

# FIRST AMENDED AND RESTATED GROUND LEASE

This First ~~Amended~~ and Restated Ground Lease ("Amended Lease") is made effective August 9, 2018, by The Trinity Lutheran Church, Inc., a Washington nonprofit corporation ("Ground Lessor"), and Volunteers of America, Western Washington, a Washington nonprofit corporation ("Ground Lessee").

## RECITALS

A. Ground Lessor and Ground Lessee previously entered into a Ground Lease effective as of August 1, 2016 ("Lease") by which Ground Lessor made a portion of its fee simple land in the City of Lynnwood, more particularly described in Exhibit B to this Amended Lease, available on a rental basis for a fifty-year period to Ground Lessee for the construction of the Center (as defined below).

B. In light of certain changed conditions that have occurred since the execution of the Lease, Ground Lessor and Ground Lessee wish to amend and restate the Lease as set forth below.

C. Ground Lessor and Ground Lessee signed a version of this Amended Lease on July 24, 2018 ("July 24 Version"). However, the July 24 Version was not approved by Ground Lessor's current lender, Thrivent Financial for Lutherans, who requested that the Amended Lease be revised to include 27.6 (b). Ground Lessor and Ground Lessee have agreed to include such language, now incorporated herein as part of this Amended Ground Lease.

D. If there is any inconsistency between the Lease, the July 24 Version, and this Amended Lease, this Amended Lease will control.

## AGREEMENT

1. **Definitions.** In addition to each other term defined in this Amended Lease, the following terms shall have the following meanings herein:

1.1 "Affiliate" means charitable organization or any entity that controls, is controlled by or under common control with Ground Lessee or Ground Lessor or any entity into which any of them is merged.

1.2 "Architect" means the Project architect engaged by Ground Lessee.

1.3 "Base Rent" means the rent payable pursuant to Section 5.

1.4 "Business Day" means any day other than a Saturday, Sunday or holiday in which national banks, federal courts or state courts are closed in the State of Washington.

1.5 "Center" shall mean the South Snohomish County Community Center which Ground Lessee will construct on the Premises (as defined below) in accordance with the Project Plan (as defined below) approved by Ground Lessor and will operate in accordance with the terms and conditions of this Amended Lease.

1.6 "Code" means any statute, code, rule or regulation applicable to the development or the construction of the Project, including, without limitation, the City of Lynnwood's building code.

1.7 "Commencement Date" means the first day following the end of the Due Diligence Period, which Ground Lessor and Ground Lessee agree is May 8, 2018.

1.8 "Due Diligence Period" means the period between the date of the Lease and May 7, 2018.

1.9 "Existing Improvements" means the improvements currently located on the Premises.

1.10 "Fee Mortgage" means any deed of trust or mortgage encumbering Ground Lessor's interest in the Premises and Improvements.

1.11 "Force Majeure" means inclement weather, natural catastrophe, strikes, walkouts or other labor disturbance, an order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the affected party, including delays caused by the City of Lynnwood or any governing municipality having jurisdiction over the Project.

1.12 "Ground Lessee" means Volunteers of America, Western Washington, a Washington nonprofit corporation and its successors and assigns.

1.13 "Ground Lessor" means The Trinity Lutheran Church, Inc., a Washington nonprofit corporation and its successors in interest to fee title to the Premises.

1.14 "Improvements" means the general scope of work substantially as described preliminarily in Exhibit A attached hereto, which shall include, without limitation, construction of the Center, development of parking facilities, landscaping and other related improvements, in accordance with Project Plans approved by Ground Lessor.

1.15 "Leasehold Mortgage" means any deed of trust or mortgage encumbering Ground Lessee's interest in the Premises and Improvements.

1.16 "Leasehold Mortgagee" means the beneficiary or mortgagee under any deed of trust or mortgage encumbering Ground Lessee's interest in the Premises and Improvements.

1.17 "Lease Year" means the twelve (12) month period from the Commencement Date or each succeeding anniversary thereof, and as may be adjusted pursuant to Section 4.1 below.

1.18 "Premises" means the real property situated in the City of Lynnwood Washington, described in Exhibit B attached hereto, and the configuration of which is approximated in Exhibit C attached hereto.

1.19 "Project" means Ground Lessee's planned development and construction of the Center and Improvements on the Premises, as described on Exhibits A, B and C.

1.20 "Project Permits" means the governmental permits required to construct the First Phase of the Project described in Exhibit A, including conditional use permits.

1.21 "Project Plans" means the plans and specifications for the Project.

1.22 "Sublessee" means any sublessee of all or part of the Premises in which Ground Lessee or its successor in interest is the sublessor.

1.23 "Substantial Completion" means that the construction of the Project has been completed to the extent that occupancy permits have been issued for all components of such project by the City of Lynnwood, to the extent certified by the Architect and only minor punch list items remain to be completed.

1.24 "Term" means the term of this Amended Lease and include all extensions thereof under the terms of this Amended Lease.

## 2. **Conditions Precedent.**

2.1 **Ground Lessor's Conditions.** Ground Lessor acknowledges that it has satisfied or waived all Ground Lessor's conditions as set forth in the Lease.

2.2 **Ground Lessee's Conditions.** Ground Lessee acknowledges that it has satisfied or waived all Ground Lessee's conditions as set forth in the Lease.

## 3. **Grant of Leasehold Estate in and Condition of the Premises.**

3.1 **Grant.** Commencing upon the Commencement Date, Ground Lessor hereby leases the Premises to Ground Lessee and Ground Lessee hereby leases the Premises from Ground Lessor.

3.2 **Condition of the Premises.** Ground Lessee hereby accepts the Premises in their "AS IS, WHERE IS" condition. Ground Lessee further acknowledges that Ground Lessee is not relying upon any representation or warranty of Ground Lessor regarding any aspect of the Premises. Ground Lessor disclaims any and all warranties of habitability, merchantability, suitability, fitness for any purpose and any other express or implied warranty not expressly set forth in this Lease.

3.3 **Access.** Ground Lessee acknowledged that it had the right to enter on to the Premises to satisfy and/or waive Ground Lessee's conditions in Section 2.2.

## 4. **Term.**

4.1 **Term.** The Term of this Amended Lease shall begin on the Commencement Date. Unless otherwise extended as herein provided, the Term shall expire on the last day of the fiftieth (50th) Lease Year.

4.2 **Holdover.** If Ground Lessee shall, with the written consent of Ground Lessor, hold over after the expiration or termination of the Term of this Amended Lease, Ground Lessee shall be deemed to be occupying the Premises on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the State of Washington. During such tenancy, Ground Lessee agrees to continue to pay to Ground Lessor the Base Rent, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable. During such holdover period, Ground Lessor and Ground Lessee shall attempt to negotiate an extension of the Term hereof. During such holdover period, either party may elect to terminate this Amended Lease and Ground Lessor shall be permitted to exercise its rights upon termination contained herein.

## 5. **Base Rent.**

5.1 **Base Rent.** Commencing on the Commencement Date, and continuing throughout the Lease Term, the Base Rent under this Amended Lease shall be One Dollar (\$1.00) per year, to be paid on or before the first day of each Lease Year.

5.2 **Net Lease.** It is the intent of Ground Lessor and Ground Lessee that all Base Rent and other sums specified and reserved shall be absolutely net to Ground Lessor. Ground Lessee shall pay all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises, including without limitation, real property taxes, mortgage expenses, including principal and interest payments attributable to the Premises, assessments, insurance premiums and utilities and all costs of the operation, maintenance, repair, alteration, replacement and reconstruction of the Improvements and Center which arise or become due during the Term hereof directly or to Ground Lessor as herein provided as additional rent under this Amended Lease.

5.3 **Payment.** All Base Rent and any other sums to be paid by Ground Lessee to Ground Lessor pursuant to this Amended Lease shall be in lawful money of the United States of America and shall be paid monthly without deduction or offset, without notice or demand, at Ground Lessor's address below.

## 6. **Construction of Improvements and Subsequent Improvements.**

6.1 **Construction of Project.** Following the Commencement Date, Ground Lessee shall initiate construction of the Improvements within a reasonable period of time in accordance with the Project Permits, the Project Plans and the terms of this Amended Lease.

6.2 **Ground Lessor's Cooperation with Permitting Process.** Ground Lessee shall cause the Architect to design the Improvements and apply for the Project Permits. Ground Lessor shall cooperate and not oppose Ground Lessee in obtaining the same, provided Ground Lessor shall not be obligated to incur any costs or liabilities in such process. Ground Lessor will execute, acknowledge and deliver any and all instruments consistent with the terms of this Amended Lease and reasonably required to grant dedications, rights-of-way and easements in favor of municipal authorities or any public utility companies incident to the construction or repair of the Improvements or the installation of water lines, fire hydrants, sewers, electricity, telephone, gas, steam and other facilities and utilities reasonably required for the use and

occupancy of the Premises, provided that such instruments pertain only to the Premises. Ground Lessor shall not be entitled to any compensation from Ground Lessee for any easement, dedication or right of way granted by Ground Lessor over and across the Premises during the Term of this Amended Lease for the above described purposes, but shall be entitled to reimbursement of its costs as stated above and any compensation payable by others for any such grants.

**6.3 Approval of Project Plans.** Ground Lessee agrees that the Project Plans shall be subject to Ground Lessor's approval, which approval shall not be unreasonably withheld. Ground Lessee shall cause an initial draft of the Project Plans to be delivered to Ground Lessor by not later than the beginning of construction activities, whereupon Ground Lessor shall have a period of thirty (30) days thereafter in which to approve the Project Plans or to give Ground Lessee written notice of its objections thereto. Any failure of Ground Lessor to provide such notice to Ground Lessee within such period shall be deemed its approval of the Project Plans. Once Ground Lessor has approved the Project Plans, Ground Lessee shall not make any material changes thereto which affect the location, size, configuration, height, or exterior appearance of the Improvements or the principal materials with which they are to be constructed without Ground Lessor's prior written approval in each instance, which approval shall not be unreasonably withheld.

**6.4 Encumbrances - Mechanics' and Other Liens.**

**6.4.1 Ground Lessor's Title Paramount.** Nothing herein shall authorize Ground Lessee to do any act that shall encumber the fee simple title of Ground Lessor in and to the Premises. Nor shall the fee simple estate of Ground Lessor therein be in any way subject to any claim of lien or encumbrance, whether claimed by operation of law or by virtue of any express or implied contract by Ground Lessee. Any claim to a lien upon the Premises or any Improvements constructed thereon by Ground Lessee or arising from any act or omission of Ground Lessee shall be asserted only against the leasehold estate and shall in all respects be subject to the paramount fee simple title of Ground Lessor to the Premises and Ground Lessor's reversionary interest in the Improvements.

