entitled to recover damages for the loss of its leasehold estate or other interest in the Premises and hereby assigns to District all of its right, title and interest in and to any such award. City shall have the right, however, to independently claim and recover from the condemning authority compensation for any loss to which City may be put for City’s moving expenses or taking of City’s personal property (not including City’s leasehold interest) provided that such damages may be claimed only if they are awarded separately in the eminent domain proceedings and not out of or as part of the damages recoverable by District.

13.4 Repairs. In the event that there is a partial taking, District shall, to the extent of available condemnation proceeds, make all repairs to the Premises necessitated by such taking in order to restore the same to a complete architectural unit (to the extent possible, taking into consideration the amount of land remaining after the taking). All repair and restoration of the Premises shall be made in accordance with plans and specifications approved by District and City, City’s approval not to be unreasonably withheld.

14. ASSIGNMENT AND SUBLETTING.

14.1 District's Consent Required. Cities shall not either voluntarily, involuntarily or by operation of law, directly or indirectly, permit the use of the Premises by any person other than the City, nor sublet said Premises or any part thereof, without the prior written consent of District, which consent shall not be unreasonably withheld. Any request by City for such consent shall be in writing, which shall set forth the details as to the proposed assignment, sublease, transfer or use and shall have annexed thereto a copy of the proposed assignment, sublease, use or license agreement.

14.2 Standard of Review. District in making its determination as to whether consent should be given to a proposed assignment, sublease, transfer may give consideration to the financial strength of the proposed assignee, sublessee or transferee, any change in use which such successor proposes to make in use of the Premises and the relevant business experience of the proposed transferee. In no event shall District be deemed to be unreasonable for declining to consent to a transfer in which (i) the proposed transferee's financial condition is not satisfactory in District's reasonable opinion, (ii) the proposed transferee's business is not permitted by the terms of this Lease or applicable zoning or is not suitable for the Premises, (iii) any portion of the Premises or Premises would become subject to additional or different governmental laws or regulations that would, in District's opinion, have an adverse impact on the Premises, or (iv) the proposed transferee would pose an unreasonable security or public relations risk. City acknowledges that the foregoing is not intended to be an exclusive list of the reasons for which District may reasonably withhold its consent to a proposed assignment, sublease, use, transfer of an ownership interest in City or other transfer of City's interest under this Lease.

14.3 No Waiver of Consent. No consent by District to any assignment, sublease, use, transfer of any interest in City or other transfer shall release City from liability under this Lease or of any obligation to be performed by City under this Lease, whether occurring before or after such consent, assignment, sublease, use, transfer of an ownership interest in City or other transfer. Consent to one assignment, sublease, or transfer of any interest shall not be deemed to constitute consent to any subsequent assignment, sublease, use, or other transfer.

15. SUBORDINATION.

15.1 Subordination. This Lease at the option of the District shall be subject and subordinate to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against District's interest or estate therein without the necessity of the execution and delivery of any further instruments on the part of City to effectuate such subordination and City shall attorn to the holder of any lien against Districts interest in the Premises and City's possession of the Premises shall not be disturbed and provided, further, that City's attornment shall be deemed to have occurred automatically without execution of any further or other instruments. City covenants and agrees to execute and deliver upon demand,

without charge therefor, such further instruments evidencing such subordination of this Lease to the lien of any mortgages or deeds of trust as may be reasonably required by District.

15.2 Quiet Enjoyment. District covenants and agrees with City that upon City paying Rent and other monetary sums due under this Lease, performing its covenants and conditions under this Lease, City shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of this Lease.

16. COMPLIANCE WITH ENVIRONMENTAL LAWS.

16.1 Compliance with Environmental Laws and Regulations. City hereby represents, warrants, covenants and agrees to and with District that all operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, by City or any occupant of the Premises shall throughout the Term of this Lease be in compliance in all material respects with all state, federal and local Environmental Laws and regulations governing or in any way relating to the generation, handling, storage, use, transportation, discharge or disposal (whether legal or illegal, accidental or intentional) of any Hazardous Substances (as hereinafter defined).

16.2 Asbestos Removal or Abatement. City shall conduct an asbestos survey of the Premises prior to commencement of any demolition or construction of City improvements or any other alterations, modifications or additions to the Premises by City. If City discovers any asbestos or asbestos-containing materials during such a project and such materials are damaged as a result of City's demolition or construction of City improvements or City elects to remove such materials, such materials shall be removed by City at its cost by a properly certified asbestos contractor and removed and disposed of in compliance with all Environmental Laws.

