

**Intergovernmental Asset Transfer Agreement Between
King County and the City of Covington**

15011

**RELATING TO THE OWNERSHIP, OPERATION AND MAINTENANCE
OF THE TAHOMA POOL AND FUNDING FOR DEVELOPMENT OF AN ASSOCIATED
PLANNED RECREATIONAL COMPLEX BY THE CITY OF COVINGTON**

THIS AGREEMENT is made and entered into this ____ day of _____ by and between the City of Covington, hereinafter called "City", and King County, hereinafter called "County".

WHEREAS the County, under the authority of RCW 36.89.050, King County Resolution 34571 and other federal, state and county laws, has acquired and developed a substantial park, recreation and open space system that depends on the continued operation of its many individual properties and facilities in order to fully serve the needs of the residents of King County and the cities within it; and

WHEREAS, the County constructed, owns, and operates the Tahoma Pool (the "Pool" and/or "Property") located at 18320 S.E. 240th Street, under the terms of a lease with the Tahoma School District; and

WHEREAS the City desires to own, operate, and maintain parks, open space, recreation facilities and programs and other municipal programs, facilities that serve its residents and other residents of King County and is willing therefore to assume ownership and operating responsibility for the Pool; and

WHEREAS the City owns a 30 acre parcel in the immediate vicinity of the real property on which the Pool is located, known informally as the 180th-240th Park (the "City Parcel"), and the City intends to develop the City Parcel in a manner that will provide for unified operation of both the Park and the Pool for the benefit of city residents as well as other residents of the County, including but not limited to students of the Tahoma School District, (the Pool and City Parcel being collectively referred to herein as the "Planned Recreational Complex"); and

WHEREAS the County desires to divest itself of ownership, management, and financial responsibility for parks, open space, recreational facilities and programs inside and near the City boundaries; and

WHEREAS the County does not have a sufficient, stable source of revenue to continue to manage and maintain its parks, open space, recreational facilities and programs at current levels although the County does have an ability to contribute limited capital dollars in support of park and recreation facilities benefiting unincorporated area residents; and

WHEREAS the County is legally restricted from converting many of these parks, open space, and recreational facilities from their current uses without expending funds to replace the converted facilities; and

WHEREAS given the legal restriction regarding conversion of the Pool, the marketability of the Pool is limited and, as a result, the cost of operating the Pool is approximately equal to or greater than the value of the Pool to the County; and

WHEREAS to the extent the City provides scholarships, reduced fees or other means of assuring access to parks and recreational programming for City residents, the City has a goal of ensuring that such scholarships or other needs-based rates and programs are available to all persons desiring to use the Pool and Park regardless of residency; and

WHEREAS in recognition of the recreational benefits to unincorporated area residents of the continued operation of the Pool and the future operation of the Recreational Complex, the County desires to provide some capital funding to the City in support of the future development of the Planned Recreational Complex; and

WHEREAS, the City is desirous of maximizing the effectiveness of the operation and maintenance of certain park areas within or adjacent to the City Urban Growth Boundary; and

WHEREAS, in order to minimize the disruption to users of the pool and provide for an orderly transition of the pool to operation by the City, the County is willing to operate the pool on behalf of, and at the cost of, the City through the date title is transferred to the City through December 30, 2004; and

WHEREAS it is in the best interest of the public that the City and the County to work together to take those actions necessary to meet those desires and to cooperate in any transition to ensure a smooth transition of the Pool and avoid service disruption;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and the County agree as follows:

1. Conveyance of Title

- 1.1. Within thirty (30) days of execution of this Agreement, the County shall convey to the City by Bargain and Sale Deed all its ownership interest in the Pool, which is legally described in Exhibit "B" (the "Property" or the "Pool"). Within thirty (30) days of execution of this Agreement, the County shall also assign the Lease with the Tahoma School District, (the "Lease"), attached as Exhibit "C", to the City, via execution of a Lease Assignment in substantially the form attached hereto as Exhibit D.

Tahoma Pool

- 1.2. All deeds shall also contain the following specific covenants pertaining to use, which covenants shall run with the land for the benefit of the County and the County land that makes up its public park, recreation and open space system. The County and the City agree that the County shall have standing to enforce these covenants, which shall be set forth as follows:

"The City covenants that the Property shall continue to be used in perpetuity for park or recreation purposes unless other equivalent lands or facilities within the county or the city are received in exchange therefore and the replacement lands or facilities are used in perpetuity for park or recreation purposes."

