

Attachment A

2004-377

**GARAGE GROUND LEASE AGREEMENT**

between

**KING COUNTY,**  
a political subdivision of the State of Washington

as Lessor

and

**GOAT HILL PROPERTIES,**  
a Washington nonprofit corporation

as Lessee

\_\_\_\_\_, 2004

**King County Office Building Project**  
**Seattle, Washington**

## TABLE OF CONTENTS

		Page
1.	<b>The Demise .....</b>	<b>1</b>
	<b>1.1 Demise .....</b>	<b>1</b>
	<b>1.2 Use of the Garage Land .....</b>	<b>1</b>
	<b>1.3 Access and Utilities .....</b>	<b>2</b>
	<b>1.4 Construction Activity .....</b>	<b>2</b>
2.	<b>Term .....</b>	<b>2</b>
	<b>2.1 Commencement .....</b>	<b>2</b>
	<b>2.2 Duration .....</b>	<b>2</b>
3.	<b>Rent .....</b>	<b>2</b>
4.	<b>Development of Project .....</b>	<b>2</b>
	<b>4.1 Construction .....</b>	<b>2</b>
	<b>4.2 Ownership of Improvements .....</b>	<b>2</b>
5.	<b>Taxes and Utilities .....</b>	<b>3</b>
	<b>5.1 Lessee's Responsibility .....</b>	<b>3</b>
	<b>5.2 Lessor's Responsibility .....</b>	<b>3</b>
	<b>5.3 Lessor's Taxes .....</b>	<b>3</b>
6.	<b>Condition of the Garage Land .....</b>	<b>3</b>
	<b>6.1 Condition of the Garage Land .....</b>	<b>3</b>
	<b>6.2 Lessor's Right to Inspect .....</b>	<b>3</b>
7.	<b>Liens; Security Interest .....</b>	<b>3</b>
	<b>7.1 Lessee's Duty .....</b>	<b>3</b>
8.	<b>Indemnity and Insurance .....</b>	<b>4</b>
	<b>8.1 Indemnity .....</b>	<b>4</b>
	<b>8.2 Property Insurance .....</b>	<b>4</b>
	<b>8.3 Waiver of Subrogation .....</b>	<b>4</b>
	<b>8.4 Minimum Scope of Insurance Coverage for Landlord .....</b>	<b>4</b>
9.	<b>Eminent Domain .....</b>	<b>5</b>
	<b>9.1 Award .....</b>	<b>5</b>
10.	<b>Events of Default by Lessee and Lessor's Remedies .....</b>	<b>5</b>
	<b>10.1 Events of Default .....</b>	<b>5</b>
	<b>10.2 Remedies Upon Lessee's Default .....</b>	<b>6</b>
	<b>10.3 Cumulative Rights and Remedies .....</b>	<b>6</b>
	<b>10.4 No Waiver .....</b>	<b>6</b>
	<b>10.5 Attorneys' Fees .....</b>	<b>6</b>

11.	Quiet Enjoyment .....	7
11.1	Lessee's Occupation of the Garage Land .....	7
12.	Lessee to Comply with Applicable Laws and Agreements .....	7
12.1	Compliance with Laws .....	7
12.2	Compliance with Agreements .....	7
13.	Waiver Limitations .....	7
13.1	Waiver Limitations .....	7
14.	Notices .....	8
14.1	Addresses .....	8
15.	Assignment and Subleasing.....	8
15.1	Subleasing.....	8
15.2	Assignment.....	8
16.	Miscellaneous.....	8
16.1	Time of Essence.....	8
16.2	No Joint Venture or Agency .....	9
16.3	Amendments.....	9
16.4	Governing Law.....	9
16.5	Headings.....	9
16.6	Successors and Assigns .....	9
16.7	No Merger.....	9
16.8	Counterparts; Recording of Memorandum .....	9
16.9	Schedule of Exhibits.....	9

**EXHIBIT A    Legal Description**

## GARAGE GROUND LEASE AGREEMENT

THIS GARAGE GROUND LEASE AGREEMENT ("Garage Ground Lease") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between **KING COUNTY**, a political subdivision of the State of Washington ("Lessor"), and **GOAT HILL PROPERTIES**, a Washington nonprofit corporation ("Lessee").

