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91-146-1127

9103270646

GOLF COURSE LEASE AGREEMENT

THIS AGREEMENT is entered into by and between the STATE OF WASHINGTON, by and through the STATE BOARD FOR COMMUNITY COLLEGE EDUCATION AND EDMONDS COMMUNITY COLLEGE, COMMUNITY COLLEGE DISTRICT NO. 23, hereinafter "the College" and the CITY OF LYNNWOOD, hereinafter "the City". This Agreement sets forth the parties' promises and covenants regarding the lease of property by the City from the College, construction of facilities by the City on the property leased from the College, and other matters between the College and the City.

TERMS AND CONDITIONS

1. REAL PROPERTY LEASE. The College agrees to lease to the City, as described herein, forty-five and seventeen one-hundredths (45.17) acres on the College campus as depicted on the map of the campus attached hereto as Exhibit "A", and the City agrees to lease said lands from the College, as described and as limited herein. Promptly after execution of this lease, a survey will be performed by licensed surveyor acceptable to the parties hereto to establish a precise metes and bounds description of the lands depicted in Exhibit "A"; such description will then be signed by the parties and attached hereto as Exhibit "B". Exhibits "A" and "B" are incorporated by this reference as full substantive provisions of this Agreement.

2. TERM OF LEASEHOLD. The lease of the real property described in paragraph no. 1 shall be for a period of thirty (30) years from the effective date of this Agreement.

3. LEASE PAYMENT. The City shall pay the College the sum of FIVE HUNDRED THOUSAND and NO/100ths (\$500,000.00) DOLLARS within sixty (60) days of Council issuance of bonds to finance the city's use of the premises in accordance with this lease, and ONE THOUSAND and NO/100ths (\$1,000.00) DOLLARS per year thereafter through the first twenty (20) years of the original term of this lease.

**NO EXCISE TAX
REQUIRED**

1

MAR 28 1991

CITY OF LYNNWOOD
FINANCE DEPT.
P.O. Box 5008
Lynnwood, WA 98046-5008

KIRKE SHEVERS, Snohomish County Treasurer
BY *[Signature]* Deputy

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During the last ten (10) years of the original term of this lease, the college shall receive as rent a sum equal to fifty percent (50%) of the revenues received by the City through the operation of any of the facilities then located wholly or partially upon the leased premises, after deducting all costs incurred by the City in operation of the premises. The parties hereto recite that they intend that both parties expect the "revenue" and "costs" to be the subject of good faith negotiations.

The lease payment proceeds will be held by the College and used exclusively for improvements on the campus as necessitated by the use and development of the leased premises. Lease revenues not required for this purpose will be held by the college to acquire the improvements on the leased premises at the termination of the lease as described in paragraph 31.

4. USE OF THE PREMISES. The College agrees to lease the premises to the City, and the City agrees to lease the premises for the sole and exclusive use of the premises by the City for the construction, maintenance and operation of a public golf course and associated facilities including parking lots, clubhouse, storage buildings, and other related facilities, and as further limited by the terms of this Agreement. The City may use the premise and any facilities or improvements constructed thereon only for such uses described herein, or other uses specifically approved in writing by the college.

5. EASEMENT. The College grants to the City an easement across and on College property for access from 68th Avenue West to the premises. The term of such easement shall coincide with the term of the lease granted by this Agreement. The easement shall be for the real property depicted in Exhibit "C" attached hereto. Exhibit "C" is incorporated by this reference as full substantive provisions of this Agreement. Said easement shall require the City to relocate and/or replace any College facility or landscaping damaged or destroyed by construction within the easement boundaries.

6. CONSTRUCTION LEASE. The College grants to the City a license to use adjoining College property for purposes associated with the City's construction of facilities on the leased premises. The license shall be for the premises depicted in Exhibit "D" attached hereto and identified on the map of the campus attached hereto as Exhibit "A". Exhibits "A" and "D" are incorporated by this reference as full substantive provisions of this Agreement.