"The City covenants that it shall abide by and enforce all terms, conditions and restrictions in King County Resolution 34571, including that the City covenants that the Property will continue to be used for the purposes contemplated by Resolution 34571, that the Property shall not be transferred or conveyed except by agreement providing that such lands shall continue to be used for the purposes contemplated by Resolution 34571, and that the Property shall not be converted to a different use unless other equivalent facilities within the County or City shall be received in exchange therefore."

"The City covenants that it shall not use the Property in a manner that would cause the interest on County bonds related to the Property to no longer be exempt from federal income taxation."

"The City covenants that if differential fees for non-city residents are imposed for use of the Property, such fees will be reasonably related to the cost borne by city taxpayers to maintain, improve or operate the Property for parks and recreation purposes."

"The City covenants that it shall place the preceding covenants in any deed transferring the Property or a portion of the Property for public park, recreation or open space uses; provided, however, that all such preceding covenants shall terminate on May 8, 2014.

- 1.3 The City and County agree that the assignment of the County's Lease for the underlying real property upon which the Pool is built will convey all the rights and obligations of the County contained in the Lease, and that the City shall assume all the rights and obligations of the County, including the covenants, contained in the Lease. The assignment will be in substantially the form attached hereto as Exhibit D.
- 1.4 The City and County agree that the conveyance and assignment of Lease referenced in paragraph 1.1 are contingent on receiving written approval of the

assignment of Lease from the Tahoma School District. If such written approval is not obtained within thirty (30) days from the execution of this Agreement, the conveyance and assignment shall not be required until thirty (30) days after such written approval is obtained. If not received within ninety (90) days, then either Party may terminate this agreement by written notice to the other.

1.5 The Property being conveyed includes certain equipment and supplies for the operation and maintenance of the Pool, as described in Exhibit "A". The County will leave such equipment and supplies on site, which equipment and supplies will include all furniture, lifeguard equipment, first aid supplies, specialty tools, operator manuals, as-built pool and remodel plans, computer equipment used for pool operation, phone system, lighting fixtures, miscellaneous pool equipment, building maintenance supplies, spare parts, and materials such as chlorine and filtration supplies for pool maintenance. The City takes all equipment and supplies AS IS and WHERE IS and agrees that the County holds no future responsibility with regard to the equipment and supplies or any occurrence related to or resulting from use of the equipment and supplies. Any equipment and supplies stored at the Pool for use at other King County facilities will not be transferred and will be removed by the County within thirty (30) days of the conveyance and assignment in Section 1.1.

1.6 It is understood that if a city and/or school district constructs a new pool in the future in the general vicinity of the Pool and if: 1) such new pool operates as a public pool in the same manner as required for the Pool by this Agreement; 2) is of comparable size and equivalent recreational value; and 3) the City provides funds for the new pool in lieu of providing continued funding for operation of the Pool, the new pool shall constitute an equivalent replacement facility for the Pool as contemplated by Resolution 34571. When the City withdraws funding from the Pool and the new pool is operational and open to the public, then as between the County and the City, the County will deem a closure of the Pool to be in compliance with the City's obligations to the County to continue operating the pool under this Agreement.

2. Existing Restrictions, Agreements, Contracts or Permits

2.1 The City shall abide by and enforce all terms, conditions, reservations, restrictions and covenants of title at the time of conveyance and/or in the deed of conveyance.

3. Financial Arrangement

3.1 The County will transfer capital funds to the City in an amount of not less than \$250,000 for the purposes described in this section 3.1. Capital funds will be distributed to the City by June 30, 2005. These funds may be used only for the planning, construction, reconstruction, repair, rehabilitation or improvement of the Pool subsequent to the date of this Agreement. To the extent that capital funds

distributed hereunder are not used for capital improvements at the Pool, they shall be returned to the County.

- 3.2 In addition to the funds identified in section 3.1, the County will transfer capital funds to the City in an amount not less than \$50,000 for the purposes described in this section 3.2. Such capital funds will be distributed to the City by December 31, 2005. These funds may be used only for the planning, construction, reconstruction, repair, rehabilitation or improvement of the City Parcel for use as a public park that will provide some benefit to and be open to residents of the unincorporated area of King County."