16.3 Indemnification; Remedial Work. City shall not cause or permit any Hazardous Substances to be brought upon, kept or used in or about the Premises by City, its agents, employees, contractors, sublessees or invitees, except in compliance with all Environmental Laws. If City breaches its obligations set forth above or if the presence of Hazardous Substances on or about the Premises caused or permitted by City results in contamination of the Premises or if contamination of the Premises or surrounding area by Hazardous Substances otherwise occurs during the term of this Lease (except for contamination of the Premises caused by the actions of District, its agents or employees during the term of this Lease) then City shall protect, defend, indemnify and hold District harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises), damages for the loss or restrictions on use of any space in the Premises, damages arising from any adverse impact on marketability of the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term of this Lease to the extent caused by such contamination. This indemnification of District by City includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Substances present in, on, under or about the Premises. If the presence of any Hazardous Substance on or about the Premises caused or

permitted by City results in any contamination of the Premises or surrounding area, or causes the Premises or surrounding area to be in violation of any Environmental Laws, City shall promptly take at its sole cost and expense all actions necessary to return the Premises and surrounding area to the condition existing prior to the introduction of such Hazardous Substance; provided that District's approval shall first be had and obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or surrounding area.

16.4 Breach as Material Default. City hereby specifically acknowledges and agrees that (a) each of City's covenants, obligations, agreements, representations and warranties set forth in this Section 16 is a material inducement to District to enter into this Lease, and (b) breach by City of any of City's covenants, obligations, agreements, representations and warranties set forth in this Section 16 shall constitute a material breach of this Lease by City entitling District to all of the rights and remedies provided to District under this Lease or under applicable law.

16.5 Survival. Each of the covenants, agreements, obligations, representations and warranties of City set forth in this Section 16 shall survive the expiration or earlier termination of this Lease.

17. DEFAULT; REMEDIES.

17.1 Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by City:

(a) Any failure by City to pay Rent, or any other monetary sums required to be paid hereunder within ten (10) days of the date when due;

(b) The abandonment or vacation of the Premises by City for a period of thirty (30) days;

(c) A failure by City to observe or perform any material covenant, condition or provision of this Lease not already specifically mentioned in this Section 17, where such failure continues for thirty (30) days after written notice thereof by District to City; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, City shall not be deemed to be in default if City shall within such period commence such cure and thereafter diligently prosecute the same to completion within ninety (90) days thereafter and further provided that such period of time shall not be so extended as to subject District to criminal liability.

17.2 Remedies. In the event of any such default or breach by City, District may, at any time thereafter without limiting District in the exercise of any right or remedy at law or in equity which District may have by reason of such default or breach:

(a) Maintain this Lease in full force and effect and recover the Rent, and other monetary charges as they become due, without terminating City's right to possession irrespective of whether City shall have abandoned the Premises. In the event District elects not to terminate this Lease, District shall have the right to attempt to rent the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as District deems reasonable and necessary without being deemed to have elected to terminate this Lease, including removal of all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of City.

(b) Terminate City's right to possession by any lawful means, in which case this Lease shall terminate and City shall immediately surrender possession of the Premises to District. In such event District shall be entitled to recover from City all damages incurred by District by reason of City's default, including without limitation thereto.

17.3 Late Charges. City hereby acknowledges that late payment by City to District of any sums due hereunder will cause District to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on District. Accordingly, if any other sum due from City shall not be received by District within ten (10) days after the due date, City shall pay to District a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs District will incur by reason of late payment by City. Acceptance of such late charge by District shall in no event constitute a waiver of City's default with respect to such overdue amount, nor prevent District from exercising any of the other rights and remedies granted hereunder.

18. MISCELLANEOUS.

18.1 Estoppel Certificate.

(a) City shall not less, than ten (10) days prior written notice from District execute, acknowledge and deliver to District a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to City's knowledge, any uncured defaults on the part of District hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) City's failure to deliver such statement within such time shall be conclusive upon City (i) that this Lease is in full force and effect, without modification except as may be represented by District, (ii) that there are no uncured defaults in District's performance, and (iii) that not more than one month's rent has been paid in advance.