7. RESTORATION AND REPLACEMENT OF COLLEGE FACILITIES DUE TO USE OF THE PREMISES. The parties recognize that the construction of facilities described in paragraph no. 5 may result in damage to or loss of valuable College facilities now in existence. The City shall restore, repair, relocate or replace College facilities damaged or lost as a result of the City's construction or operation of facilities. For purposes of this paragraph, "College facilities" shall include:

- A. parking stalls, curbs, driveways, roadways and associated landscaping;
- B. signage;
- C. lighting;
- D. greenhouses, buildings and other improvements.

8. COLLEGE APPROVAL OF CONSTRUCTION. The College shall have the right to review and approve proposed construction of facilities on the premises by the City.

A. Approval of Plans. The City shall prepare plans and specifications for any and all improvements and other facilities constructed on the premises and shall provide the College with copies thereof. The College shall have twenty-one (21) days from receipt of the plans and specifications to respond in writing, setting forth the College's objections or approval. Absence of written response within twenty-one (21) days shall be deemed approval thereof.

B. Subsequent Improvements or Modifications. Should the City wish to initiate any additional improvements or

material changes in the plans and specifications in excess of ONE HUNDRED THOUSAND and NO/100ths (\$100,000.00) DOLLARS, during the course of construction, the City shall first obtain the College's prior written approval of such improvements or changes. If the City desires to make additional improvements in excess of ONE HUNDRED THOUSAND and NO/100ths (\$100,000.00) DOLLARS during the term of this lease, the City shall prepare and submit plans to the College for approval pursuant to this paragraph.

9. PERMITS: COMPLIANCE WITH CODES. All building permits and other permits, licenses, permissions, consents and approvals required to be obtained from governmental agencies or third parties in connection with construction of improvements, repairs, replacements or renewals to the premises shall be acquired as required by applicable laws, ordinances or regulations by and at the sole cost and expense of the City. The City shall cause all work on the premises during the lease term to be performed in accordance with all applicable laws and all directives and regulation of all governmental agencies and the representatives of such agencies having jurisdiction.

10. INDEMNIFICATION. Notwithstanding anything to the contrary in this Agreement, during the term of this lease, the College shall have no liabilities, obligations or responsibilities whatsoever with respect to the premises or with respect to any plans and specifications referred to in paragraph no. 9. The College's approval of any such plans and specifications shall not render the College liable therefore, and the City covenants and indemnifies, defends and holds harmless the college from and against any and all claims arising out of or from the use of such plans and specifications.

11. COORDINATION WITH COLLEGE PROGRAMS. The City shall fully cooperate with the College by authorizing the use of the premises by the College as sites for student work in College programs,

including, but not limited to, horticulture, turf management, heavy equipment, greens keeper, and physical education courses in golf or golf skills. The City acknowledges that the premises, as improved by the City, provide educational opportunities for College students in these, and other, programs. The City will allow College students, while engaging in activities associated with College programs, to utilize the premises under such terms as are mutually agreeable to the parties. These activities will be subject to paragraph no. 12.

12. COORDINATION, SCHEDULING AND PLANNING OF FACILITIES AND SERVICES. To provide for the coordination, scheduling and planning of facilities for educational opportunities, the city shall be the scheduling agency for golf course activities. The parties hereby create a body to be known as the Coordinating Committee.

The City Mayor and the College President shall each appoint three (3) members to the Coordinating Committee. The committee shall elect a chair and shall establish its own procedures, subject to approval by both the College President and the City Mayor. The Committee shall review the operation of the City's facilities on the premises and the involvement of College programs pursuant to paragraph no. 11.

The Committee shall periodically report to the Mayor and the President on the status of the program(s).

13. GROUNDS MAINTENANCE. Subsequent to construction of facilities by the City, the City shall be responsible for grounds maintenance of the premises.

14. BUILDING MAINTENANCE. The City shall be fully responsible for the maintenance of buildings constructed by the City on the premises.

15. SECURITY. The City shall be responsible for security of the operations and premises.

16. SIGNAGE. The parties shall establish a signage plan which shall maintain the separate identities of the City's facilities and the College while also providing for integrated

direction of visitors and constituents. Such signage plan shall be reduced to written form and shall be included as a part of the City's plans which are subject to College approval under paragraph no. 5.