**6.4.2 Mechanics' Liens.** Ground Lessee shall indemnify, defend and hold harmless Ground Lessor and the Premises from and against all claims of lien arising by virtue of or relating to construction of the Improvements and any other improvements or repairs made at any time to the Premises (including repairs, restoration and rebuilding) except to the extent caused by or on behalf of Ground Lessor. Ground Lessee shall regularly and timely pay any and all amounts properly payable to third parties with respect to such work and materials therefor. Ground Lessee shall not permit any mechanics' liens to be filed against the fee of the Premises or against Ground Lessee's leasehold interest in the Premises or any building or other improvement erected on the Premises by reason of work, labor, services or materials supplied or claimed to have been supplied to Ground Lessee or anyone holding the Premises or any part thereof through or under Ground Lessee. Nothing in this Amended Lease shall be construed as constituting the consent or request of Ground Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialmen for any performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the Premises or any part thereof, or the construction, alteration or repair of any building or other

improvement thereon, nor as giving Ground Lessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanics' liens against the fee title to the Premises and any such lien encumbering the Improvements shall not extend to Ground Lessor's reversionary interests therein. If any such claims of any kind whatsoever (except to the extent caused by or on behalf of Ground Lessor) shall be asserted or filed by any persons, firms or corporations performing labor or furnishing material in connection with such work, Ground Lessee shall pay or cause the same to be discharged of record within sixty (60) days of notification thereof or alternatively, if Ground Lessee disputes the validity or amount of any such claim, Ground Lessee shall post or provide Ground Lessor with a bond or other security in a form and amount sufficient to ensure Ground Lessor that title to the Premises and any Improvements thereof remains free of the lien claimed. If a lien is filed against the Premises, and Ground Lessee fails to obtain a release of such lien or a bond to cover the amount of the lien within 60 days after the lien is filed against the Premises, Ground Lessee shall be deemed in default of the Amended Lease and Ground Lessor may, upon 30 days written notice to Ground Lessee, terminate this Amended Lease.

**6.5 Permits, Compliance With Codes, Zoning Changes.** Ground Lessee shall acquire all Project Permits, including all building permits and other permits, licenses, permissions, consents and approvals required by applicable laws, ordinances and regulations to be obtained from government agencies or third parties in connection with construction of the Improvements and other alterations or additions, including, without limitation repairs, replacements and renewals, at its sole cost and expense. Ground Lessee shall do all work in accordance with all laws, ordinances and rules and regulations of any federal, state, county, municipal or other public authority including, without limitation, all building permit requirements, building codes and land use requirements. During the Term of this Amended Lease neither Ground Lessor nor Ground Lessee shall have the right or obligation to take any steps to change the zoning of the Premises without first obtaining the prior written consent of the other party, which consent may be granted or withheld in such other party's sole discretion.

**6.6 Quality of Construction.** The Improvements shall be constructed using high quality materials in accordance with the Project Plans to be prepared by the Architect and the construction thereof conducted under the supervision of the Architect. All such construction work shall be performed in a first class manner by qualified contractors and subcontractors experienced in the respective trades in which they are engaged.

**6.7 Substantial Completion of Construction; As-Built Drawings.** Upon Substantial Completion of the Improvements, Ground Lessee shall deliver to Ground Lessor without charge a true and correct copy of as-built drawings of the building and an as-built survey showing the location of the Improvements.

**6.8 Subsequent Improvements.** Upon Substantial Completion of the Improvements, any subsequent improvements, including, without limitation, any demolition of the Improvements or material changes in the location, configuration, size or height thereof (excluding only ordinary and capital maintenance, repairs, replacements of portions of the Improvements with components conforming to the approved Project Plans, and installation of any sublessee's fixtures or other alterations otherwise expressly permitted by this Amended Lease) shall require the prior written consent of Ground Lessor, which consent will not be

unreasonably withheld, conditioned or delayed. Ground Lessee's obligations and Ground Lessor's rights in respect to subsequent improvements, including without limitation rights and obligations pertaining to permits, liens, change order approvals, substantial completion and as-built drawings, shall be substantially the same as is provided in this Amended Lease with respect to the Improvements. Notwithstanding anything herein to the contrary, Ground Lessee shall not demolish any of the Improvements for the purpose of constructing subsequent improvements without Ground Lessor's prior written consent, which Ground Lessor may condition upon (a) the subsequent improvements being used as permitted under this Amended Lease and (b) Ground Lessor being provided with either a Completion and Performance Bond (as defined below) or other substitute security, acceptable to Ground Lessor in its reasonable discretion, assuring the lien-free completion of the subsequent improvements and (c) Subleases for the subsequent improvements for the uses permitted by this Amended Lease being reasonably acceptable to Ground Lessor. "Completion and Performance Bond" means a payment and performance bond, in form and content reasonably approved by Ground Lessor, issued to Ground Lessor as obligee by an institutional surety company reasonably approved by Ground Lessor, in an amount not less than the full contract price for the cost of the subsequent improvements (including, without limitation, incidental demolition and direct construction costs), assuring mechanics' lien-free completion of the subsequent improvements. All of the obligations of Ground Lessee and other provisions of this Amended Lease with respect to the Improvements shall likewise apply to any subsequent improvements constructed on the Premises by or at the direction of Ground Lessee.

**6.9 No Effect Upon Required Payments.** Ground Lessee's obligations to make all payments required of Ground Lessee by this Amended Lease shall be unaffected by Ground Lessee's ability or inability to construct the Improvements or any subsequent improvements. During the period(s) of time when any such Improvements or subsequent improvements are under construction, renovation or repair, Ground Lessee's obligations to make all payments provided for herein shall continue without interruption, suspension or abatement.

**7. Ownership of Improvements.** The Improvements, any subsequent improvements, and all other improvements, alterations and additions constructed by Ground Lessee on the Premises shall be and remain the property of Ground Lessee until the expiration or earlier termination of this Amended Lease. At the expiration or earlier termination of this Amended Lease, the Improvements, any subsequent improvements and all alterations, additions and improvements thereto or replacements thereof in the Project, and all of Ground Lessee's fixtures, machinery and equipment installed therein, shall automatically become the property of Ground Lessor. Notwithstanding the foregoing, any trade fixtures, signs, furnishings and inventory of Ground Lessee shall remain the property of Ground Lessee and shall be removed from the Premises prior to the expiration of the Term by and at the expense of Ground Lessee or any sublessee.

**8. Use of Premises.**

**8.1 Uses Permitted.** Except as set forth below, Ground Lessee will use and occupy the Premises to construct the Improvements and will utilize the Improvements solely for charitable purposes by the operation of a public community center for delivery of human/health services in South Snohomish County.

**8.2 Uses Restricted.** Any provision of this Amended Lease to the contrary notwithstanding, Ground Lessee covenants and agrees with Ground Lessor that (a) it shall not construct any underground storage tanks upon or in the immediate vicinity of the Premises or employ the Premises or permit the employment of the Premises for any use that requires any underground storage tanks, (b) except for cleaning agents and the like that are typically associated with the operation of a community center, no part of the Project may include any uses that involve or require the generation, handling, treatment, storage, transportation or disposal of hazardous materials under any federal, state, environmental law or regulation, (c) no part of the Project shall be used as for any use inconsistent with the goals and charitable mission of the Ground Lessor and (d) except as set forth in such parking easements as Ground Lessor and Ground Lessee shall negotiate and agree, no operations of the Center shall interfere with parking and other accommodations necessary for the activities carried on by Ground Lessor, including without limitation, church services.

**8.3 Compliance with Laws.** Ground Lessee shall not use or permit the Premises or any part thereof to be used in violation of any federal, state, county or municipal law, rule, regulation or ordinance. Ground Lessee shall at all times keep and use the Premises in accordance with the laws of the United States (including without limitation the Americans With Disability Act as now existing or hereafter amended), the laws of the State of Washington and all municipal ordinances and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector or other proper officer of any governing entity, at Ground Lessee's sole cost and expense.

**8.4 Hazardous Substances.** During the Term of this Amended Lease, Ground Lessee shall permit no Hazardous Substances to be introduced or released on or to the Premises and shall promptly remove any such Hazardous Substances from the Premises in accordance with all applicable state and federal environmental laws. Ground Lessee shall indemnify, defend and hold Ground Lessor forever harmless from all liability arising from any hazardous substances which are brought or released into the Premises or any adjoining property by or at the direction of Ground Lessee or any sublessee, employee, agent, or contractor of Ground Lessee. Ground Lessee shall not undertake any environmental assessments of the Premises without Ground Lessor's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed and, at Ground Lessor's option, any reports or notices filed with any governmental agency shall be submitted solely by Ground Lessor unless Ground Lessee is required to submit such reports in accordance with applicable law. The term "Hazardous Substances" is used in its very broadest sense, and refers to materials which because of their quantity, concentration, or physical, chemical, or infectious characteristics may cause or pose a present or potential hazard to human health or the environment when improperly handled, treated, stored, transported, disposed of, or otherwise managed. The term shall include, but is not limited to, all hazardous substances, hazardous materials and hazardous wastes listed by the U.S. Environmental Protection Agency and the state in which the Property is located under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Toxic Substances Control Act (TSCA), and the Federal Water Pollution Control Act (FWPCA), the Emergency Planning and Community Right-to-Know Act (EPCRA), the Clean Air Act (CAA), the Washington Model Toxics Control Act, and any and all other federal, state and local statutes or ordinances applicable to the protection of human health or the environment.



**9. Ground Lessor's Easements and Retained Rights.**

**9.1 Ground Lessor's Access.** Ground Lessee shall permit Ground Lessor and its agents and contractors to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same and to conduct such tests, activities and remediations as Ground Lessor may deem necessary in its sole discretion. Except for such monitoring, testing and remediation, nothing contained in this Section shall be deemed to impose any obligation upon Ground Lessor whatsoever to inspect, repair, improve or maintain the Premises or the Improvements. Without limiting the foregoing, during the period of any construction of Improvements or any subsequent improvements by Ground Lessee, Ground Lessor may from time to time, at its own expense and risk, inspect the progress of construction. Any such construction inspections shall be done by Ground Lessor solely to protect its own rights under this Amended Lease and shall not constitute a covenant or warranty to Ground Lessee or any other person concerning the adequacy, quality or safety of such work or conformity thereof to any of the Project Plans approved by Ground Lessor under this Amended Lease. In entering the Premises, Ground Lessor will use commercially reasonable efforts to avoid interfering with Ground Lessee's construction on the Premises or with the operation of Ground Lessee's tenants' businesses and shall repair and restore the Premises to the condition immediately preceding such access.

**9.2 Ground Lessor's Access Easement.** Throughout the Lease Term, Ground Lessor shall retain an access easement across, over and through the Premises for ingress, egress and utilities, to enable the use of Ground Lessor's adjacent property and to access the parking lot located on the Premises. This access easement shall be of a size and configuration, and shall be located on such portion of the Premises, as the Ground Lessor shall reasonably determine and shall comply with all applicable federal, state and local laws. Ground Lessor and Ground Lessee shall reduce such access easement to writing and record it with Snohomish County.

**9.3 Ground Lessor's Parking Easement.** Throughout the Lease Term,, Ground Lessor shall retain a perpetual, nonexclusive easement for pedestrian and vehicular access to the parking spaces located in the Premises, together with the exclusive right to the use of such parking spaces for the vehicular parking. Such easement shall depict which spaces are (1) reserved for the exclusive use by Ground Lessor's employees, members, visitors, licensees and invitees; (2) reserved for the exclusive use by Ground Lessee's employees, members, visitors, licensees and invitees; and (3) available for use by employees, members, visitors, licensees and invitees of Ground Lessor and Ground Lessee; provided, however, that the total number of parking spaces available to the Ground Lessor shall not be less than the number of spaces available to Ground Lessor as of the date of this Amended Lease, which Ground Lessor and Ground Lessee agree to be 174 marked parking spaces plus 16 overflow parking spaces. Ground Lessor and Ground Lessee shall reduce such access easement to writing and record it with Snohomish County.