18.2 Transfer of District's Interest. In the event of a sale or conveyance by District of District's interest in the Premises, or in any Premises of which the Premises may be a part other than a transfer for security purposes only, this Lease shall not be affected by any such sale and City agrees to attorn to the purchaser of assignee provided all District's obligations hereunder are assumed in writing by the transferee.

18.3 Captions; Attachments.

(a) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

(b) Exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease and are incorporated herein.

(c) The words "District" and "City," as used herein shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If there is more than one District or City, the obligations hereunder imposed upon District or City shall be joint and several.

18.4 Entire Agreement. This instrument along with any exhibits and attachments hereto constitutes the entire agreement between District and City relative to the Premises and this Lease and the exhibits and attachments may be altered, amended, or revoked only by an instrument in writing signed by both District and City. District and City agree hereby that all prior or contemporaneous oral agreements between and among themselves and their agents or representatives relative to the leasing of the Premises are merged in or revoked by this Lease.

18.5 Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

18.6 Costs of Suit.

(a) If City or District shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by District for the possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(b) Should District, without fault on District's part, be made a party to any litigation instituted by City or by any third party against City, or by or against any person holding under or using the Premises by license of City, or for the foreclosure of any lien for labor

or material furnished to or for City or any such other person or otherwise arising out of or resulting from any act or transaction of City or of any such person, City covenants to save and hold District harmless from any judgment rendered against District or the Premises or any part thereof, and all costs and expenses, including reasonable attorneys' fees, incurred by District in or in connection with such litigation. Should City, without fault on City's part, be made a party to any litigation instituted by District or by any third party against District, or for the foreclosure of any lien for labor or material furnished to or for District or otherwise arising out of or resulting from any act or transaction of District, District covenants to save and hold City harmless from any judgment rendered against City, and all costs and expenses, including reasonable attorneys' fees, incurred by City in connection with such litigation.

18.7 Time; Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to City. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and nonexclusive of any other remedy at law or in equity.

18.8 Binding Effect; Choice of Law. The parties hereto agree that all provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof. Subject to any provisions hereof restricting assignment or subletting by City and subject to Section 14.2, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, permitted successors and assigns. This Lease shall be governed by the laws of the State of Washington.

18.9 Waiver. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by District of any performance by City after the time the same shall have become due shall not constitute a waiver by District of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by District in writing.

18.10 Surrender of Premises. The voluntary or other surrender of this Lease by City, or a mutual cancellation thereof, shall not work as a merger, and shall, at the option of the District, terminate all or any existing subleases or subtenancies, or may, at the option of District, operate as an assignment to it of any or all such subleases or subtenancies.

18.11 Holding Over. If City remains in possession of all or any part of the Premises after the expiration of the term hereof, with or without the express or implied consent of District, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case the City shall hold District harmless from all damages resulting from City's failure to surrender the Premises or any portion thereof, including,

without limitation, claims made by a succeeding City resulting from City’s failure to surrender the Premises or any portion thereof. All provisions of this Lease, except those pertaining to the amount of Fixed Rent payable and Term, shall apply to such month-to-month tenancy.

18.12 Amendments; Waiver. No modification or amendment of this Lease may be made except by written agreement signed by District and City, or as may be otherwise provided in this Lease.

18.13 Interest on Past Due Obligations. Except as expressly herein provided, any amount due to District not paid when due shall bear interest at the rate of twelve percent (12%) per annum, from the date due until paid. Payment of such interest shall not excuse or cure any default by City under this Lease.

18.14 Notices. All notices or requests required or permitted under this Lease shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, electronic mail (email) or by facsimile transmission and shall be deemed to have been given when so delivered, mailed, or faxed (provided that the fax machine has issued a printed confirmation of receipt) irrespective of whether such notice or request is actually received by the addressee. All notices or requests shall be sent as follows:

ADDRESS OF LANDLORD: Seattle School District No. 1
 Superintendent of Schools
 John Stanford Center for Educational Excellence
 Attn: Property Management Office
 2445 3rd Avenue South
 Seattle, WA 98134
 Electronic Mail wms@seattleschools.org

ADDRESS OF TENANT: Seattle Department of Parks and Recreation
 Superintendent of Parks and Recreation
 100 Dexter Avenue
 Seattle, WA 98109
 Electronic Mail ParkProperty@seattle.gov

Either party may change the address to which notices shall be sent by notice to the other party.