17. (A) UTILITIES. The City shall be fully responsible for all utilities and charges therefore for City facilities.

(B) WELLS. The existing water wells on the college property are to be used by the City to provide water to irrigate the golf course; the college is to have continued access and right to use the wells to provide irrigation for college property which is not under lease to the City. In the event that the volume of water available from existing wells becomes inadequate, the City shall have the right to drill such additional wells as the City deems necessary. The City will be responsible to maintain the wells in a good operating condition during the lease, as a part of the maintenance of the golf course.

18. NONDISCRIMINATION. Neither party to this Agreement shall discriminate in any way on the basis of race, creed, color, national origin, sex, sexual orientation, marital status, age, or other presence of any sensory, mental or physical handicap in the performance of this Agreement or in the operation of its facility.

19. RISK OF LOSS. Each party shall fully assume the risk of loss of any facilities, equipment, fixture, inventory or other tangible property utilized pursuant to this Agreement or in its facility.

20. LIABILITY INSURANCE. The City, at its own expense, shall provide and keep in force with companies acceptable to the College, public liability insurance for the benefit of the College against liability for bodily injury and property in an amount of not less than \$1,000,000.00 for any one occurrence and \$1,000,000.00 aggregate, for occurrences on or involving the premises.

21. WAIVER OF SUBROGATION. The City and the College each hereby release and relieve the other from responsibility for, and waive their entire claim of recovery for, any loss or damage to the

real or personal property of either located anywhere in the premises arising out of or incident to the occurrence of any of the perils which are covered by any insurance policy obtained by the City or the College. The City shall obtain any special endorsements, if required by either party's insurer, to evidence this waiver of the insurer's right to subrogation against the indemnities.

22. COMPLIANCE WITH LAWS. The City shall comply fully with all federal and state statutes and City ordinances now or hereafter in force in respect to the premises and the City's activities therein. The City warrants and represents to the college that the City shall use the premises only for lawful purposes.

23. INDEMNIFICATION. The City agrees to and shall indemnify and hold the College and the premises free and harmless from, and against, any and all damages, injuries, losses, liens, costs or expenses (including attorney's fees) incurred, claimed or arising out of the City's lease of the premises, the City's construction of facilities or alteration of constructed facilities, and the City's use of the premises.

24. ASSIGNMENT. The City shall not transfer, or assign this Agreement, or sublet the premises, or any part thereof, without the prior written consent of the College in each instance. Such prohibition against assigning or subletting shall include any assignment or subletting by operation of law. Any transfer of this Agreement from the City by merger, consolidation, transfer of assets, or liquidation shall constitute an assignment for purposes of this Agreement. Any assignment or subletting without the College's consent shall be void, and shall constitute a default hereunder which, at the option of the College, shall result in the termination of this Agreement or exercise of the College's other remedies. Consent to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting, and the terms of such consent shall be binding upon any person holding by, under or through the City.

25. ABANDONMENT OF SITE. Should the City abandon the facilities constructed on the premises, or any portion thereof, during the term of the lease described in paragraph nos. 1 and 2, the College may cancel the remaining term of the lease, reoccupy the premises and, as its option, require the City to clear the site of all or selected improvements/ facilities constructed thereon.

26. ACCESS. The College shall have the right to inspect the premises, and any City facilities constructed on the premises, at all reasonable times and to enter the same for purposes of insuring that all provisions of this Agreement are adhered to by the City.

27. TAXES AND ASSESSMENTS. The City shall pay all applicable taxes and assessments levied upon the premises, improvements thereto, or on activities conducted on the premises, and payable during the term of this Agreement.

28. SUCCESSORS IN INTEREST. This Agreement shall be binding on the parties and their successors in interest.

29. CONDITION PRECEDENT. This Agreement shall not be valid and effective: (a) unless approved in writing by the State board for Community College Education or its authorized representative; and, (b) until the city has issued Revenue Bonds to finance the use of the premises.