**9.4 Right to Remove Ground Lessor's Property.** After the Commencement Date and prior to the removal or demolition of any of the existing improvements on the Premises, Ground Lessee shall advise Ground Lessor of the proposed demolition or removal of any appliances, equipments, supplies and other personal property or fixtures located within any

of the existing improvements or buildings or otherwise located on the Premises and Ground Lessor shall be granted a reasonable period of time to enter onto the Premises and remove such of Ground Lessor's personal property and fixtures as Ground Lessor may so elect. Ground Lessor and Ground Lessee agree to cooperate with one another in the removal or demolition of any improvements on the Premises for the purposes of allowing Ground Lessor to preserve its property while permitted Ground Lessee to proceed with the construction of the Improvements. Ground Lessor shall also be entitled to remove any existing trees, plantings, shrubs and other landscaping or vegetation located on the Premises that would be removed as part of the construction of the Improvements.

**9.5 Ground Lessor's Use of Space in Center.** For payment of \$1.00 per year, Ground Lessee shall make adequate space available in the Center for Ground Lessor to use for programs designated by Ground Lessor. Ground Lessor and Ground Lessee shall determine the specifics of this arrangement continually on at least an annual basis.

## **10. Taxes and Assessments.**

**10.1 Payment of Taxes and Assessments.** Ground Lessee shall pay to the taxing authority all taxes and assessments levied against the Premises during and attributable to the Ground Lessee's possession during the Term, including any improvements and fixtures thereon and all of Ground Lessee's personalty, and including any new taxes and assessments not of the kind enumerated above to the extent the same were made, levied or assessed in lieu of any taxes or assessments now customarily levied against real estate or personalty. Such taxes shall include, without limitation, taxes imposed on the Ground Lessor because it is no longer using the Premises for church purposes. Beginning on the Commencement Date, Ground Lessee shall reimburse Ground Lessor for all such taxes and assessments attributable to the Ground Lessee's possession during the Term that have been or are hereafter paid by Lessor within thirty (30) days after Ground Lessor provides Ground Lessee with a copy of the invoice therefore. Taxes and assessments on the Premises and Improvements to be paid for the year in which Ground Lessee's obligation to pay such taxes and assessments commences under this Amended Lease and the year in which this Amended Lease terminates shall be prorated between Ground Lessor and Ground Lessee as of such respective commencement and termination dates. If the amount of such taxes and assessments for the year of such termination cannot be ascertained as of such date of termination, proration shall initially be made on the basis of the taxes and assessments for the preceding year, subject to correction and adjustment as and when the correct figures become available.

**10.2 Installments.** If by law any tax or assessment may at the option of the taxpayer be paid in installments, Ground Lessee may exercise such option, and shall pay all such installments (and interest, if any) prior to delinquency during the Term (including any installment with respect to any assessment which may be payable following the Commencement Date) and shall at the end of the Term deposit with Ground Lessor an amount sufficient to pay Ground Lessee's pro rata share of all taxes and assessments for the calendar year in which the Amended Lease terminates.

**10.3 Proof of Payment.** Ground Lessee will furnish to Ground Lessor, on or before the date each property tax or assessment payment is due, official receipts of the

appropriate taxing authority or other proof reasonably satisfactory to Ground Lessor evidencing the payment thereof.

10.4 **Right to Contest.** Ground Lessee shall have the right at its expense to contest or review (in the name of Ground Lessee, or of Ground Lessor, or both, as Ground Lessee shall elect) by appropriate proceedings (which may be instituted either during or after the Term of this Amended Lease, and if instituted shall be with the cooperation of Ground Lessor if requested) any valuation of the Premises for tax assessment purposes and/or any increase in the tax rate. Ground Lessor shall execute all necessary instruments in connection with any such protest, appeal or other proceedings. Ground Lessee shall be entitled to any refund of any taxes paid by Ground Lessee (net of Ground Lessee's or Ground Lessor's expenses in obtaining same) by reason of any such proceeding or otherwise, whether during or after the expiration of the Term, except that if the refund shall relate to the year in which Ground Lessee's obligation to pay such taxes and assessments commences under this Amended Lease or the year in which it terminates, the refund (after deducting all costs of Ground Lessor or Ground Lessee in obtaining same) shall be prorated between Ground Lessor and Ground Lessee according to the periods to which it applies and to the extent to which the same was included in the Term.

11. **Utilities.** Beginning on the Commencement Date, Ground Lessee shall arrange for and pay directly all charges for gas, electricity, light, heat, water, telephone, cable, and other communication services, sewer and for all other public or private utilities or services which shall be used in or charged against or in connection with use of the Premises during the Term of this Amended Lease. Ground Lessor shall not be liable for the failure of any such services for any reason whatsoever. Ground Lessee shall indemnify, defend and hold harmless Ground Lessor and the Premises from all charges as described above.

12. **Care of Premises.**

12.1 **Maintenance and Surrender.** Ground Lessee shall, at Ground Lessee's sole expense, keep and maintain the Premises, the Improvements, and any other improvements, alterations and additions to the Premises in a good and neat state of repair, both inside and outside, and shall keep the same and all parts thereof in good, clean, healthful and safe order and condition and in accordance with applicable statutes, laws and ordinances and the direction of proper public officers. Maintenance of the Premises includes the establishment of landscaping consistent with the Ground Lessor's property surrounding the Premises. Both parties shall be mutually and equally responsible for maintenance of all shared property on the Premises. Ground Lessee shall, at the expiration or earlier termination of this Amended Lease, surrender and deliver the Premises and Improvements in good condition and repair, any damage caused by casualty or condemnation that Ground Lessee is not required to repair by the express terms of this Amended Lease excepted. Ground Lessor shall not be called upon to make any improvement or repair of any kind upon the Premises.

12.2 **Waste.** Ground Lessee shall not cause or permit waste upon the Premises.

### **13. Insurance.**

#### **13.1 Property Insurance.**

13.1.1 Beginning on the Commencement Date, Ground Lessee shall, at its sole expense, obtain and keep in force, during the Term of this Amended Lease, property insurance on all Improvements on the Premises in an amount not less than the full replacement cost of all of the insurable elements of the Improvements, with co-insurance waived, without reference to depreciation taken by Ground Lessee upon its books or tax returns, insuring against loss or damage by fire and such other risks as are customarily covered in the State of Washington under "special perils" coverage, including, but not limited to, windstorm, hail, explosion, vandalism, earthquake, foreign and domestic terrorism, riot and civil commotion, together with not less than twelve (12) months business interruption insurance. The amount of such insurance shall not be less than one hundred percent (100%) replacement cost of the full insurable value of the Improvements. Ground Lessee's property insurance shall include an endorsement naming Ground Lessor as an additional named insured, waiving subrogation against Ground Lessor, covering building code changes applicable to repairs, replacement or reconstruction of the Improvements following casualties, and such other special endorsements with respect to the Improvements that is prudent under the circumstances and is or becomes customary with respect to new commercial buildings and improvements similar to the Improvements in construction, general location, use, occupancy, value and design. Prior to commencement of work, Ground Lessee will provide Lessor with a Certificate of Insurance confirming coverage in compliance with the requirements stated above.

13.1.2 The "full replacement cost" of the Improvements shall be determined at the time the property insurance is initially taken out and re-determined as Improvements or subsequent improvements are constructed, and Ground Lessee shall promptly notify Ground Lessor in writing of such determination, provided that Ground Lessor or Ground Lessee may at any time (but not more frequently than once every five (5) years), by written notice to the other, require the full replacement cost of the Improvements to be re-determined, at Ground Lessee's sole cost and expense, whereupon such redetermination shall be made promptly by an insurance appraisal organization reasonably acceptable to Ground Lessor and each party promptly notified in writing of the results thereof.

#### **13.2 Other Insurance.**

13.2.1 Commencing on the effective date of the Lease, Ground Lessee shall, at its sole expense, obtain and keep in force, during the Term of this Amended Lease: (a) commercial liability insurance insuring against any liability of Ground Lessee and, to the extent permitted by law, any liability of Ground Lessor and any of its lenders requiring insurance, for bodily injury and property damage liability with respect to the Premises, or arising out of the maintenance, use or occupancy thereof; (b) workers' compensation insurance, in the amounts required under Washington law, covering all persons employed by Ground Lessee at the Premises and with respect to whom death or injury claims could be asserted against Ground Lessor, Ground Lessee or the Premises; and (c) such other insurance as is then generally required of ground lessees of similar property and available at a commercially reasonable price. All such insurance shall name Ground Lessor and Ground Lessee, each as insured parties and loss payees.

13.2.2 The liability insurance shall insure the performance by Ground Lessee under its indemnity agreement in below as to liability for injury to or death of persons and injury or damage to property. As of the effective date of the Lease, it is agreed that liability insurance (or combination of primary insurance and umbrella coverage) with limits of Five Million Dollars (\$5,000,000) combined single limit per occurrence and a minimum aggregate limit of Ten Million Dollars (\$10,000,000) is acceptable for the initial ten (10) years of the Term, subject to any subsequent increases in the prudent level of coverage warranted by inflation or other circumstance thereafter.

**13.3 Construction Period Insurance.** During the construction period for Ground Lessee's construction of the Improvements and any subsequent improvements: (a) Ground Lessee or its contractor shall carry a "builder's risk" form of casualty insurance for the full insurable value of the Improvements and materials in the progress of construction, which shall include an endorsement naming Ground Lessor as an additional named insured and waiving subrogation against Ground Lessor; (b) Ground Lessee or its contractor shall carry worker's compensation insurance, in the amounts required under Washington law, covering all persons employed in such work and with respect to whom death or injury claims could be asserted against Ground Lessor, Ground Lessee or the Premises; and (c) Ground Lessee or its contractor shall carry commercial liability insurance on the terms and amounts described in Section naming Ground Lessor and Ground Lessee each as insured parties and loss payees.

**13.4 Default.** Ground Lessee's failure to effectuate any such insurance and renewal policies of insurance required herein, to pay premiums for such policies as they become due and payable, and to deliver all such certificates of insurance and renewals thereof or duplicate originals to Ground Lessor within the time specified shall constitute a default by Ground Lessee under this Amended Lease.

**13.5 Form.** All insurance provided for in this Section, and all renewals thereof, shall be under policy forms and written by companies reasonably acceptable to Ground Lessor, with, independent of its parent's or any reinsurer's rating, a General Policyholder Rating of A and a Financial Rating of XV or better, as reported in the then most current issue of Best's Insurance Guide, or such comparable rating or guide as is agreed to by Ground Lessor in writing. All such insurance shall be primary and non-contributing with any insurance that may be carried by Ground Lessor and have a maximum deductible of One Hundred Thousand Dollars (\$100,000). The property insurance provided for in Section hereof (or builder's risk coverage provided in Section hereof, as the case may be) shall be payable to Ground Lessor and Ground Lessee as their interests may appear, and any loss adjustment shall require the joint written consent of Ground Lessor and Ground Lessee; provided, however, that so long as Ground Lessee is not in default under this Amended Lease and that Ground Lessee has not elected to terminate this Amended Lease under Section 16 below, any loss adjustment less than One Hundred Thousand Dollars (\$100,000) shall be paid directly to Ground Lessee. All policies shall be subject to the reasonable approval by Ground Lessor as to form and substance and, shall expressly provide that such policies shall not be canceled or altered without thirty (30) days prior written notice to Ground Lessor. Upon the issuance thereof, each such policy or a duplicate or certificate thereof shall be delivered to Ground Lessor.