18.15 Fair Construction. The provisions of this Lease shall be construed as a whole according to their common meaning not strictly for or against any party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Lease. Each party hereto and its counsel has reviewed and revised this Lease and agrees that the normal roles of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease.

18.16 Authority. Each party represents to the other that the person signing this Lease on its behalf is properly authorized to do so.

19. DEFINITIONS. As used in this Lease, the following capitalized terms shall have the following meanings:

“Premises” means a two-story Premises with a building footprint covering approximately 8,561 square feet ± and consisting of a total of approximately 10,156 total square feet ± of office, recreational space, gymnasium and support areas and mechanical room. The real estate and improvements including the Premises are located in Seattle, King County, Washington. The Premises has a street address of 428 23rd Avenue, Garfield Teen Life Center, Seattle, Washington.

“Commencement Date” means the day the Lease Term commences as set forth in Section 2.1.

“Environmental Law” means, as amended from time to time, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., Federal Hazardous Materials Transportation Control Act of 1980, 42 U.S.C. Section 1801 et seq., Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., Federal Water Pollution Control Act, Federal Water Act of 1977, 93 U.S.C. Section 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70.95, Washington Hazardous Waste Management Act, RCW Chapter 70.105, Washington Hazardous Waste Fees Act, RCW Chapter 70.95E, Washington Model Toxics Control Act, RCW Chapter 70.105D, Washington Nuclear Energy and Radiation Act, RCW Chapter 70.98, Washington Radioactive Waste Storage and Transportation Act, RCW Chapter 70.99, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70.148, and any regulations promulgated thereunder from time to time.

“Hazardous Substance” means any matter including petroleum products and by-products, asbestos, infectious waste and any other materials, which is now or hereafter designated as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq., or that is now or hereafter regulated by applicable Environmental Laws.

“Law” means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of this Lease or at any time during the Term, including without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities); all rules, laws and regulations arising under The Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice.

“Lease Year” means each succeeding year of the Term, commencing with the Commencement Date and ending with the date which is one (1) day less than one (1) year later.

“Legal Requirements” means all applicable federal, state and local laws, ordinances and regulations and other governmental rules, orders and determinations now or hereafter in effect, whether or not presently contemplated, applicable to the Premises, or its ownership, operation, use or possession, including (without limitation), all those relating to Premises codes, zoning or other land use matters, The Americans With Disabilities Act of 1990, as amended, life safety requirements and environmental compliance with respect to the handling, treatment, storage, disposal, discharge, use and transportation of Hazardous Substances.

“Operating Expenses” means any and all costs and expenses paid or incurred in connection with the repair, operation, use and maintenance of the Premises including, but not limited to:

(a) The repair, replacement, operation and maintenance of the Premises and related improvements adjacent to the Premises, including, without limitation, common areas, parking areas, if any, lighting, signage, sidewalks, terraces, loading or delivery areas and personal property used in connection with the Premises, including, without limitation, interior and exterior maintenance, all exterior doors and windows, elevators, stairways, sidewalks, driveways, interior perimeter and interior partition walls and finishes (including periodic painting thereof), exterior wall finishes (including periodic painting thereof), broken glass in exterior and interior doors and windows, nonstructural components of roof, floors, floor coverings, window frames, gutters and downspouts, elevators, HVAC, mechanical, electrical, plumbing and other Premises systems, equipment and machinery and landscaping;

(b) All costs of utilities furnished to the Premises, including, without limitation, refuse collection, water, sewer, electricity, gas and other public utilities to service the Premises, fire protection, security services, janitorial and cleaning services (including trash collection, cleaning and window washing), landscape maintenance, and costs of supplies, materials, equipment and tools used in connection with the operation, maintenance and repair of the Premises;

(c) All costs of service contracts, market rate services of independent contractors, compensation (including employment taxes and fringe benefits) of all persons who perform duties in connection with the operation, maintenance, renovation, improvement and repair of the Premises and all costs to supervise, manage and administer the maintenance of the Premises (generally known as “property management fees”) which may be paid to a third party, District or District’s designees;

(d) All insurance premiums required under the terms of this Lease and such insurance as District reasonably elects or is required to carry by District’s lenders from time to time including, but not limited to, comprehensive general liability, property damage, plate glass and rental interruption insurance;