4. Condition of Premises and Responsibility for Operations, Maintenance, Repairs, Improvements, and Recreation Services

- 4.1 The City has inspected and knows the condition of the Property and agrees to accept the Property in AS IS condition, and to assume full and complete responsibility for all operations, maintenance, repairs, improvements of, and provision of recreational services at, the Property.
- 4.2 The County does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, with respect to the Property, and no official, employee, representative or agent of the County is authorized otherwise.
- 4.3 The City acknowledges and agrees that except as indicated in paragraph 5.2, the County shall have no liability for, and that the City shall release and have no recourse against the County for, any defect or deficiency of any kind whatsoever in the Property without regard to whether such defect or deficiency was known or discoverable by the City or the County.
- 4.4.1 Consistent with this Agreement, sound management practices, staffing limitations, available funds and applicable legal requirements, the County shall operate the Pool on behalf of the City for the period from the date of transfer of title to the City (anticipated to be on or about October 1, 2004) through December 30, 2004. The County shall use its best efforts to operate the Pool in a manner that will result in the Actual Net Operating Costs (as defined in Section 4.4.3) equaling the Estimated Operating Payment (as defined in Section 4.4.3). Operational policies and procedures, including but not limited to hours of operation, user fees, and admittance policies, shall be determined by the County in its sole discretion, reasonably exercised. The County intends to operate the Pool generally in the same manner as in 2003. It is understood and agreed that scheduled or unscheduled maintenance may result in the Pool being closed to the public for extended periods of time. The County and the City will cooperate with one another to execute any documents necessary for the operation of the Pool, such as

permits for the use of the Pool by other entities.

- 4.4.2 The County shall be relieved of its obligations under this Section 4.4 to the extent performance is made impracticable by any event of *force majeure*, including without limitation, acts of god.
- 4.4.3 In exchange for the County's operation of the Pool, the City agrees to pay or cause to be paid to the County the total sum of \$107,181 (the Estimated Operating Payment), payable in two equal payments made on or before November 15 and, December 15, 2004; provided, however, that in the event that the transfer of title to the Pool occurs later than October 1, then the Estimated Operating Payment shall be reduced by \$1,178 for each day from and after October 1 until the date that title transfers. The Estimated Operating Payment has been calculated by the County as set forth in Exhibit E, and is equal to the estimated net operating cost of the Pool over the period from October 1 through December 30, 2004. The net operating cost of the Pool includes all applicable direct costs for this time period, including utilities, pro-rated County overhead costs, and non-routine maintenance costs associated with the Pool, *less* (1) all revenues generated at the Pool and accruing to King County from any authorized source during and attributable to the period from October 1 through December 30, 2004. The "Actual Net Operating Cost" is the net operating cost, as defined in the preceding sentence, as actually experienced by the County over the operating period.
- 4.4.4 In the event the County is successful in reducing Actual Net Operating Costs over the term of this Agreement below the amount of the Estimated Operating Payment specified in Section 4.4.3 above, the County will refund the difference to the City on or before April 1, 2005.
- 4.4.5 If at any time the County in its sole discretion determines that the Actual Net Operating Costs of the Pool are or are likely to exceed the Estimated Operating Payment, then the County will notify the City of this in writing, describing (1) the costs that are or are likely to be greater than anticipated (or revenues that are or are likely to be less than anticipated) and the reason therefor; (2) the operational changes that will be required absent additional funding; and (3) the amount of additional funding that would be necessary to avoid these operational changes (which may include closure) or other actions. The County shall not be required to further increase user fees in order to mitigate an increase in net operating costs. The City will have 30 days to respond in writing as to whether it wishes to provide additional funding to avoid the operational changes or other actions. If the City determines to provide additional funding in the amount specified by the County, it shall promptly pay such amounts to the County. If the City determines not to provide additional funding, or does not respond conclusively within 30 days, the County shall proceed to make the operational changes as it deems in its sole discretion are required to address the increased costs and/or funding shortfall. Prior to the 30-day response deadline, the City may suggest operations alternatives

to address the funding shortfall, which the County may accept or reject in its sole discretion. The City waives and releases any and all claims against the County with respect to operational changes. In the interests of time and ensuring continuity of pool operations, the County's explanation of the cost increases, and options in response thereto shall be deemed conclusive.

- 4.4.6 If the City fails to make the operating payments when due, the County shall send by registered mail and telefax a notice of default to the City, and may terminate its operation of the Pool five business days after sending the telefax without further notice to the City.
- 4.4.7 The County or the City may terminate their obligations under this Section 4.4 at any time in case of a *force majeure* upon providing written notice thereof to the other party.
- 4.4.8 In the event that the County determines that a capital or other repair affecting the continued safe public operation of the pool needs to be made to the facility, it shall promptly notify the City in writing. The City shall be responsible for capital repairs, and the County shall be responsible for normal maintenance repairs. The City shall promptly notify the County in writing as to what course of action the City will take with respect to a capital repair. The County may take whatever action it deems reasonably prudent with respect to continued operation of the pool pending the completion of the capital repair, including but not limited to closure of the pool. The City waives and releases any and all claims against the County for such actions.
- 4.4.9 At the end of the operating period, the County shall quit the premises, leaving the pool and its equipment in the same condition as it was transferred to the City, reasonable wear and tear excepted.