13.6 **Proceeds.** All amounts received under any property insurance policy maintained by Ground Lessee shall be available to Ground Lessee for payment of the cost of repair, reconstruction or replacement of any damages or destruction to the Improvements, as more particularly provided in Section 16; provided, the proceeds shall be held by Ground Lessor or in escrow for progress-based disbursement as repairs, reconstruction or replacements are made.

14. **Waiver of Subrogation.** Whether the loss or damage is caused by the negligence of either Ground Lessor or Ground Lessee or their agents or employees, or any other cause, Ground Lessor and Ground Lessee do each herewith and hereby release and relieve the other and any other Ground Lessee or its agents or employees from responsibility for, and waive their entire claim of recovery for, any loss resulting from business interruption at the Premises or loss of rental income from the Improvements or any loss or damage to the real or personal property of either located anywhere in the Premises or Improvements, arising out of or incident to the occurrence of any of the perils which are covered by any property insurance policy now or from time to time carried or required to be carried by the parties hereto. Each party shall cause its insurance carriers to consent to such waiver and to waive all rights of subrogation against the other party. Notwithstanding the foregoing, no such release by Ground Lessor or Ground Lessee shall have the effect of releasing any insurance company from any liability and shall be ineffective to the extent it would result in such release.

15. **Waiver of Immunity.** As between Ground Lessor and Ground Lessee, each party hereby waives its immunity with respect to the other under the Industrial Insurance Act (RCW Title 51), and/or the Longshoreman's and Harborworkers' Act and/or any equivalent acts, and each party expressly agrees to assume potential liability for actions brought against the other party by such waiving party's employees. The parties have specifically negotiated this waiver and each party has had the opportunity to, and has been encouraged to, consult with independent counsel regarding this waiver.

16. **Damage or Destruction.** If the Improvements to the Premises or any material part thereof shall be damaged or destroyed by fire or other casualty during the Term,: (a) this Amended Lease shall not terminate; (b) Ground Lessee's obligations to make Base Rent payments and all other payments required of Ground Lessee by this Amended Lease shall continue, without interruption, suspension or abatement; and (c) Ground Lessee shall be obligated to repair, reconstruct or replace the Improvements within Three Hundred Sixty-five (365) days of the casualty. If such loss is covered by insurance, and the proceeds are insufficient to complete repairs to or replacement or reconstruction of the Improvements, Ground Lessee shall be obligated to pay from its own funds any such deficiency. However, if such insurance proceeds are not sufficient to repair, replace or reconstruct the Improvements, and the event of damage or destruction to the Improvements occurs during the last five (5) years of the Term of this Amended Lease and constitutes Substantial Loss or Damage (as defined below), Ground Lessee shall have the right to elect not to make the repairs, reconstruction or replacement of the Improvements and to terminate this Amended Lease by giving written notice thereof to Ground Lessor within ninety (90) days after the event of damage or destruction, in which event the insurance proceeds pertaining to such casualty shall be the property of Ground Lessor to the extent of the value of Ground Lessor's residual interest in the Improvements on the day immediately preceding the date of the casualty and the remainder of such insurance proceeds shall be paid to Ground Lessee or its

lender. If the parties are unable to agree upon such residual value within thirty (30) days after the written request of either of them, such value shall be determined by appraisers selected pursuant to Section 25.3. If Ground Lessee is either required or otherwise elects to repair, reconstruct or replace the Improvements, Ground Lessee shall repair, reconstruct or replace such buildings or improvements pursuant to the Project Plans approved by Ground Lessor; provided, Ground Lessor's consent to any changes of the Project Plans shall not be required to the extent such approvals were not required to changes to the Project Plans for the Improvements as initially constructed. For purposes of this Section, "Substantial Loss or Damage" shall mean loss or damage when the cost of repairing shall aggregate more than one-half (1/2) of the full replacement cost of the Improvements. To the extent Ground Lessee elects not to or fails to replace and restore the Improvements after a Substantial Loss or Damage, and unless Ground Lessor elects otherwise by written notice to Ground Lessee, Ground Lessee shall, at its sole cost and expense, demolish the remainder of the Improvements and remove the debris resulting therefrom from the Premises and leave the same in a clean and graded condition.

## **17. Assignment and Subletting; Leasehold Mortgages**

**17.1 Assignment and Subletting.** Subject to the limitations of Section 8 above concerning permitted uses of the Premises during the Term of this Amended Lease, any assignment or sublease to any person or entity that is not an Affiliate of Ground Lessee shall be subject to Ground Lessor's prior written consent, which consent may be conditioned, among other things, upon its proposed use of the Premises. No assignment or sublease, whether or not permitted under this Amended Lease, and including any Sublease, shall have the effect of releasing Ground Lessee from their respective obligations to Ground Lessor.

**17.2 Documentation of Assignment.** Any assignment of this Amended Lease by Ground Lessee or any sublease of all or any parties of the Premises by Ground Lessee shall be evidenced by an instrument in writing, duly executed and acknowledged by the parties thereto. Such instrument shall provide that the assignee or sublessee expressly assumes and agrees to pay and perform all of Ground Lessee's obligations under this Amended Lease with respect to the part of the Premises encompassed by such transfer and shall otherwise be in form and content reasonably approved by Ground Lessor in writing and shall be delivered to Ground Lessor on or before the effective date thereof.

**17.3 Paramount Title of Ground Lessor.** Notwithstanding any provision of this Amended Lease permitting Ground Lessee to assign or sublease all or any portion of the Amended Lease or the Premises and notwithstanding any consent or approval which Ground Lessor may give to any such assignment or sublease, all such interests shall be subordinate to Ground Lessor's paramount fee simple title to the Premises and, except as Ground Lessor may otherwise agree in any nondisturbance and attornment agreement given by Ground Lessor, all such interests shall be subject to extinguishment by Ground Lessor's exercise of any termination rights accorded to Ground Lessor under this Amended Lease.

## **17.4 Covenants Concerning Subleases,**

**17.4.1** The Ground Lessee's selection of any Sublessee and the terms and conditions of any sublease shall be subject to the prior written approval of Ground Lessor, which

approval shall not be unreasonably withheld during the Term of this Amended Lease so long as the proposed Sublessee is reasonably acceptable to Ground Lessor and the proposed use of the Premises by such Sublessee is consistent with Ground Lessor's mission, as determined by Ground Lessor in its sole discretion.

17.4.2 Ground Lessee shall notify Ground Lessor of any pending sublease at least 30 days prior to commencement. Notifications will include name and address of prospective Sublessee and services to be delivered by Sublessee.

**17.5 Ground Lessee's Right to Mortgage Ground Lessee's Interest and Mortgage-Related Provisions.** Ground Lessee shall have the right, at any time and from time to time during the Lease Term, to place a Mortgage upon Ground Lessee's Interest in the Premises; provided as follows:

17.5.1 Under no circumstances shall Ground Lessee enter into any Leasehold Mortgage which: (1) conflicts with any term of this Amended Lease; (2) is, or might become, binding upon Lessor's interest in the Premises; (3) shall affect in any way the enforcement by Lessor of its rights and remedies pursuant to this Amended Lease, except as otherwise provided herein; or (4) creates any personal liability on the part of Lessor;

17.5.2 In any foreclosure or other exercise of remedies pursuant to a Leasehold Mortgage, the Mortgagee thereof shall not have the right to claim or take the fee title to the Premises;

17.5.3 In no event shall Lessor's fee interest in the Premises be junior or subordinate in any way to any Leasehold Mortgage;

17.5.4 If Ground Lessor shall succeed to the Ground Lessee's Interest at any time while this Amended Lease remains in effect and a Leasehold Mortgage is outstanding, the rights of the Leasehold Mortgagee, and the obligations of Ground Lessor, to the extent Ground Lessor succeeds to the Ground Lessee's Interest, shall be limited to recourse against the Ground Lessee's interest in the Premises, with Ground Lessor not to have any personal liability with respect thereto; and

17.5.5 Ground Lessor shall have the right: (1) to receive all default notices under a Leasehold Mortgage and Ground Lessee shall cause its Leasehold Mortgagee to provide written notice to Ground Lessor of any default under the Leasehold Mortgage; (2) to cure any default by Ground Lessee under a Leasehold Mortgage; and (3) assume the Leasehold Mortgage if it succeeds to the Ground Lessee's Interest (subject to the reasonable assumption requirements and costs of the Leasehold Mortgagee).

## **18. Fee Mortgages; Subordination.**

18.1 **Subordination of Tenant's Interest.** This Amended Lease and all interest and estate of Ground Lessee hereunder is subject to and is hereby subordinated to all present and future Fee Mortgages or similar financing vehicles affecting the Premises and Improvements. Ground Lessee agrees to execute at no expense to Ground Lessor any instrument which may be deemed necessary or desirable by Ground Lessor to further effect the subordination of this Lease



to any such Fee Mortgage or similar financing vehicle, including a subordination, non-disturbance and attornment agreement in form and content satisfactory to Ground Lessor and Ground Lessor's lender. If Ground Lessee shall fail to execute and deliver any such instrument within ten (10) days after receipt of written demand therefor, Ground Lessee shall be deemed to have appointed Ground Lessor as Ground Lessee's attorney-in-fact, coupled with an interest, in Ground Lessee's name and place to do so.

**18.2 Attornment.** If there is a sale or assignment of Ground Lessor's interest in the Premises, or if any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any Fee Mortgage or other financing vehicle, made by Ground Lessor covering the Premises, Ground Lessee shall attorn to the purchaser and recognize such purchaser as Ground Lessor so long as such other party agrees to not disturb Ground Lessee's possession and enjoyment of the Premises except in the event of an uncured default by Ground Lessee hereunder.

**18.3 Estoppel Certificates; Estoppel Statements.** Ground Lessee agrees that it shall, at any time and from time to time upon not less than ten (10) days' prior notice by Ground Lessor, the holder of any mortgage to which this Lease may be subordinate, execute, acknowledge and deliver to Ground Lessor, such holder or Ground Lessor a statement in writing certifying (i) that this Amended Lease is unmodified and in full force and effect (or if there have been any modifications, that the Lease is in full force and effect as modified and stating the modifications), (ii) the dates to which the Base Rent and any additional charges have been paid, (iii) stating whether or not Ground Lessor is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Amended Lease and, if in default, specifying each such default, and (iv) as to any other matters reasonably requested by Ground Lessor, such holder or such Ground Lessor. Ground Lessee acknowledges that Ground Lessor or any prospective purchaser of the fee or by any mortgagee thereof or any assignee of any mortgage upon the fee or leasehold estate of the Premises may rely any such statement delivered pursuant to this Section.

**19. Transfer of Ground Lessor's Interest.** In the event of any sale or other transfer of Ground Lessor's fee title in the Premises, the Ground Lessor shall be automatically relieved of any and all of Ground Lessor's obligations and liabilities accruing from and after the date of such transfer, and Ground Lessee agrees to attorn to the transferee.