30. AMENDMENT. This Agreement may be amended only in writing executed by both parties. Any such amendment shall be appended hereto and shall become a full and effective part of this Agreement.

31. RENEWAL OR SURPLUSING OF THE LEASED PREMISES. At the end of this lease, the City and the College shall enter into negotiations to renew the lease for an additional thirty (30) years; neither party shall have an obligation to renew the lease. Pending determination of renewal, the City shall have the right, but not the obligation, to continue in possession from year to year, by written notice of its intent, pending determination by the College as to its plans for the leased premises, with rent to remain at the same rate as the last ten (10) years of this lease.

The City shall have the first right to lease the subject property, or any part thereof, at the end of this lease. The terms and conditions of any renewal would be as provided herein for the last ten (10) years of this lease, except as to the term.

If the lease is not renewed for any reason, then the City is to be reimbursed for the improvements placed upon the property by the City during the term of this lease agreement. The parties intend that good faith negotiations shall take place with regard to establishing a fair sum to be reimbursed to the City after giving due regard to the cost of such improvements and their contribution to current market value thereof.

32. DISPUTE RESOLUTION. Should the parties be unable to resolve a dispute arising from the operation of this Agreement, the dispute shall be referred to the College President and the City Mayor for resolution. Should the Mayor and the President fail to resolve this matter, the parties agree to submit the dispute to binding arbitration as provided by RCW 7.04 et. seq. The parties specifically agree that the exercise of these dispute resolution procedures is a necessary condition precedent to either party seeking redress from the courts for an alleged violation of this Agreement.

33. VENUE. Should any litigation arising from this Agreement be initiated by either party, venue for such action shall be the Superior Court for Snohomish County, Washington.

34. CAPTIONS. The captions and paragraph headings of this Agreement are inserted for the convenience of the parties only and shall not be deemed to limit or expand the meaning of any paragraph.

35. ENTIRE AGREEMENT. This writing constitutes the full and complete agreement of the parties. Any other agreements, oral or written, are null and void and superseded by this writing.

36. MEMORANDUM OF LEASE. The parties agree to execute and acknowledge an appropriate memorandum of this Lease for public

recordation purposes, so that public notice of the term of this Lease is given.

IN WITNESS WHEREOF, the parties hereto have signed this Lease effective as of the day and year all the below signatures have been obtained.

EDMONDS COMMUNITY COLLEGE

CITY OF LYNNWOOD

By: Karen Miller 9/29/89
Board Chairman

By: M.J. Erdicks
Mayor

By: Thomas C. Thelien
College President

APPROVED AS TO FORM:

Ford Stutz

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY
COLLEGE EDUCATION

By: M. Snyder
Chair

By: Ear Hale
Executive Director

GOLF COURSE DISCLAIMER

This lease agreement is signed by Edmonds Community College based on the assumption that the golf course will be an 18-hole course. Since the College is deferring the majority of its income for 20 years or until the revenue bonds are retired, the eventual annual fifty percent (50%) share of the net revenue would be significantly less if the course were a 9-hole golf course instead of the 18-hole course that this lease agreement was based upon. In the event that the golf course is less than an 18-hole course, Edmonds Community College reserves the right to renegotiate this lease agreement as to the financial arrangements and amount of acres of land the College is willing to lease.

EDMONDS COMMUNITY COLLEGE

CITY OF LYNNWOOD

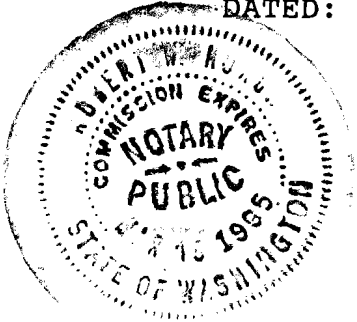
By: Thomas C. Thelien
College President

By: _____
Mayor

STATE OF WASHINGTON)
)SS.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that M. J. Huslička signed this instrument, on oath stated that he authorized to execute the instrument and acknowledged this as the Mayor the City of Lynnwood, Washington to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 3/26, 1991.