### RECITALS

**A.** Lessor is the owner of the real estate described on **EXHIBIT A** attached hereto ("Garage Land") located in the City of Seattle, King County, Washington.

**B.** Lessor intends to lease the Garage Land to Lessee pursuant to this Garage Ground Lease, and Lessee intends to construct and equip thereon a garage to provide parking for King County containing approximately \_\_\_\_\_ parking spaces as more fully described in the Preliminary Plans and Outline Specifications, including all HVAC, electrical and other building systems, pursuant to the Preliminary Plans and Outline Specifications ("Project"). The design and construction of the Project shall be as more particularly described in that certain Project Lease Agreement between the parties ("Project Lease").

**C.** Lessee intends to lease the Premises, including the Garage, back to Lessor in accordance with the Municipal Leasing Act, RCW ch. 35.42, and pursuant to the Project Lease.

**D.** Lessee intends to pay the costs of the Project with the proceeds of tax-exempt obligations which satisfy the requirements of the Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service.

**E.** All capitalized terms used in this Garage Ground Lease but not otherwise defined herein (including these Recitals hereto) shall have the meanings given to such terms in the Project Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties hereto agree as follows:

#### **1. The Demise.**

**1.1 Demise.** In consideration of the rents, covenants and agreements contained in this Garage Ground Lease, Lessor hereby leases the Garage Land to Lessee, and Lessee hereby leases the Garage Land from Lessor upon and subject to the conditions set forth in this Garage Ground Lease, and subject to all encumbrances and matters of record as of the date of this Garage Ground Lease.

**1.2 Use of the Garage Land.** The Garage Land shall be used and occupied only for the purpose of the development, operation, use, repair and maintenance of the Project but, until Lessee commences such use and occupancy, Lessor reserves the right to continue to use and occupy the Garage Land for its purposes at no cost. Lessee shall not use or permit the

Garage Land to be used for any other purpose without the prior written approval of Lessor. Lessee is hereby authorized to lease back to Lessor the Garage Land as improved by the Project pursuant to the Project Lease.

**1.3 Access and Utilities.** Lessor and Lessee agree to mutually cooperate regarding the provision of reciprocal temporary and permanent pedestrian and vehicular access and utilities to, from, and over the Garage Land and the Project to, from, and over adjacent lands of Lessor. Lessor and Lessee further agree to mutually cooperate regarding the use of parking on the Garage Land and the adjacent lands of Lessor during and after construction of the Project. Lessor and Lessee agree to execute such instruments as may be necessary to provide for such pedestrian and vehicular access, parking and utilities and agree to cooperate in the location thereof.

**1.4 Construction Activity.** Lessor hereby grants permission to Lessee to perform construction activity related to the Project on adjacent lands of Lessor. Lessee and Lessor agree to mutually cooperate as to the timing, use, and location of such construction activity in order to ensure completion of the Project in a timely manner while maintaining Lessor's ability to utilize the adjacent lands for Lessor's ongoing operations.

## **2. Term.**

**2.1 Commencement.** Subject to the terms and conditions of this Garage Ground Lease, the term of this Garage Ground Lease shall commence on the date that this Garage Ground Lease is fully executed, acknowledged and delivered by Lessor and Lessee ("Effective Date").

**2.2 Duration.** The term of this Garage Ground Lease shall continue from the Effective Date until the earlier of (i) December 31, 2044 or (ii) the date that the Bonds have been paid and retired, unless sooner terminated hereunder ("Term").

**3. Rent.** Lessee shall pay to Lessor as rent for the Term the sum of \$100.00 payable in whole in advance on or before the first day of the Term.

## **4. Development of Project.**

**4.1 Construction.** Lessor agrees that Lessee shall cause the Project to be constructed and developed pursuant to the Project Lease. Lessee shall not permit any development or construction on the Garage Land except as contemplated by the Project Lease or as otherwise specifically approved in writing by Lessor.