5. **Environmental Liability**

- 5.1 "Hazardous Materials" as used herein shall mean any hazardous, dangerous or toxic wastes, materials, or substances as defined in state or federal statutes or regulations as currently adopted or hereafter amended.
- 5.2 Nothing in this agreement shall be deemed to waive any statutory claim for contribution that the City might have against the County under federal or state environmental statutes that arises from hazardous materials deposited or released on the Property by the County during the County's period of ownership. The City may not, however, assert such a claim to the extent that the City creates the need for or exacerbates the cost of remediation upon which a statutory claim for contribution is based as a result of the City performing construction activities on

the Property, changing the configuration of the Property, or changing the use of the Property.

- 5.3 If the City discovers the presence of hazardous materials at levels that could give rise to a statutory claim for contribution against the County it shall immediately notify the County in writing. Such notice shall in no event be provided more than ten (10) days after discovery. After notice is provided the parties shall make their best efforts to reach agreement as to which party is responsible for remediation under the terms of this Agreement. If the City fails to provide timely notice as provided for herein it shall be prohibited from bringing a statutory claim for contribution against the County.
- 5.4 In no event shall the County be responsible for any costs of remediation that exceed the minimum necessary to satisfy the state or federal agency with jurisdiction over the remediation.

6. Indemnification and Hold Harmless

- 6.1 The County shall indemnify and hold harmless the City and its elected officials, officers, agents or employees, or any of them, from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, (i) which are caused by or result from a negligent action or omission of the County, its officers, agents and employees in performing its obligations pursuant to this Agreement, and/or (ii) arising from those occurrences related to the Property that occurred prior to the effective date of conveyance of the Property to the City, except to the extent that indemnifying or holding the City harmless would be limited by Section 5 of this Agreement. In the event that any suit based upon such a claim, action, loss or damage is brought against the City or the City and the County, the County shall defend the same at its sole cost and expense and, if final judgment be rendered against the City and its elected officials, officers, agents and employees or jointly against the City and the County and their respective elected officials, officers, agents and employees, the County shall satisfy the same.
- 6.2 In executing this Agreement, the County does not assume liability or responsibility for or in any way release the City from any liability or responsibility which arises in whole or in part from the existence or effect of City ordinances, rules or regulations. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such City ordinance, rule or regulation is at issue, the City shall defend the same at its sole expense and if judgment is entered or damages are awarded against the City, the County or both, the City shall satisfy the same, including all chargeable costs and attorney's fees.

- 6.3 The City shall indemnify and hold harmless the County and its elected officials, officers, agents and employees, or any of them, from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, (i) which are caused by or result from a negligent act or omission of the City, its officers, agents and employees in performing obligations pursuant to this Agreement, and/or (ii) arising from those occurrences related to the Property that occurred on or after the effective date of conveyance of the Property to the City, except to the extent that indemnifying or holding the County harmless would be limited by Section 5 of this Agreement. In the event that any suit based upon such a claim, action, loss or damage is brought against the County or the County and the City, the City shall defend the same at its sole cost and expense and, if final judgment be rendered against the County and its officers, agents and employees or jointly against the County and the City and their respective officers, agents and employees, the City shall satisfy the same.
- 6.4 Each Party to this Agreement shall immediately notify the other of any and all claims, actions, losses or damages that arise or are brought against that Party relating to or pertaining to the Property.
- 6.5 Each party agrees that its obligations under this paragraph extend to any claim, demand, and/or cause of action brought by or on behalf of any employees, or agents. For this purpose, each party, by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW, but only to the extent necessary to indemnify the other party.

7. Audits and Inspections

- 7.1 Until December 31, 2010, any of either party's records related to any matters covered by this Intergovernmental Agreement not otherwise privileged shall be subject to inspection, review, and/or audit by either party at the requesting party's sole expense. Such records shall be made available for inspection during regular business hours within a reasonable time of the request.

8. Waiver and Amendments

- 8.1 Waiver of any breach of any term or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No term or condition shall be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto.

9. Entire Agreement and Modifications

- 9.1 This Intergovernmental Agreement and its Exhibits sets forth the entire agreement between the parties with respect to the subject matter hereof. It may be

supplemented by addenda or amendments, which have been agreed upon by both parties in writing. Copies of such addenda and amendments shall be attached hereto and by this reference made part of this contract as though fully set forth herein.