**20. Default and Remedies.**

**20.1 Default.** Ground Lessee shall be in default under this Amended Lease upon the occurrence of any of the following events:

20.1.1 Ground Lessee fails to pay any installment of Base Rent or any other sum due hereunder within thirty (30) calendar days after Ground Lessor gives Ground Lessee written notice that the same is past due;

20.1.2 Ground Lessee fails to perform any other term, condition or covenant to be performed by it pursuant to this Amended Lease, including any assignment or sublease of the Premises or any part thereof without the Ground Lessor's prior written consent,

within thirty (30) calendar days after Ground Lessor gives Ground Lessee written notice of such failure or, if cure would reasonably require more than thirty (30) days to complete, Ground Lessee fails to commence performance within such thirty (30) day period or fails to diligently pursue such cure to completion or if such cure is not so completed within one hundred eighty (180) days of the Ground Lessor's notice; and

20.1.3 Ground Lessee (a) receives a notice of default under any Leasehold Mortgage; or (b) become bankrupt or insolvent or file any debtor proceedings or have taken against such party in any court pursuant to state or federal statute, a petition in bankruptcy or insolvency, reorganization or appointment of a receiver or trustee; or (c) petitions for or enters into an arrangement; or (d) allows this Amended Lease to be taken under a writ of execution.

**20.2 Remedies.** If Ground Lessee is in default under this Amended Lease, Ground Lessor shall have the option to take any or all of the following actions, in addition to pursuing its remedies under law:

20.2.1 Terminate this Amended Lease;

20.2.2 Enter and take possession of the Premises and Improvements and remove Ground Lessee and all other persons and any property from the Premises;

20.2.3 Exercise any remedy available to Ground Lessor under any guaranty, letter of credit or other security granted in connection with this Amended Lease;

20.2.4 Exercise any remedy to take any actions and make any advances on behalf of Ground Lessee as provided in Section 22;

20.2.5 Hold Ground Lessee liable for and collect: (a) Base Rent and other amounts owed by Ground Lessee to Ground Lessor to the earlier of the date this Amended Lease is terminated or Ground Lessor takes possession of the Premises; and (b) Base Rent and other sums that would have accrued during the remainder of the Term had there been no default, with that portion due for the remainder of the Term discounted to present value using a discount rate equal to the federal government's treasury bill rate for bonds with a similar maturity as the end of such Term; and

20.2.6 Hold Ground Lessee liable for that part of the following sums paid by Ground Lessor that are attributable to the remainder of the Term: (a) reasonable brokers' fees incurred by Ground Lessor for reletting part or all of the Premises; (b) the cost of removing and storing Ground Lessee's Property; (c) the cost of reasonable repairs, alterations and remodeling necessary to put the Premises in a condition reasonably acceptable to a new ground lessee; and (iv) other expenses incurred by Ground Lessor as a result of Ground Lessee's default or incurred in enforcing its remedies.

20.2.7 If Ground Lessor elects to relet the Premises during any period that would otherwise be included in the Term of this Amended Lease it may do so for a shorter or longer period of time than the Term and make reasonably necessary repairs or alterations. If Ground Lessor relets for a period longer than the Term, then any special concessions given to the new ground lessee shall be allocated throughout the entire reletting term so that Ground Lessee is

charged only with the proportion of the concessions allocated to the remainder of the Term. All sums collected from reletting shall be applied first to Ground Lessor's expenses of reletting, and then to the payment of amounts due from Ground Lessee to Ground Lessor under this Amended Lease. Any net benefit to Ground Lessor from termination of this Amended Lease for Ground Lessee's default, including without limitation any net benefit resulting from any ability of Ground Lessor to re-rent the Premises to a third party for an increased rent, shall be the sole property of Ground Lessor and shall under no circumstances be the basis of an affirmative award to Ground Lessee.

21. **Right to Perform.** If Ground Lessee shall fail to pay any sum of money, other than Base Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for thirty (30) Calendar Days after notice thereof by Ground Lessor, Ground Lessor may, but shall not be obligated to, and without waiving or releasing Ground Lessee from any obligations of Ground Lessee, make any such payment or perform any such other act on Ground Lessee's part to be made or performed as provided in this Amended Lease; provided, however, Ground Lessor's notice may be given promptly after it takes such actions in the event of any emergency or an imminent risk of personal injury, property damage or the lapse of any insurance policy. All sums so advanced by Ground Lessor shall be deemed additional rent, due and payable within thirty (30) days after written demand. Ground Lessor shall have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Ground Lessee in the payment of Base Rent.

22. **Costs and Attorneys' Fees.** If either Ground Lessor or Ground Lessee shall consult a lawyer, or commence any legal proceedings against the other, with respect to any of the terms and conditions of this Amended Lease, the substantially prevailing party shall be entitled to recover from the other all costs and expenses of such proceedings, including reasonable attorneys' fees. Snohomish County, Washington, is the proper jurisdiction and venue for legal proceedings of any matters relating to this Amended Lease. In addition, Ground Lessor shall have the right to appear in any bankruptcy or insolvency proceeding of Ground Lessee or any Sublessee or otherwise affecting the Premises or this Amended Lease, and Ground Lessee shall pay Ground Lessor a reasonable sum for Ground Lessor's attorneys' fees in all such bankruptcy proceedings, including fees incurred in appeals therein. Ground Lessor shall also be entitled to recover its costs and attorneys fees incurred in connection with the collection of any monies due under this Amended Lease or otherwise making any demand or enforcing any remedy hereunder in the event of any default by Ground Lessee, with or without litigation or other formal legal proceedings. All sums due by either party to the other hereunder shall be payable within thirty (30) days following written demand therefore.

23. **Nonwaiver of Breach.** Ground Lessor's failure to insist upon strict performance of any of the covenants and agreements of this Amended Lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such covenants and agreements, or any other covenants or agreements, but the same shall be and remain in full force and effect. Ground Lessor's acceptance of a partial payment of rent shall not constitute a waiver of any remaining unpaid rent which may have accrued at that time or which may accrue thereafter.

**24. Eminent Domain.**

**24.1 Taking Prior to the Commencement Date.** Ground Lessor and Ground Lessee acknowledge the Commencement Date has occurred.

**24.2 Taking Prior to Substantial Completion of the Improvements.** If, at any time after the Commencement Date and prior to Substantial Completion of the Improvements, as a result of the exercise of the power of eminent domain, either: (a) all of the Premises is taken; or (b) a portion of the Premises is taken with resulting damage to the Improvements and the compensation awarded for such taking is based on a determination that the portion of the Improvements remaining on the portion of the Premises not so taken cannot practicably be rehabilitated or used for Ground Lessee's intended purposes as determined by a court of competent jurisdiction or by mutual agreement of Ground Lessee and Ground Lessor, Ground Lessee shall make all payments required hereunder to be made by Ground Lessee to the effective date of such taking, and thereupon this Amended Lease shall cease and terminate. All compensation awarded for such taking of the Premises shall be paid to Ground Lessor and Ground Lessee may seek its own award for any alleged value of the Improvements taken.

**24.3 Full Taking; Termination; Compensation Award.**

**24.3.1** If, at any time after Substantial Completion of the Improvements, as a result of the exercise of the power of eminent domain, either: (a) all of the Premises is taken; or (b) a portion of the Premises is taken with resulting damage to the Improvements thereon and the compensation awarded for such taking is based on a determination that the portion of the Improvements remaining on any portion of the Premises not so taken cannot practicably be rehabilitated or used for Ground Lessee's intended purposes as determined by a court of competent jurisdiction or by mutual agreement of Ground Lessee and Ground Lessor, the Ground Lessee shall make all payments required hereunder to be made by Ground Lessee to the effective date of such taking, and thereupon this Amended Lease shall cease and terminate.

**24.3.2** All compensation awarded for such taking shall be paid to Ground Lessor and Ground Lessee, which award shall be divided between Ground Lessor and Ground Lessee as follows: Ground Lessor and Ground Lessee (with the prior approval of any Leasehold First Lender) shall endeavor to agree upon the fair market value (a) of the Premises, exclusive of any Improvements made by Ground Lessee, (b) of the fair market value of Ground Lessor's reversionary interest in any Improvements made by Ground Lessee and (c) of the fair market value of the Premises with any Improvements within thirty (30) days after such award is paid to Ground Lessor as provided above. If Ground Lessor and Ground Lessee cannot agree upon such values within such thirty (30) day period, the determination of such values shall forthwith be determined by one or more appraisers mutually selected by Ground Lessor and Ground Lessee. After the fair market value of the respective interests is so determined, the award shall be divided between Ground Lessor and Ground Lessee in a proportion which gives Ground Lessee the value allocated to the Improvements made by Ground Lessee, less the value of Ground Lessor's reversionary interest in such Improvements, and allocates the balance of the award to Ground Lessor.

**24.4 Partial Condemnation; Amended Lease Not Terminated.** If, during the Term of this Amended Lease, a portion of the Premises is taken as a result of the exercise of the power of eminent domain and this Amended Lease is not terminated, then this Amended Lease and all of the terms and provisions hereof shall continue in full force and effect in relation to the portion not so taken and Ground Lessee shall, out of any condemnation award for such partial condemnation, proceed with all reasonable dispatch to make all necessary repairs and alterations to the Improvements situated on that part of the Premises not so taken as may be required to make them constitute a complete and operating unit. If this Amended Lease shall so continue in effect, all compensation awarded for such partial taking or takings, after payment of all costs relating to necessary repairs or alterations, shall be paid to Ground Lessor, except that, where part of any Improvements made by Ground Lessee are so taken, and if the partial condemnation results in a material reduction in the sale proceeds or rents that Ground Lessee may reasonably expect to derive from the Premises, such proceeds shall be divided as follows:

24.4.1 Ground Lessor and Ground Lessee shall endeavor to agree upon the fair market value (as defined below) of each portion of the Premises so taken, exclusive of Improvements added by Ground Lessee, within thirty (30) days after each such award is paid to Ground Lessor as above provided. If Ground Lessor and Ground Lessee cannot agree upon such value within such thirty (30) day period, the determination of such values shall forthwith be determined by one or more appraisals by appraiser selected in accordance with the procedure for selecting appraisers as set forth above, except the appraisal shall be made with reference to fair market value as defined below. After the fair market value of each such portion of the Premises taken, exclusive of Improvements added by Ground Lessee, is so determined, Ground Lessor shall retain from each such award an amount equal to such value, plus the value of Ground Lessor's reversionary interest in the Improvements added by Ground Lessee, and the balance thereof shall be paid to Ground Lessee.

24.4.2 All amounts which are to be made available to Ground Lessee for payment of the cost of repair, reconstruction or replacement of any damages or destruction to the Improvements, buildings or other improvements, shall be, at Ground Lessor's request, held in escrow until the Improvements, buildings or other improvements have been repaired, reconstructed or replaced and the cost thereof paid in full or upon receipt of lien releases by materialmen, mechanics, and laborers for progress payment as work is completed and assurances satisfactory to Ground Lessor that remaining funds are adequate to complete all required work.

24.4.3 If the proceeds of any partial condemnation shall be insufficient in amount to cover the cost of repairing, reconstructing or replacing any Improvements, buildings or other improvements as herein required, Ground Lessee shall pay any deficiency.

**24.5 Deemed Taking.** A voluntary conveyance by Ground Lessor to a public utility, agency or authority under threat of taking under the power of eminent domain in lieu of formal condemnation proceedings shall be deemed a taking within the meaning of this Section.

**24.6 Fair Market Value.** As used in this Section, the term "fair market value" of the Premises means the highest price that the Premises (with or without the Improvements as the case may be) would bring if exposed for sale in the open market, allowing a reasonable time

to find a purchaser buying with full knowledge of all uses for which such land is adapted and capable of being used and without regard to the existence of this Amended Lease.