**4.2 Ownership of Improvements.** During the Term, the Project and all other improvements on the Garage Land paid for by Lessee shall be owned by Lessee. Upon the expiration or earlier termination of this Garage Ground Lease, the Project and all other improvements on the Garage Land shall become the property of Lessor.

**5. Taxes and Utilities.**

**5.1 Lessee's Responsibility.** Lessee shall be solely responsible for the payment of and shall pay and discharge all utility charges which are incurred as part of Project Costs as defined in the Project Lease.

**5.2 Lessor's Responsibility.** Lessor shall pay all utility charges that are not part of Project Costs and all real estate taxes and assessments, if any, that are imposed upon the Garage Land. In accordance with RCW 35.42.090, this Garage Ground Lease shall be exempt from any taxes imposed under the authority of RCW ch. 82.45, RCW 82.04.040, or RCW 82.08.090.

**5.3 Lessor's Taxes.** Nothing in this Garage Ground Lease shall require Lessee to pay any franchise, estate, inheritance, succession, capital levy (measured on the capital stock of Lessor), income, or transfer tax of Lessor.

**6. Condition of the Garage Land.**

**6.1 Condition of the Garage Land.** Lessee hereby accepts the Garage Land "as is" in its existing condition including, without limitation, the obligation to perform or to cause to be performed all Project Remediation Work to the extent covered by the approved Project Budget. Notwithstanding the foregoing, and except for Project Remediation Work covered by the approved Project Budget, Lessor shall be solely responsible for all claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the presence, release or disposal of hazardous substances that were present in the soil, groundwater or soil vapor on or under the Garage Land or any adjacent or nearby property as of the date of this Garage Ground Lease, including any costs of investigation or remediation of such toxic or hazard substances that may be required by any federal, state or local government agency. Lessor shall not be responsible for any claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the release or disposal of hazardous substances on the Garage Land during construction of the Project and the responsibility for the same shall remain with Lessee and Developer.

**6.2 Lessor's Right to Inspect.** Lessor shall have the right to inspect the Garage Land at any time.

**7. Liens; Security Interest.**

**7.1 Lessee's Duty.** Except for the use of this Garage Ground Lease as security for the Bonds to be issued to finance or refinance the Project or as specifically approved in writing by Lessor, Lessee will not directly or indirectly create or permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Garage Land, any part thereof, the Project, Lessee's interest therein, or any equipment, fixtures or personalty on the Garage Land that is imposed by or as a result of the actions of Lessee.

## **8. Indemnity and Insurance.**

**8.1 Indemnity.** Lessor and Lessee mutually agree that in any and all causes of action and/or claims or third-party claims arising out of or in connection with the terms, activities, use and/or operations of this Garage Ground Lease, including the Garage Land and the Project, each party shall be responsible to the other only to the extent of each other's comparative fault in causing the alleged damage or injuries. As to any and all causes of action and/or claims or third-party claims arising from the sole fault of a party to this Garage Ground Lease ("Indemnifying Party"), the Indemnifying Party shall have the duty to defend, save and hold the other party harmless and upon failure to do so, the Indemnifying Party shall pay the reasonable attorneys' fees, costs and expenses incurred by the other party to this Garage Ground Lease in defense of such claims and/or actions. Nothing contained within this Section 8.1 shall affect and/or alter the application of any other provision contained within this Garage Ground Lease.

**8.2 Property Insurance.** At all times during the Term of this Garage Ground Lease, in the event that Lessor is not maintaining property insurance with respect to all improvements constructed on the Garage Land, Lessee shall maintain property insurance fully insuring, at 100% of replacement cost value, all improvements constructed on the Garage Land, as well as all of Lessor's personal property and trade fixtures located on the Garage Land, against loss or damage by fire and other perils currently covered by a special causes of loss commercial property insurance form. In that event, Lessee shall also cause the Premises to be insured against the perils of earthquake and flood, either as part of the aforementioned property insurance, or under a separate policy or policies. The property insurance policy shall meet the requirements set forth in this section and in the Project Lease.