[Signature]

NOTARY PUBLIC in and for the State of Washington residing at Edmonds
My appointment expires on 3/15/95

STATE OF WASHINGTON)
)SS.
COUNTY OF SNOHOMISH)

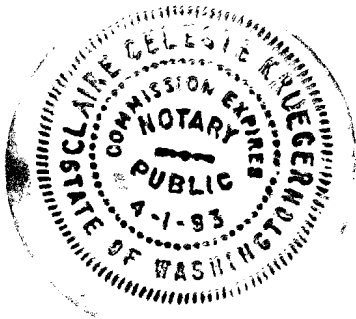
I certify that I know or have satisfactory evidence that Max Snyder signed this instrument, on oath stated that he authorized to execute the instrument and acknowledged this as the Board Chair Person of the State of Washington State Board for Community College Education to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 3/22, 1991.

Clair C. Krueger

NOTARY PUBLIC in and for the State of Washington residing at Shurtown
My appointment expires on 4/1/93

cc
RE: Edmonds & City of
Lynnwood Golf Course
Lease agreement



CITY OF LYNNWOOD
FINANCE DEPT.
P.O. Box 5003
Lynnwood, WA 98046-5008

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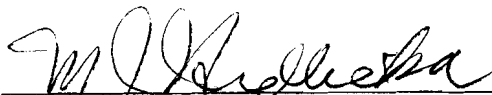
That portion of the west half of Section 20, Township 27 North, Range 4 East, W.M., described as follows:

Commencing at the southwest corner of the north half of the southwest quarter of said Section 20;
Thence S87°53'14"E along the south line of said north half, 987.00 feet;
Thence N00°57'43"E parallel with the west line of said southwest quarter, 972.32 feet to the True Point of Beginning;
Thence continuing N00°57'43"E 321.61 feet to the southerly right-of-way line of 204th Street Southwest;
Thence S88°03'22"E along said southerly right-of-way line, 27.76 feet to the east line of the west half of the northeast quarter of the northwest quarter of the southwest quarter of said Section 20;
Thence N01°56'38"E along said east line, 30.00 feet to the north line of the southwest quarter of said Section 20;
Thence N00°36'09"E along the east line of the west half of the southeast quarter of the southwest quarter of the northwest quarter of said Section 20, a distance of 660.58 feet to the north line of the southeast quarter of the southwest quarter of the northwest quarter of said Section 20;
Thence N°8757'12"W along said north line, 337.02 feet to the west line of the northeast quarter of the southwest quarter of the northwest quarter of said Section 20;
Thence N°0043'26"E along said west line, 1322.30 feet to the north line of the southeast quarter of the northwest quarter of the northwest quarter of said Section 20;
Thence S87°44'42"E along said north line, 1286.00;
Thence S05°17'49"E 375.43 feet
Thence S89°56'30"W 191.16 feet;
Thence S00°10'21"W 340.12 feet;
Thence N85°54'16"W 267.67 feet;
Thence S50°56'30"W 180.00 feet;
Thence S00°27'53"W 490.10 feet;
Thence S87°40'12"E 182.47 feet;
Thence S02°19'48"W 233.87 feet;
Thence N87°40'12"W 80.00 feet;
Thence S00°20'52"W 460.00 feet;
Thence S70°44'22"E 425.00 feet;
Thence S28°43'15"E 220.94 feet;
Thence N88°02'02"W 1035.84 feet to the True Point of Beginning.

Containing 1,967,823 square feet or 45.17 acres.