**24.7 Temporary Taking.** Anything in this Section to the contrary notwithstanding, should any taking of all or a part of the Premises be for period less than the remaining Lease Term and Ground Lessee is able to operate its business within the remaining Premises, this Amended Lease shall not terminate, there shall be no abatement of Base Rent hereunder, and all compensation awarded for such taking shall belong to Ground Lessee; provided, however, that Ground Lessee shall remain obligated hereunder as if taking had not occurred.

**25. Notices.** Any notice required to be served in accordance with the terms of this Amended Lease shall be in writing and shall be deemed to have been given when received via (a) United States mail, postage prepaid, (b) personal delivery; or (c) any express courier service (Federal Express) addressed to the parties as follows:

To Ground Lessor: The Trinity Lutheran Church  
6215 196<sup>th</sup> St. SW  
Lynnwood, WA 98036  
Attn: Church Council President

To Ground Lessee: Volunteers of America Western Washington  
PO Box 839  
Everett, WA 98206  
Attn: President/CEO

Notices given by mail shall be deemed given two (2) Business Days after deposit in the United States mail, as evidenced by the official postmark thereon; notices given by personal delivery shall be deemed given on the day of receipt by any natural person at the recipient's address stated above; and notices given by courier service shall be deemed given the next Business Day after delivery to the courier service in time for next day delivery. Each party may change its address by giving written notice to the other party of such change as provided herein.

**26. Ground Lessee's Indemnity.** Ground Lessor shall not be liable for any injury to any person or to the loss of or any damage to any property occurring in or about the Premises from any cause whatsoever (except to the extent of claims arising from Ground Lessor's grossly negligent or intentionally willful conduct) and Ground Lessee hereby agrees to defend, indemnify and hold Ground Lessor harmless from and against all claims, charges, liabilities, obligations, penalties, causes of actions, liens, damages, costs and expenses, including reasonable attorneys' fees, arising from or related to any matter under this Amended Lease arising from Ground Lessee's or any Sublessee's or their respective officers', directors', partners', members', employees', agents', contractors', licensee's or invitees' use of the Improvements, construction of the Improvements, conduct of any business or activity upon the Premises, or any work or other thing done, permitted or suffered by any of such persons in or about the Premises, Ground Lessee's failure to perform any of its obligations under this Amended Lease, and Ground Lessee's failure to comply with any applicable law relating to the Premises or its activities thereon. With respect to any action or claim brought with respect to any matter encompassed by this indemnity, Ground Lessee shall, upon written notice from Ground Lessor, defend the same

at Ground Lessee's expense and with counsel reasonably satisfactory to Ground Lessor. Ground Lessee's liability and obligations under this Section shall survive any termination or expiration of this Amended Lease. The foregoing provisions shall not be construed to make Ground Lessee responsible for loss, damage, liability or expense to the extent caused by the gross negligence or intentionally wrongful conduct of Ground Lessor.

**27. Right of First Offer - Lessee.**

**27.1 Notice of Decision To Sell.** If Ground Lessor decides, during the Term of this Amended Lease, to offer for sale the entire fee simple ownership interest of Ground Lessor in the Premises and under this Amended Lease, Ground Lessor shall provide written notice of such intention to Ground Lessee ("Ground Lessor's Notice of Decision to Sell"). Ground Lessor's Notice of Decision to Sell shall summarize the price and general terms upon which Ground Lessor intends to offer such interest for sale.

**27.2 Notice of Interest in Purchase.** Ground Lessee shall have sixty (60) calendar days after receipt of Ground Lessor's Notice of Decision to Sell within which to provide written notice of Ground Lessee's interest in purchasing the entire fee simple ownership interest of Ground Lessor in the Premises and under this Amended Lease ("Ground Lessee's Notice of Interest in Purchase"). Ground Lessee's Notice of Interest in Purchase, if given, shall summarize the price and general terms upon which Ground Lessee would be willing to purchase such interest. The price and general terms so described by Ground Lessee may, but need not, be the same as those described in Ground Lessor's Notice of Decision to Sell.

**27.3 Negotiations for Binding Purchase and Sale Agreement.** If the price and general terms described in Ground Lessee's Notice of Interest in Purchase are the same as those described in Ground Lessor's Notice of Decision to Sell, the parties shall negotiate in good faith over a period not exceeding thirty (30) calendar days for a definitive agreement of purchase and sale ("Binding Agreement of Purchase and Sale") at the same price and with specific, more detailed terms that are reasonably consistent with the general terms described in the said notices. In the event the parties do so negotiate in good faith but are unable to agree on such specific terms, no Binding Agreement of Purchase and Sale shall be entered into, and either of the parties may then terminate their negotiations for such an agreement.

**27.4 Negotiations of Price and General Terms.** If the price or any of the general terms described in Ground Lessee's Notice of Interest in Purchase are not the same as those described in Ground Lessor's Notice of Decision to Sell, the parties may, but shall have no obligation to, negotiate in good faith for a Binding Purchase and Sale Agreement at a price, if any, and on specific terms, if any, that are mutually acceptable to both parties.

**27.5 Sale of Ground Lessor's Interest Free of Right of First Offer.** If Ground Lessor issues a Ground Lessor's Notice of Decision to Sell, and if either (a) Ground Lessee does not respond within sixty (60) Calendar Days of its receipt thereof, (b) Ground Lessee does so respond with a Ground Lessee's Notice of Interest in Purchase at the same price and general terms described in Ground Lessor's Notice of Decision to Sell, but the parties' good faith negotiations under Section fail to produce a mutually acceptable Binding Purchase and Sale Agreement within thirty (30) days thereafter or (c) Ground Lessee does so respond with a

Ground Lessee's Notice of Interest in Purchase, but not at the same price and same general terms described in Ground Lessor's Notice of Decision to Sell, Ground Lessor shall have the right to sell its entire fee simple ownership interest of Ground Lessor in the Premises and under this Amended Lease to anyone, at any price and on any terms.

27.6 **Exception.** Notwithstanding anything to the contrary in this Section, the Right of First Offer shall not apply to, and this Section shall have no effect upon, (a) the Ground Lessor transferring, assigning or conveying all or any portion of the Ground Lessor's fee simple ownership of the Premises to an Affiliate or (b) any sale in connection with the foreclosure of any Fee Mortgage.

## 28. **Right of First Offer - Lessor.**

28.1 **Notice of Decision To Sell.** If Ground Lessee decides, during the Term of this Amended Lease, to offer for sale any and all of its ownership interest in the Improvements of the Premises and under this Amended Lease, Ground Lessee shall provide written notice of such intention to Ground Lessor ("Ground Lessee's Notice of Decision to Sell"). Ground Lessee's Notice of Decision to Sell shall summarize the price and general terms upon which Ground Lessee intends to offer such interest for sale.

28.2 **Notice of Interest in Purchase.** Ground Lessor shall have sixty (60) Calendar Days after receipt of Ground Lessee's Notice of Decision to Sell within which to provide written notice of Ground Lessor's interest in purchasing any and all ownership interest of Ground Lessee in the Premises and under this Amended Lease ("Ground Lessor's Notice of Interest in Purchase"). Ground Lessor's Notice of Interest in Purchase, if given, shall summarize the price and general terms upon which Ground Lessor would be willing to purchase such interest. The price and general terms so described by Ground Lessor may, but need not, be the same as those described in Ground Lessee's Notice of Decision to Sell.

28.3 **Negotiations for Binding Purchase and Sale Agreement.** If the price and general terms described in Ground Lessor's Notice of Interest in Purchase are the same as those described in Ground Lessee's Notice of Decision to Sell, the parties shall negotiate in good faith over a period not exceeding thirty (30) days for a definitive agreement of purchase and sale ("Binding Agreement of Purchase and Sale") at the same price and with specific, more detailed terms that are reasonably consistent with the general terms described in the said notices. In the event the parties do so negotiate in good faith but are unable to agree on such specific terms, no Binding Agreement of Purchase and Sale shall be entered into, and either of the parties may then terminate their negotiations for such an agreement.

28.4 **Negotiations of Price and General Terms.** If the price or any of the general terms described in Ground Lessor's Notice of Interest in Purchase are not the same as those described in Ground Lessee's Notice of Decision to Sell, the parties may, but shall have no obligation to, negotiate in good faith for a Binding Purchase and Sale Agreement at a price, if any, and on specific terms, if any, that are mutually acceptable to both parties.

28.5 **Sale of Ground Lessee's Interest Free of Right of First Offer.** If Ground Lessee issues a Ground Lessee's Notice of Decision to Sell pursuant to this Section, and



if either (a) Ground Lessor does not respond within sixty (60) Calendar Days of its receipt thereof, (b) Ground Lessor does so respond with a Ground Lessor's Notice of Interest in Purchase at the same price and general terms described in Ground Lessee's Notice of Decision to Sell, but the parties' good faith negotiations under Section fail to produce a mutually acceptable Binding Purchase and Sale Agreement within thirty (30) days thereafter or (c) Ground Lessor does so respond with a Ground Lessor's Notice of Interest in Purchase, but not at the same price and same general terms described in Ground Lessee's Notice of Decision to Sell, Ground Lessee shall have the right to sell its entire ownership interest of Ground Lessee in the Premises and under this Amended Lease to anyone, at any price and on any terms provided that all terms of this Amended Lease shall apply to the new buyer.

**28.6 Exceptions.** Notwithstanding anything to the contrary in this Section, the Right of First Offer shall not apply to, and shall have no effect upon the Ground Lessee transferring, assigning or conveying all or any portion of the Ground Lessee's ownership interest in the improvements of the Premises to an Affiliate.

**28.7 Ground Lessor Consent.** If the Ground Lessor does not exercise First Right of Offer, the Ground Lessee must receive written Ground Lessor's consent to prospective buyer prior to completion of the sale. Consent may be conditioned, among other things, upon the requirement for any new owner to be a nonprofit that intends to provide charitable services in accordance with the terms of this Amended Lease to residents of South Snohomish County and surrounding region. Any sale or transfer of Ground Lessee's interests as provided for above shall require the new Lessee to execute this Amended Lease and shall not relieve the Ground Lessee of its obligations under this Amended Lease absent approval by Ground Lessor. Ground Lessor's consent shall not be unreasonably withheld.

## **29. General.**

**29.1 Captions.** The captions to sections of this Amended Lease are not a part of this Amended Lease and shall have no effect upon the construction or interpretation of any part hereof.

**29.2 No Partnership.** Nothing contained herein shall be construed as creating a partnership or joint venture between Ground Lessor and Ground Lessee or cause Ground Lessor to be responsible in any way for debts or obligations of Ground Lessee or any other party.

**29.3 Commissions.** Ground Lessor and Ground Lessee hereby represent and warrant to one another that such party has not engaged any broker, finder or other person who would be entitled to any commission or fee in respect of the negotiation, execution or delivery of this Amended Lease.

**29.4 Estoppel Certificates.** In addition to the requirements of Section 18.3 above, Ground Lessor and Ground Lessee shall, upon request of either party, at any time and from time to time, without charge, execute and deliver to the other, or to any existing or potential lender, Sublessee, or purchaser of the Premises or of Ground Lessee's leasehold or of any interest in Ground Lessee as may be designated by the requesting party, within fifteen (15) business days after receipt of the request, a written instrument: (a) certifying that this Amended Lease has not

been amended or modified and is in full force and effect or, if there has been a modification or amendment, that this Amended Lease is in full force and effect as modified or amended, and stating the modifications or amendments; (b) specifying the date to which Base Rent and other amounts owed by Ground Lessee have been paid; (c) stating whether to the best knowledge of the party executing the instrument, the other party is in default and if so, stating the nature and amount of the default; (d) stating the Commencement Date of the Term; and (e) addressing such other issues as may be reasonably requested by the requesting party.