**8.3 Waiver of Subrogation.** Lessee shall cause its property insurance carrier(s) to release and waive all rights of subrogation against Lessor to the extent a loss is covered by property insurance in force; provided, however, that this Section 8.3 shall be inapplicable if it would have the effect of invalidating any insurance coverage of Lessee.

### **8.4 Minimum Scope of Insurance Coverage for Lessee.**

**8.4.1 Lessee's Coverages.** During the Term of this Lease, Lessee shall at a minimum maintain: Commercial General Liability insurance (Insurance Services Office form number (CG00 001), covering Commercial General Liability with a limit of not less than \$1,000,000 combined single limit per occurrence; \$2,000,000 aggregate. In addition, Lessee shall maintain workers' compensation coverage as required by the Industrial Insurance Act of the State of Washington, statutory limits.

**8.4.2 Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions in insurance coverage maintained by Lessee must be declared to and approved by Lessor. The deductible and/or self-insured retention of the policies shall not limit or apply to Lessor and shall be the sole responsibility of Lessee.

**8.4.3 Other Insurance Provisions.** The insurance policies required by this Garage Ground Lease are also to contain or be endorsed to contain the following provisions where applicable:

**(a) Liability Policies:**

(1) Lessor, its officers, officials, employees and agents are to be covered as an additional insured as respects liability arising out of activities performed by or on behalf of Lessee in connection with this Lease.

(2) Lessee's insurance coverage shall be primary insurance as respects Lessor, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by Lessor its officers, officials, employees and agents shall not contribute with Lessee's insurance or benefit Lessee in any way.

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

**(b) All Policies.** Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except by the reduction of the applicable aggregate limits by claims paid, until after forty-five (45) days' prior written notice has been given to Lessor.

**(c) Acceptability of Insurers.** Unless otherwise approved by Lessor:

(1) Insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated by Best's with a rating in one of the two highest categories maintained by Standard & Poor's Rating Group and Moody's Investors Service.

(2) If at any time any of the foregoing policies shall fail to meet the above minimum standards, Lessee shall, upon notice to that effect from Lessor, promptly obtain a new policy and shall submit the same to Lessor with certificates and endorsements for approval.

**9. Eminent Domain.**

**9.1 Award.** In the event of any taking, partial or whole, Lessor shall be entitled to the entire award judgment or settlement from the condemning authority for the value of the Garage Land taken by the condemning authority.

**10. Events of Default by Lessee and Lessor's Remedies.**

**10.1 Events of Default.** The following occurrences or acts shall constitute an event of default under this Garage Ground Lease:



**(a) Failure to Perform.** If Lessee shall (i) default in making payment when due of any rent or any other amount payable by Lessee hereunder; or (ii) default in the observance or performance of any other substantial provision of this Garage Ground Lease to be observed or performed by Lessee hereunder; and, in either case, if such default shall continue for thirty (30) days, in each case after Lessor shall have given to Lessee notice specifying such default and demanding that the same be cured, or, with respect to a default under subsection (i), if by reason of the nature thereof such default cannot be cured by the payment of money and cannot with due diligence be wholly cured within such period of thirty (30) days, if Lessee shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default and with all due diligence, it being intended in connection with a default not susceptible of being wholly cured with due diligence within such period that the time within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence; or

**(b) Lessee's Financial Condition.** If Lessee shall make a general assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or shall fail seasonably to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties.

**10.2 Remedies Upon Lessee's Default.** In the event of any default by Lessee as defined hereinabove which default remains uncured after the expiration of the respective period set forth above, Lessor may exercise any remedy which may be available to Lessor at law or equity, including but not limited to actions for damages, and/or injunctive relief; provided, that unless the Bonds have been paid in full and the Bond Insurer, if any, has consented, Lessor may not terminate this Garage Ground Lease prior to the end of the Term except for Lessee's failure to pay the rent when due.

**10.3 Cumulative Rights and Remedies.** The rights and remedies reserved to Lessor herein, including those not specifically described, shall be cumulative, and except as provided by Washington statutory law in effect at the time, Lessor may pursue any and all such rights and remedies at the same time or independently.