(e) All license, permit and inspection fees, and any applicable sales, use and excise taxes on goods and services purchased by District or City in connection with the operation, maintenance or repair of the Premises;

(f) Any damage caused by breaking and entering;

(g) All costs of complying with governmental laws or the board of fire underwriters (or similar organization) now or hereafter constituted applicable to the Premises (including Environmental Laws), and any applicable hazardous waste remediation rules or regulations resulting from City use, occupancy or contamination of the Premises;

(h) Taxes (as defined below);

(i) All costs of leasing, operation, maintenance and repair of any parking now or hereafter provided for City's use of the Premises and their employees, guests and invitees;

(j) Any other costs required to maintain the Premises in a safe, sound and attractive condition and state of repair; and

(k) Improvements to the Premises or in repair or replacement of Premises systems or equipment or which are required by Laws enacted after the date of this Lease, and any other expense or charge whether or not hereinabove described, which would be considered an expense of maintaining, operating or repairing the Premises.

“Premises” means the real property legally described in Exhibit A together with all improvements now or hereafter located thereon, including, but not limited to, the Premises.

“Rent” means the sum of Fixed Rent and Additional Rent, each as defined herein.

“Taxes” has the meaning set forth in Section 5.2 of this Lease.

“Term” means the period beginning on the Commencement Date and terminating forty three (43) years after date of Lease execution.

“Utilities” means all utilities and services furnished to the Premises, including, without limitation, gas, electricity, water, sewer, garbage collection, janitorial and telephone service.

21. OPTIONS TO EXTEND TERM.

21.1 Options to Extend. Provided City is not in default, and there is no event that with the giving of notice, the passage of time, or both, would constitute an Event of Default

under this Lease, City shall have three (3) options (each, an “Option”) to renew the Term of this Lease for additional terms of five (5) years each (each an “Option Period”) on the same terms and conditions as this Lease. City may extend the Lease Term by giving District written notice of its intent to extend the Term of this Lease at least one (1) year before the expiration of the then Term of this Lease. City shall also give District at least one (1) year’s notice if City has elected not to extend the Term of this Lease. Option rights are personal to City and are not assignable or transferable separate and apart from this Lease.

22. RIGHT OF FIRST OPPORTUNITY. In the event District elects to sell the Premises during the Term of this Lease or any extension thereof, District shall offer City the right to purchase the Premises for such price as District shall deem acceptable in its sole discretion, and on such other terms and conditions as District may determine, with any sale to close within one hundred and eighty (180) days thereafter. Provided City is not in default, and there is no event that with the giving of notice, the passage of time, or both, would constitute an Event of Default under this Lease, City shall have sixty (60) days following receipt of such offer, to purchase the Premises for the price and on the other terms and conditions set forth in District’s notice. In the event City fails to respond within such sixty (60) day period, City’s right of first opportunity shall automatically terminate and District shall have the right to sell the Premises for a price not less than ninety percent (90%) of the purchase price set forth in District’s offer.

IN WITNESS WHEREOF, District and City have executed this Lease the date and year first above written.

DISTRICT

CITY

THE CITY OF SEATTLE, a first-class city of
the State of Washington

By: _____

By: _____

Name: _____

Title: _____

Attachment 1 to Exhibit D Legal Description of Property

A portion of Parcel B of Lot Boundary Adjustment No. 3004623, as recorded in King County, Washington under Recording No. 20070723900014.

Commencing at the intersection of E. Jefferson St and 23rd Ave E, said position established with a concrete monument in recessed case, thence S 88°45'32" E along the centerline of vacated E Jefferson St a distance of 30.00 feet to the easterly margin of 23rd Ave E. and the northwest corner of said Parcel B. Thence following along the northerly property line of said Parcel B the following courses:

S 88°45'32" E a distance of 110.55 feet,

N 1°15'05" E a distance of 19.74 feet,

S 88°44'41" E a distance of 35.99 feet,

N 1°15'19" E a distance of 32.91 feet,

Thence leaving said northerly property line S 88°44'34" E a distance of 21.00' to the northwesterly exterior corner of a building and the True Point of Beginning.