**29.5 Severability.** If any provision of this Amended Lease or the application thereof to any person or circumstance shall prove to any extent invalid or unenforceable, the remaining provisions hereof or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Amended Lease shall be valid and be enforced to the fullest extent permitted by law.

**29.6 Time of the Essence.** Time is of the essence with respect to each of the provisions of this Amended Lease.

**29.7 Force Majeure.** Performance by Ground Lessor or Ground Lessee of its obligations under this Amended Lease shall be extended by the period of delay caused by force majeure; provided, however, neither the Commencement Date nor either party's monetary obligations shall be subject to extension of time pursuant to this Section.

**29.8 Survival.** Each provision of this Amended Lease which may require the payment of money by, to or on behalf of Ground Lessor or Ground Lessee or third parties after the expiration of the Term hereof or its earlier termination, including without limitation each indemnification provision of this Amended Lease, shall survive such expiration or earlier termination.

**29.9 Memorandum of Lease.** This Amended Lease shall not be recorded, but Ground Lessor and Ground Lessee shall execute and acknowledge an appropriate memorandum of this Amended Lease for public recordation purposes.

**29.10 Ground Lessor's Liability.** Ground Lessee acknowledges and agrees that any liability of Ground Lessor under this Amended Lease shall be limited to and may be asserted only against Ground Lessor's interest in the Premises.

**29.11 Lease Construction.** The language in all parts of this Amended Lease shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor strictly against Ground Lessor or Ground Lessee.

**29.12 Successors.** Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this Amended Lease shall be binding upon the respective successors and assigns of the parties hereto.

**29.13 Governing Law.** This Amended Lease shall be governed by, and interpreted in accordance with, the laws of the State of Washington as they shall exist from time to time.

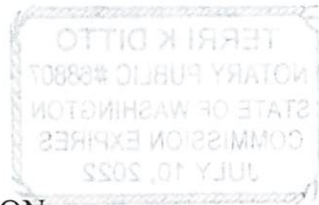
29.14 **Entire Agreement.** This Amended Lease contains all covenants and agreements between Ground Lessor and Ground Lessee relating in any manner to the rental, use and occupancy of the Premises and other matters set forth in this Amended Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Amended Lease shall not be altered, modified or added to except in a written agreement signed by Ground Lessor and Ground Lessee.

Dated effective as of the date and year first above written.

THE TRINITY LUTHERAN CHURCH, INC.

*[Signature]*  
By: John McBoone

Its: Secretary

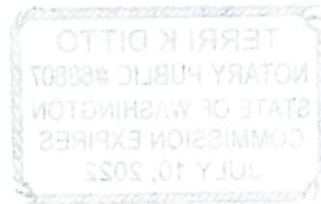


VOLUNTEERS OF AMERICA WESTERN WASHINGTON

*[Signature]*  
By: Bob McMahon

Its: BOARD CHAIR

18869-1\00827831.001



STATE OF WASHINGTON )  
 )ss.  
County of SNOHOMISH )

I certify that I know or have satisfactory evidence that JOHN BOONE 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 acknowledge it as the COUNCIL SECRETARY of The Trinity Lutheran Church to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 23<sup>RD</sup> day of AUG, 2018.



Terri K. Ditto  
Name: TERRI DITTO  
Notary Public in and for the State of  
WA, residing at: SNOHOMISH  
My Appointment Expires: 7-10-22

STATE OF WASHINGTON )  
 )ss.  
County of SNOHOMISH )

I certify that I know or have satisfactory evidence that BOB McMAHON 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 acknowledge it as the BOARD CHAIR of Volunteers of America Western Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 23<sup>RD</sup> day of AUG, 2018.



Terri K. Ditto  
Name: TERRI DITTO  
Notary Public in and for the State of  
WA, residing at: SNOHOMISH  
My Appointment Expires: 7-10-22

**EXHIBIT A**

**IMPROVEMENTS**

Subject to alteration by the Architect in connection with the conceptual design of Project, the Improvements shall substantially consist of a two-story steel structure, including steel framing, metal joists and decking, concrete floor slabs, and metal studs. Based on the International Building Code, its construction type is anticipated to be Type III-B and its occupancy groups will likely be A-3(Assembly), B (Business), and E (Educational). In addition to the building, the Improvements will include development of parking facilities, landscaping and other related improvements as further developed during the conceptual design phase.

It is anticipated the structure will have approximately 44 rooms that encompass 36,000 square feet, more or less, including an anticipated 3,650 square foot multipurpose room; training, mediation, and meeting rooms; a teaching kitchen; "The Piazza," a hub for meeting and socializing; "The Arena," a 1,350 square foot activity space dedicated to youth and teens; as well as storage, mechanical, and rest rooms.

Services preliminarily planned for the Lynnwood Neighborhood Center include but are not limited to (1) a Boys & Girls Club operated by Boys & Girls Clubs of Snohomish County; (2) one or two Early Childhood Education and Assistance Program classrooms (with access to outdoor play area); (3) a Family Center anticipated to be operated by Lutheran Community Services Northwest; (4) a Teen Center operated by Ground Lessee and other partners for youth at-risk of not graduating from high school; and (5) a planned Day Center for individuals with intellectual and developmental disabilities and seniors with memory disorders.

## EXHIBIT B

### LEGAL DESCRIPTION OF PROPERTY

#### **Parcel C:**

That portion of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian, in Snohomish County, Washington, described as follows:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 17;

thence North  $0^{\circ} 29'39''$  East 315 feet;

thence South  $87^{\circ} 46'59''$  East 225 feet to the true point of beginning;

thence South  $87^{\circ} 46'59''$  East 275 feet, more or less, to a point 825 feet West of the East line of said Southeast Quarter of the Southeast quarter;

thence South  $0^{\circ} 23'46''$  West 70 feet;

thence North  $87^{\circ} 46'59''$  West 275 feet, more or less, to a point South  $00^{\circ} 29'39''$  West from the true point of beginning;

thence North  $00^{\circ} 29'39''$  East 70 feet to the true point of beginning.

Situate in the County of Snohomish, State of Washington.

EXCEPT that portion thereof lying east of the following described line;

COMMENCING at the Southwest corner of the said Southeast Quarter of the Southeast quarter;

thence North along the West line of said subdivision 375 feet;

thence South  $87^{\circ} 47'$  East 300 feet to the POINT OF BEGINNING of the herein described line;

thence southerly, parallel with said West line, 130 feet.

Contains:  $\pm 5,247.24$  feet ( $\pm 0.1205$  acres)

#### **Parcel D:**

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 17;

thence North 315 feet along the West line of said subdivision;

thence South  $87^{\circ} 47'$  East 30 feet to a point on the Easterly line of the County Road, the true point of beginning;

thence North along the Easterly line of the County Road 60 feet;

thence South  $87^{\circ} 47'$  East 360 feet;

thence North parallel to the West line of said Southeast Quarter of the Southeast quarter for 10 feet;

thence South  $87^{\circ} 47'$  East 109 feet, more or less, to a point which is 825 feet West of the East line of said Southeast Quarter of the Southeast quarter;

thence South  $0^{\circ} 24'45''$  West 70 feet;

thence North  $87^{\circ} 47'$  West 469 feet, more or less, to the true point of beginning.

Situate in the County of Snohomish, State of Washington.

EXCEPT that portion thereof lying east of the following described line;

COMMENCING at the Southwest corner of the said Southeast Quarter of the Southeast quarter; thence North along the West line of said subdivision 375 feet; thence South 87 ° 47' East 300 feet to the POINT OF BEGINNING of the herein described line; thence southerly, parallel with said West line, 130 feet.

Contains: ±16,190.95 feet (±0.3717 acres)

**Parcel H:**

All that portion of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian, described as follows:

Commencing at the Southwest corner of the said Southeast Quarter of the Southeast quarter; thence along the West line of said subdivision 375 feet; thence South 87 ° 47' East 120 feet to the true point of beginning; thence continue South 87 ° 47' East 90 feet; thence Northerly parallel to the West line of said subdivision 80 feet; thence North 87 ° 47' West 90 feet; thence Southerly 80 feet to the true point of beginning. Situate in the County of Snohomish, State of Washington.

Contains: ±7,196.74 feet (±0.1652 acres)

**Parcel I:**

All that portion of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian, described as follows:

Commencing at the Southwest corner of the said Southeast Quarter of the Southeast quarter; thence North along the West line of said subdivision 375 feet; thence South 87 ° 47' East 210 feet to the true point of beginning; thence continue South 87 ° 47' East 90 feet; thence Northerly parallel to the West line of said subdivision 80 feet; thence North 87 ° 47' West 90 feet; thence Southerly 80 feet to the true point of beginning. Situate in the County of Snohomish, State of Washington.

Contains: ±7,196.74 feet (±0.1652 acres)

**Parcel J:**

All that portion of the Southwest Quarter of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the West line of the above said subdivision, North 0 ° 29'39" East, a distance of 155.00 feet from the Southwest corner thereof; thence North 0 ° 29'39" East, a distance of 90.00 feet; thence South 87 ° 47'00" East, parallel with the South line of said subdivision, a distance of 200.00 feet; thence South 0 ° 29'39" West, a distance of 90.00 feet; thence North 87 ° 47'00" West a distance of 200.00 feet to the Point of Beginning; Except the West 30.00 feet thereof for road.

Situate in the County of Snohomish, State of Washington.

Contains: ±15,291.84 feet (±0.3511 acres)

**Parcel K:**

That portion of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian, described as follows:  
Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 17;

thence North 0 ° 29'39" East 315 feet;  
thence South 87 ° 46'59" East 130 feet to the true point of beginning;  
thence South 0 ° 29'39" West 70 feet;  
thence South 87 ° 47'59" East 95 feet;  
thence North 0 ° 29'39" East 70 feet;  
thence North 87 ° 46'59" West 95 feet to the true point of beginning.  
Situate in the County of Snohomish, State of Washington.

Contains: ±6,646.99 feet (±0.1526 acres)

**Parcel L:**

All that portion of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian, described as follows:  
Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of Section 17;

thence North 0 ° 29'39" East 315 feet;  
thence South 87 ° 46'59" East 30 feet to the Point of Beginning;  
thence South 87 ° 46'59" East 100 feet;  
thence South 0 ° 29'39" West 70 feet;  
thence North 87 ° 46'59" West 100 feet;  
thence North 0 ° 29'39" East 70 feet to Point of Beginning.  
Situate in the County of Snohomish, State of Washington.

Contains: ±6,995.89 feet (±0.1606 acres)

**Parcel M:**

All that portion of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian, described as follows:  
Beginning at the Southwest corner of said Southeast Quarter of the Southeast quarter;  
thence North along the West line of said subdivision 375 feet;  
thence South 87 ° 47' East 30 feet to a point on the Easterly line of the County Road to the true point of beginning;  
thence continuing South 87 ° 47' East 90 feet;  
thence North parallel to the West line of said Southeast Quarter of the Southeast quarter 80 feet;  
thence North 87 ° 47' West 90 feet to the Easterly line of County Road;  
thence South along said Easterly line of the County Road 80 feet to the true point of beginning.  
Situate in the County of Snohomish, State of Washington.