**10.4 No Waiver.** No delay or omission of Lessor to exercise any right or remedy shall, except as expressly provided herein, be construed as a waiver of any such right or remedy or of any default by Lessee hereunder. The acceptance by Lessor of rent or any additional rent hereunder shall not be a waiver of any preceding breach or default by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent accepted, regardless of Lessor's knowledge of such preceding breach or default at the time of acceptance of such rent, or, except as expressly set forth herein, a waiver of Lessor's right to exercise any remedy available to Lessor by virtue of such breach or default.

**10.5 Attorneys' Fees.** If either party incurs any expenses, including but not limited to reasonable attorneys' fees, consultant and expert witness fees, in connection with any

action or proceeding instituted by any party by reason of any default or alleged default of a party hereunder, the party prevailing in such action or proceeding shall be entitled to recover its reasonable expenses from the other party hereof. For purposes of this provision, in any action or proceeding instituted pertaining to the Lease, a party shall be deemed the prevailing party if (i) judgment is entered substantially in favor of said party or (ii) before trial or judgment the other party shall pay all or any portion of the charges claimed by said party, or the other party shall eliminate the condition(s), cease the act(s) or otherwise cure the omissions(s) claimed by said party to constitute a default by the other party hereunder.

## **11. Quiet Enjoyment.**

**11.1 Lessee's Occupation of the Garage Land.** If and so long as Lessee shall pay all rent and all other amounts payable by Lessee hereunder whenever the same shall become due and shall keep all of the covenants and conditions required by it to be kept during this Garage Ground Lease and shall perform all of its other obligations hereunder, Lessor covenants and agrees that, except as may otherwise be provided in the Project Lease, Lessor will not interfere with the peaceful and quiet occupation and enjoyment of the Garage Land by Lessee, which occupation and enjoyment shall be without hindrance, ejection or molestation by Lessor.

## **12. Lessee to Comply with Applicable Laws and Agreements.**

**12.1 Compliance with Laws.** Lessee shall not use the Garage Land or permit anything to be done in or about the Garage Land which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and obtain all permits, licenses or other approvals required by governmental agencies or bodies. Lessee shall further comply with the requirements of any board or fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Garage Land.

**12.2 Compliance with Agreements.** Lessee shall comply with all insurance policies and applicable agreements to which Lessee is a party or by which it is bound, now or hereafter in effect, and all agreements of which Lessee has notice and which are now in effect and applicable to the Garage Land.

## **13. Waiver Limitations.**

**13.1 Waiver Limitations.** The waiver by either party of any term, covenant or condition herein contained on the part of the other party to be performed shall not be deemed a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Garage Ground Lease, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

**14. Notices.**

**14.1 Addresses.** All notices, requests, demands, instructions or other documents to be given hereunder to any party shall be in writing and shall either be personally delivered to the party at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery) or delivered by mail, sent by registered or certified mail, return receipt requested, as follows:

If to Lessor:           King County  
Property Services Division  
500 King County Administration Building  
500 Fourth Avenue  
Seattle, WA 98104  
Facsimile:     (206) 205-5070

If to Lessee:           Goat Hill Properties  
c/o National Development Council  
1425 Fourth Avenue, Suite 608  
Seattle, WA 98101  
Facsimile:     (206) 448-5246

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of the same in any United States Mail post office box in the state to which the notice is addressed or seventy-two (72) hours after deposit in any such post office box other than the state to which the notice is addressed, postage prepaid, addressed as set forth above. For the purpose of this Section, addresses for notice may be changed by giving written notice of such change in the manner herein provided for giving notice.

**15. Assignment and Subleasing.**

**15.1 Subleasing.** Lessor and Lessee intend that Lessee shall enter into the Project Lease with Lessor. Any other proposed subleases of the Garage Land shall be subject to the review and approval of Lessor.