Thence continuing along the northerly exterior line of said building the following courses:

S 88°44'34" E a distance of 36.00 feet,

N 1°15'26" E a distance of 2.78 feet,

S 88°44'34" E a distance of 28.39 feet,

N 1°15'26" E a distance of 2.52 feet,

S 88°44'34" E a distance of 43.66 feet to the intersection with the west line of a wall going south,

Thence S 1°15'26" W along said west line of a wall, a distance of 96.39 feet to the south exterior line of the building,

Thence N 88°44'34" W along said southerly exterior building line a distance of 41.66 feet to a non- tangent point of curvature,

Thence northerly and westerly along a curved wall concave to the southwest, with a radial bearing of S 75°44'18" W, a radius of 54.00 feet, a central angle of 7°42'40" and an arc distance of 7.26 feet,

Thence radially S 68°01'38" W a distance of 7.50 feet to a non- tangent point of curvature,

Thence northerly and westerly along a curved wall concave to the southwest, with a radial bearing of S 68°01'38" W a radius of 46.50 feet, a central angle of 74°00'00" and an arc distance of 60.06 feet,

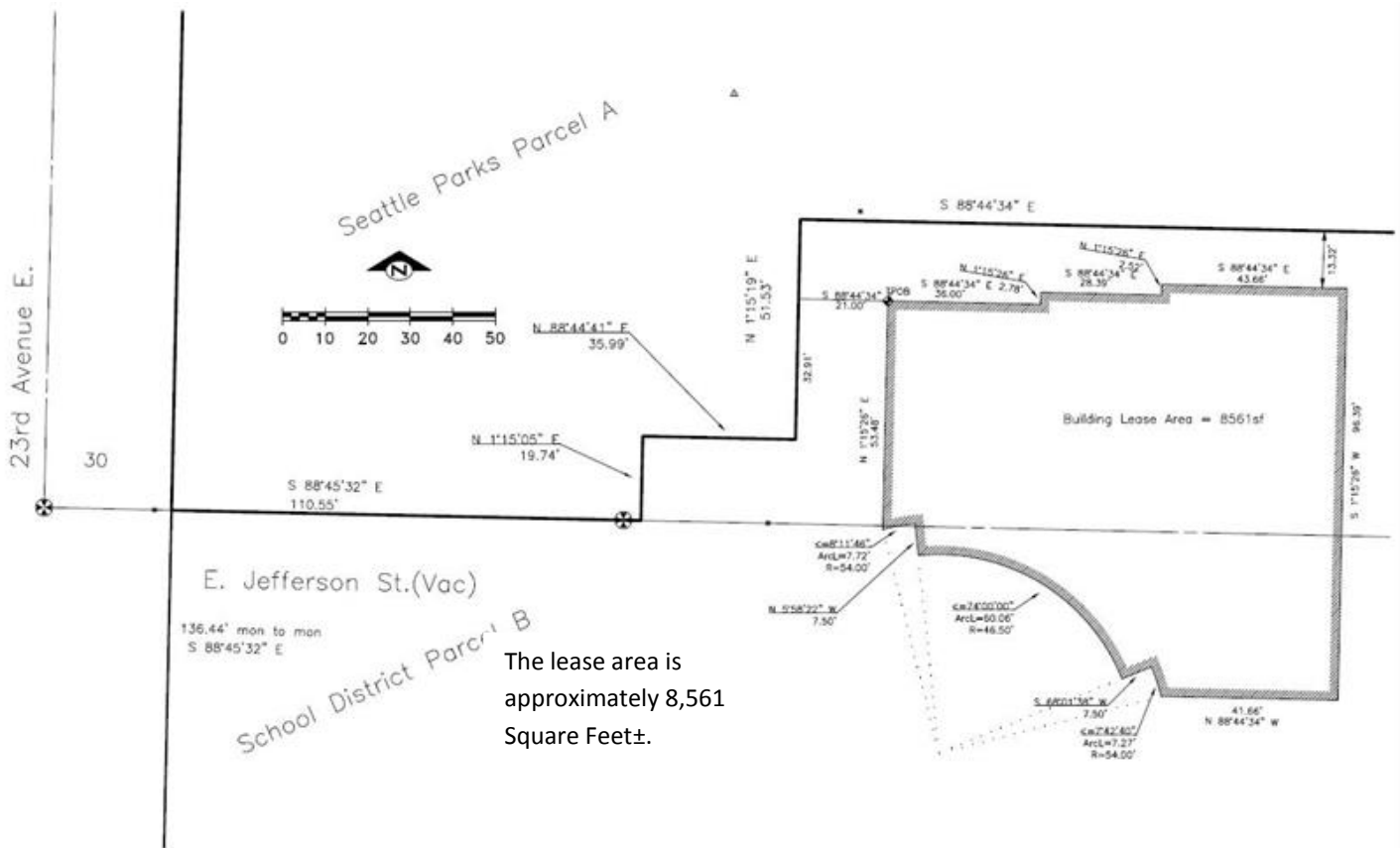
Thence radially N 5°58'22" W a distance of 7.50 feet to a non-tangent point of curvature,