Contains: ±7,196.74 feet (±0.1652 acres)

**Parcel P:**

The West 285 feet of the South half of the following described parcel:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of Section 17, Township 27 North, Range 4 East of the Willamette Meridian;

thence North 0 ° 29'39" East along West line of said subdivision 455 feet to the true point of beginning;

thence South 87 ° 46'59" East 499.69 feet, more or less, to the West line of tract conveyed to Pacific Coast Mortgage Company by deed recorded under Auditor's File No. 612453;

thence North 0 ° 23'46" East along West line of said Tract 205 feet, more or less, to a point on a line which is 660 feet North of South line of said Southeast Quarter of the Southeast quarter;

thence North 87 ° 49'14" West 499.35 feet, more or less, to West line of said subdivision;

thence South along said West line to the true point of beginning;

Except the West 30 feet for road; and

Except the North 20 feet for road.

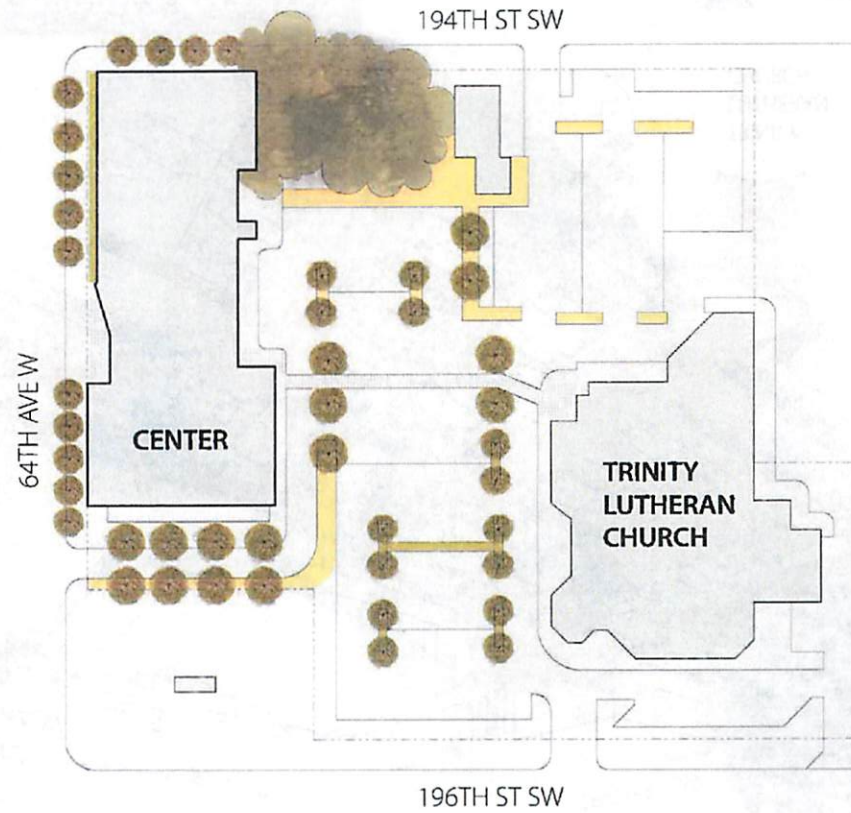
Situate in the County of Snohomish, State of Washington.

Contains: ±21,016.73 feet (±0.4825 acres)

TOTAL: ±92,980.34 feet (±2.1346 acres)

EXHIBIT C  
APPROXIMATE CONFIGURATION OF THE PREMISES



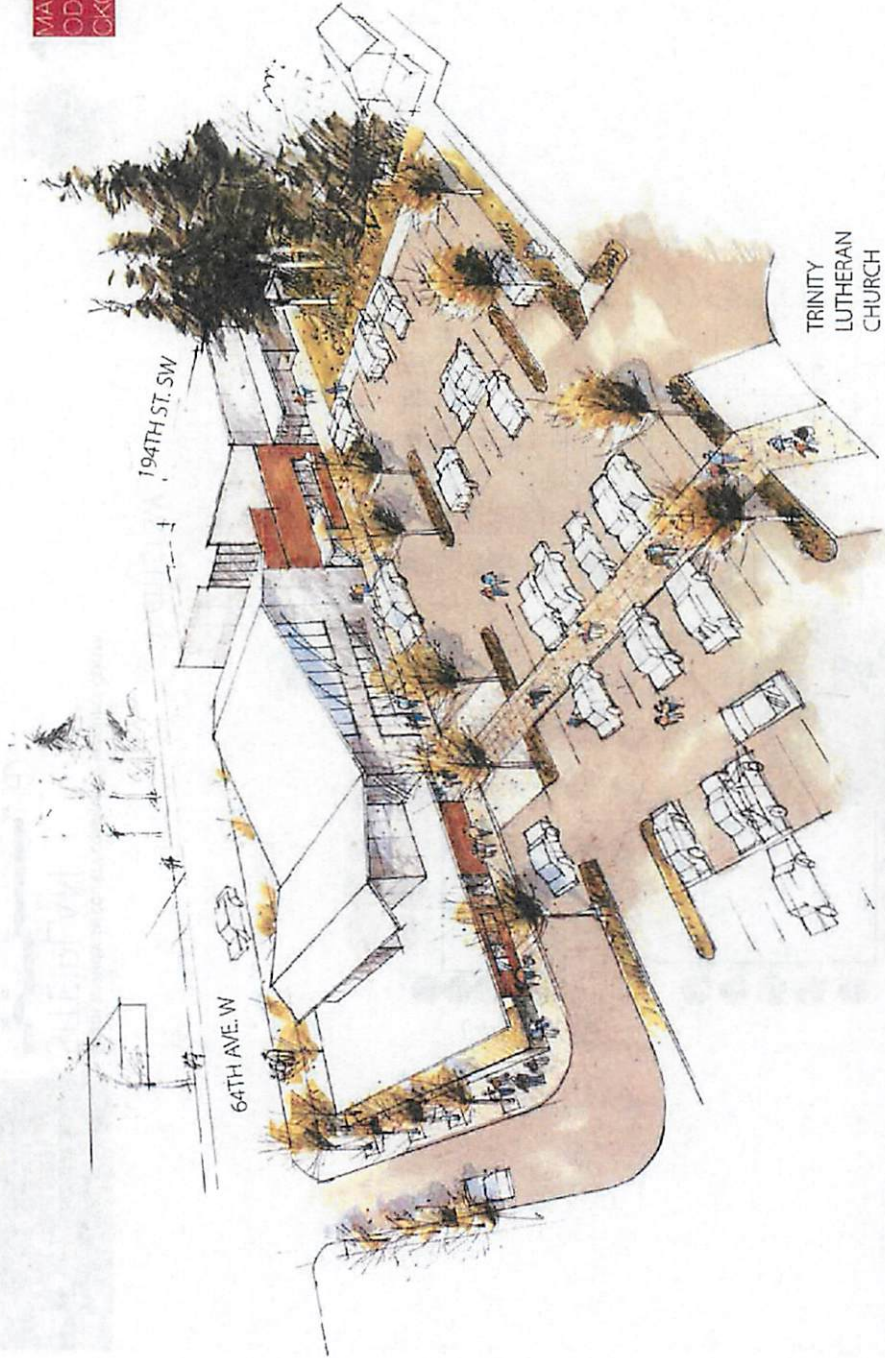


SOUTH SNOHOMISH COUNTY COMMUNITY RESOURCE CENTER

# SITE PLAN



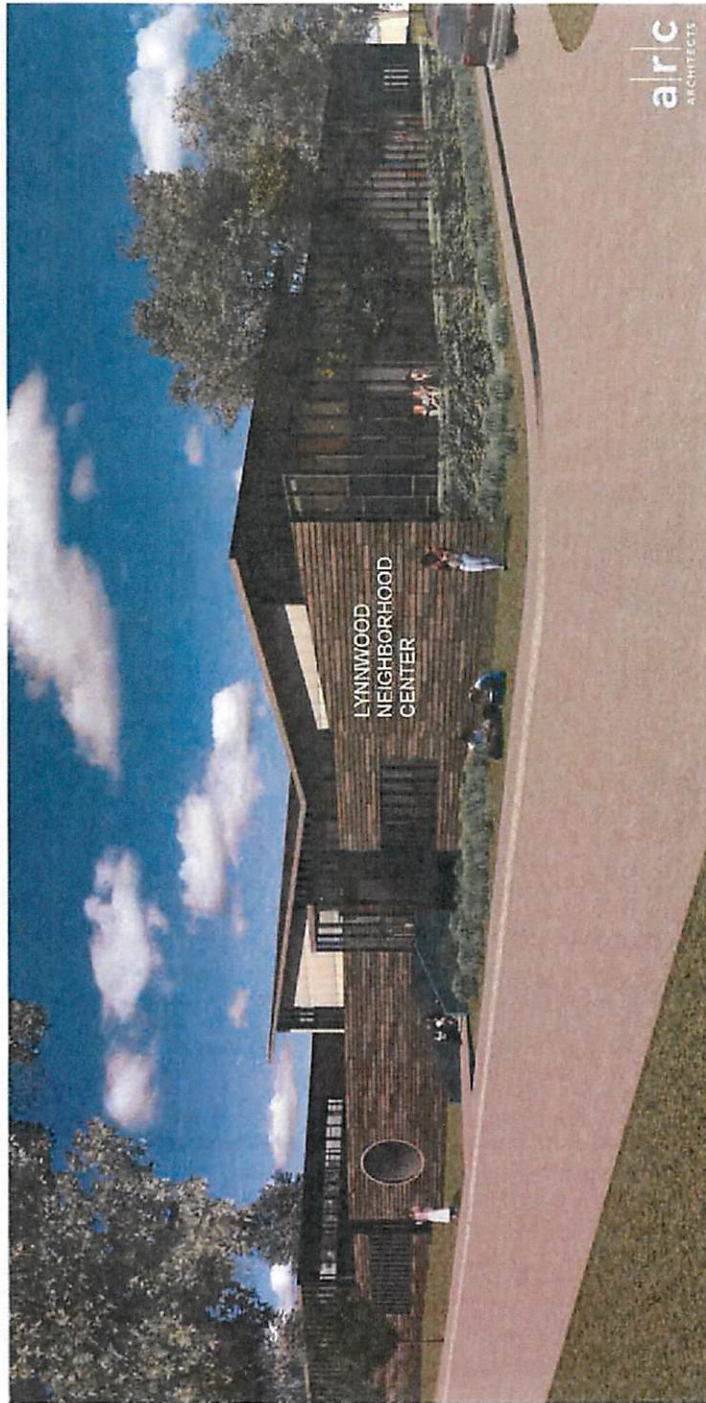
MAGLE  
OD•RE  
CKORD



TRINITY  
LUTHERAN  
CHURCH

THE LYNNWOOD NEIGHBORHOOD CENTER  
BIRDS EYE VIEW





THE LYNNWOOD NEIGHBORHOOD CENTER  
CONCEPT DESIGN



OFFICE OF PLANNING AND  
COMMUNITY DEVELOPMENT



Audubon  
Community  
Services



AMERICAN INSTITUTE OF  
ARCHITECTS