CITY OF LYNNWOOD

By:


M. J. HRDLICKA, Mayor

EDMONDS COMMUNITY COLLEGE

By:


THOMAS C. NIELSEN, President

EXHIBIT "B" TO LEASE AGREEMENT BETWEEN
CITY OF LYNNWOOD AND EDMONDS COMMUNITY
COLLEGE DATED 3-19-91

CITY OF LYNNWOOD
FINANCE DEPT.
P.O. Box 5008
Lynnwood, WA 98048-5008

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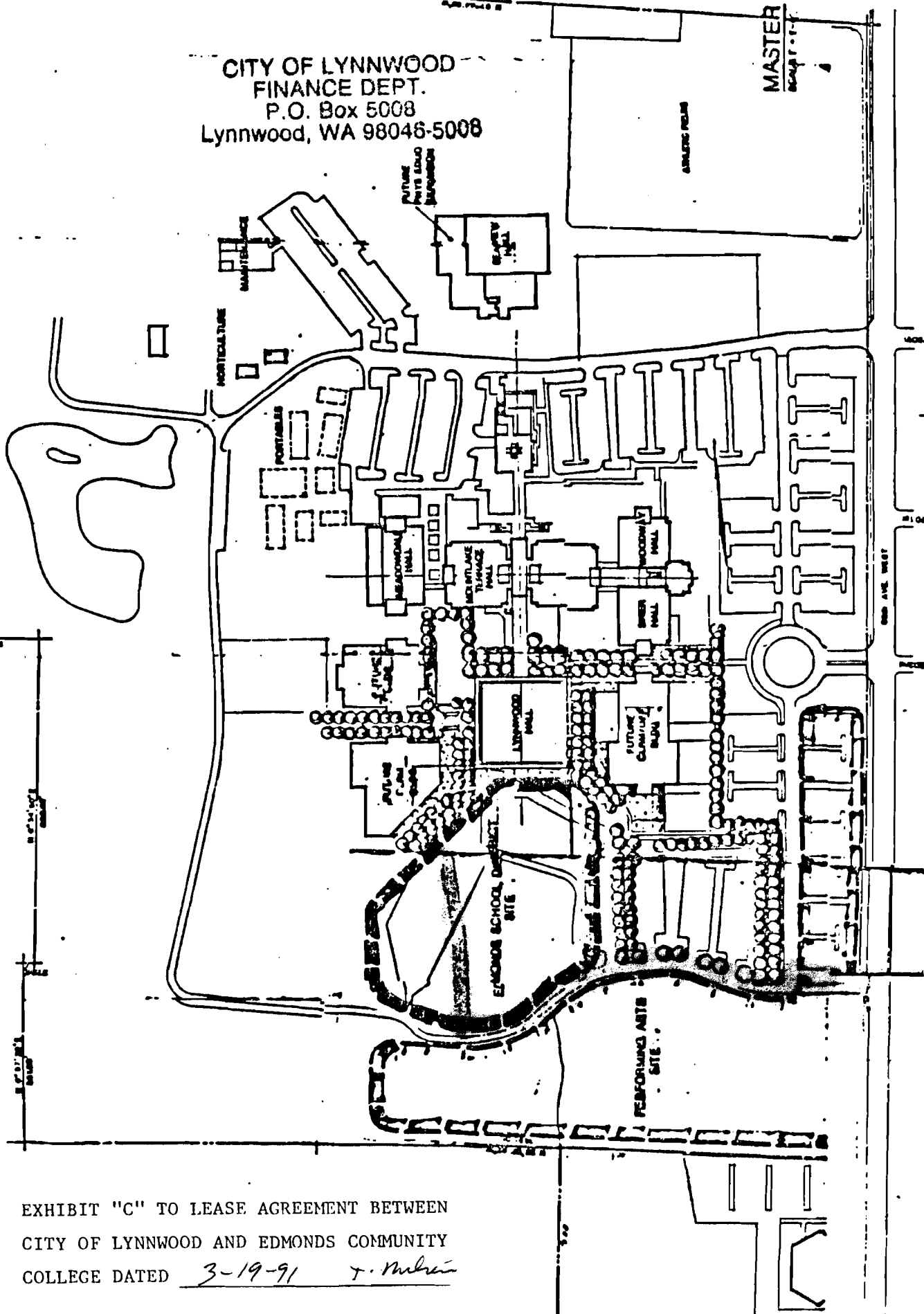


EXHIBIT "C" TO LEASE AGREEMENT BETWEEN
CITY OF LYNNWOOD AND EDMONDS COMMUNITY
COLLEGE DATED 3-19-91 *T. Nelson*

9103270646