**15.2 Assignment.** Except for the assignment to the Trustee to secure the Bonds for the Project, Lessee shall not assign, mortgage, or encumber this Garage Ground Lease or delegate the duties of Lessee under this Garage Ground Lease without the prior written consent of Lessor. A consent to one assignment shall not be deemed to be a consent by Lessor to any subsequent assignment by another person. This Garage Ground Lease shall not, nor shall any interest of Lessee herein, be assignable by operation of law, without prior written consent of Lessor.

**16. Miscellaneous.**

**16.1 Time of Essence.** Time is of the essence in regard to performance of the covenants and agreements stated herein.

**16.2 No Joint Venture or Agency.** Nothing contained in this Garage Ground Lease nor any of the acts of the parties hereto shall be construed nor is it the intent of the parties, to create a joint venture or partnership between Lessor and Lessee, nor is either party the agent or representative of the other, and nothing in this Garage Ground Lease shall be construed to create any such agency relationship or to hold either party liable to anyone for goods delivered or services performed at the request of the other party.

**16.3 Amendments.** No change in or addition to or waiver or termination of this Garage Ground Lease any part hereof, shall be valid unless made in writing and signed by or on behalf of the party charged therewith. Lessor and Lessee agree to negotiate in good faith any amendments to this Garage Ground Lease that may be requested or required in connection with the issuance of the Bonds to finance the Project.

**16.4 Governing Law.** This Garage Ground Lease shall be construed in accordance with and governed by the laws of the State of Washington.

**16.5 Headings.** The article, section and paragraph headings herein contained are for the purposes of identification and reference convenience only and shall not be considered in construing this Garage Ground Lease.

**16.6 Successors and Assigns.** Subject to the provisions hereof restricting the sublease or assignment by Lessee, all the terms and provisions of this Lease shall be binding upon and to the benefit of and be enforceable by the parties and the successors and assigns of the parties.

**16.7 No Merger.** In no event shall the leasehold interest of Lessee hereunder merge with any estate of Lessor in or to the Garage Land or the leasehold interest of Lessor under the Project Lease. In the event that Lessor acquires the leasehold interest of Lessee, such leasehold interest shall not merge with Lessor's fee interest in the Garage Land or the leasehold interest of Lessor under the Project Lease, and this Garage Ground Lease and the Project Lease shall remain in full force and effect.

**16.8 Counterparts; Recording of Memorandum.** This Garage Ground Lease may be executed in several counterparts, each of which shall be deemed an original for all purposes. Either Lessor or Lessee shall have the right to record a memorandum of this Garage Ground Lease in a form comparable to that provided in the Project Lease and the parties shall cooperate in execution of such memorandum.

**16.9 Schedule of Exhibits.** This Garage Ground Lease includes the following exhibits attached hereto and incorporated herein by this reference.

EXHIBIT A Garage Land Legal Description

IN WITNESS WHEREOF, Lessor and Lessee have executed this Garage Ground Lease as of the date set forth in the first paragraph of this Garage Ground Lease to evidence their agreement to the terms of this Garage Ground Lease.

DATED the date first above written.

LESSOR:

**KING COUNTY,**  
a political subdivision of the  
State of Washington

APPROVED AS TO FORM:

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

LESSEE:

**GOAT HILL PROPERTIES,**  
a Washington nonprofit corporation

By \_\_\_\_\_  
Name: John Finke  
Title: Vice President  
Date: \_\_\_\_\_

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that [he/she] signed this instrument, on oath stated that [he/she] was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of **KING COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Printed Name \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that John Finke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of **GOAT HILL PROPERTIES**, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Printed Name \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

## EXHIBIT A

### GARAGE LAND LEGAL DESCRIPTION

#### Parcel "A":

Lots 1 through 8, inclusive, in Block 36 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

Except that portion thereof, of Lot 6 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473610;

and Except that portion thereof, of Lot 7 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473611.

#### Parcel "B":

That part of Lots 2, 3, 6 and 7 in Block 40 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, lying Southwesterly of a line drawn parallel with and 30.0 feet Southwesterly, when measured at right angles and/or radially, from the James-6th F.R. Line Survey of SR 5, Seattle Freeway: Jackson St. to Olive Way, in King County, Washington.

APN: 094200-1050-08