Thence westerly along a curved wall concave to the south, with a radial bearing of S 5°58'22" E a radius of 54.00 feet a central angle of 8°11'46" and an arc distance of 7.72 feet to the southwest corner of said building,

Thence N 1°15'26" E along the westerly building line a distance of 53.48 feet to the northwesterly exterior corner of the building and the True Point of Beginning.

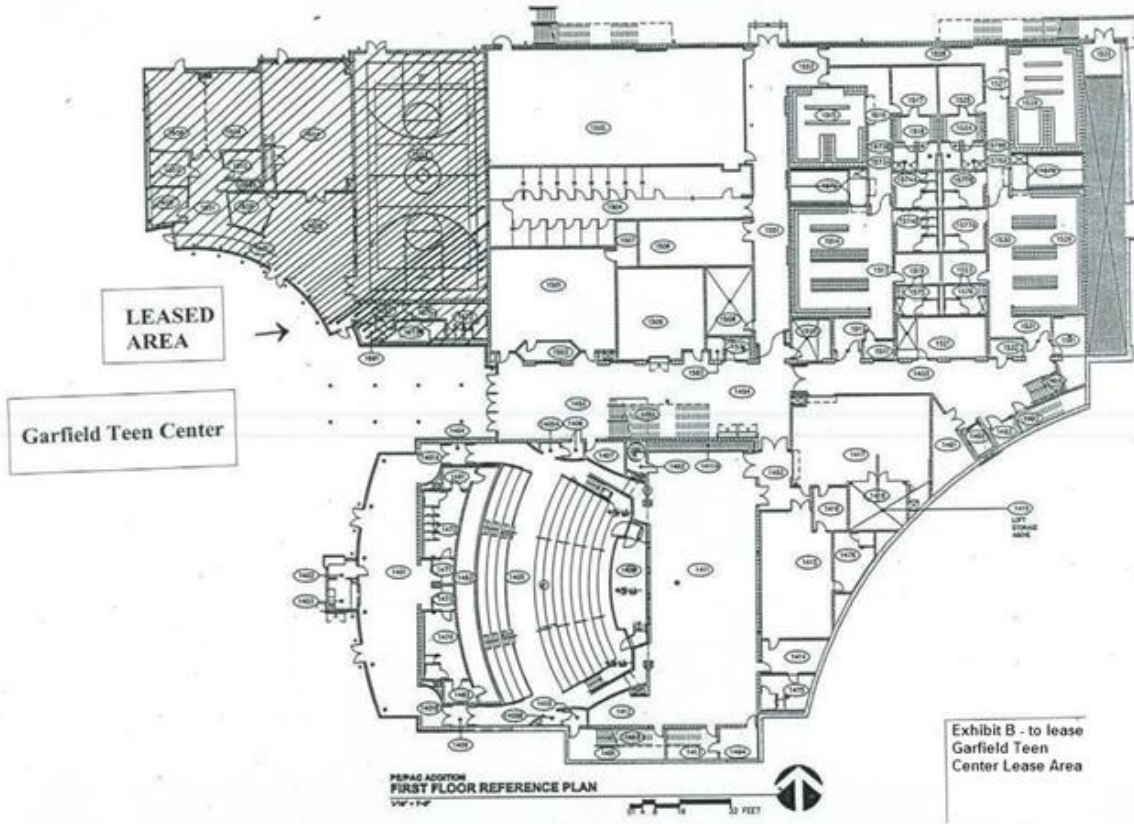
The lease covers approximately 8561 Square Feet ±.

Attachment 2 to Exhibit D
 Lease Area of the Premises (page 1 of 2)



The lease area is approximately 8,561 Square Feet±.

Attachment 2 to Exhibit B
Lease Area of the Premises (page 2 of 2)



Attachment 3 to Exhibit D
Reserved Parking Spaces