10. Duration and Authority

10.1 This agreement shall be effective upon signature and authorization by both parties. The terms, covenants, representations and warranties contained herein shall not merge in the deed of conveyance, but shall survive the conveyance and shall continue in force unless both parties mutually consent in writing to termination.

11. Notice

11.1 Any notice provided for herein shall be sent to the respective parties at:

King County
Maureen Welch
Acting Division Director
Rm 700, King Street Center
201 South Jackson St.
Seattle, WA 98104-3855

City of Covington
David Erickson
Director of Parks and Recreation
16720 SE 271st Suite 100
Covington, Washington, 98042

IN WITNESS WHEREOF, the parties have executed this Agreement.

King County

City of Covington

_____ ANDY DEMPSEY, City Manager

_____ Date

_____ Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

_____ King County
Deputy Prosecuting Attorney

_____ Covington City Attorney

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Date

Date

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STATE OF WASHINGTON)

: ss.

COUNTY OF KING)

I hereby certify that on the _____ day of _____, 2003, I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument on behalf of **KING COUNTY**, as its _____, and such execution to be the free and voluntary act of such party for the uses and purposes mentioned in the foregoing instrument.

-Notary Seal Must Appear Within This Box-

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

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

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STATE OF WASHINGTON)

: ss.

COUNTY OF KING)

I hereby certify that on the _____ day of _____, 2003, I know or have satisfactory evidence that ANDY DEMPSEY is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument on behalf of the **CITY OF COVINGTON** as its City Manager, and such execution to be the free and voluntary act of such party for the uses and purposes mentioned in the foregoing instrument.

-Notary Seal Must Appear Within This Box-

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

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

EXHIBIT A
List of Personal Property to be transferred with Pool

Quantity	Item Description
1	10 Gal Fish Tank
5	25yd Practice Lane Lines
4	28gal Grey Rubbermaid Containers (for lost and found)
3	45ft. Lesson Lane Lines
2	Adding Machines
15	Barbells (for swimming instruction)
1	Basketball Standard
1	Octopus-Big Toy
1	Office Chair Blue Cloth/Wooden
3	Metal Storage Crates Blue With Wheels)
15	Blue/Green Noodles
1	Cleaning Utility Cart
3	Diving Bricks
1	General Electric Refrigerator/Freezer
4	Hoses
30	Hydrofit Ankle Cuffs
16	Hydrofit Full-Length White Noodles
27	Hydrofit Half-Length White Noodles
30	Hydrofit Hand Buoys
1	Hydraulic Disabled Chair
1	Kenmore Washing Machine
60	Kickboards
3	Large 2-Door Rubbermaid Cabinets
1	Large Paper Shredder
2	Large Black Swivel Office Chairs
6	Large Floating Mats
9	Large Garbage Containers
1	Large Grey Cloth Swivel Office Chair
3	Large Grey Folding Tables
2	Large Metal Filing Cabinets (5drawer)
4	Large Office Waste Bins
1	Large Rolling Bulletin Display Board
2	Lifeguard Rescue Tubes

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41	Lifejackets
1	Maytag Dryer
4	Megaphone/Cones
30	Metal Folding Chairs
1	Metal Ladder-30ft
2	Orange 1st Aid Fanny Packs
5	Telephones
1	Pool Vacuum
1	Portable Staircase/Pool
1	Sharp Microwave
1	Shepherd's Hook
	Assorted lights
	Assorted plumbing parts
10	Small Floating Mats
1	Small Grey Cloth Swivel Office Chair
1	Small Metal Filing Cabinet (2drawer)
1	Small Metal Filing Cabinet (3drawer)
1	Small Office Waste Bin
2	Spinal Boards
2	Water Polo Goals
1	Water Walk-Way
2	Wooden Ladders-6ft
3	Wooden 2-Door Storage Cabinets
1	Yellow Radio/CD Player
2	Hammers
	Assorted Wrench set
	Assorted Screwdriver set
2	Knives
2	Vice Grips
2	Levels
2	Crescent wrenches
1	Putty knife
5	Assorted Pliers
1	Crow bar
1	Socket set
2	Saws
1	Trouble light
1	16" tape
1	Vice

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2	Caulking guns
2	Grease guns
2	Screw sets
1	drill
	Assorted drill bits
1	volt tester
	Assorted sand paper
	Assorted book covering the operation and parts
	Assorted locker parts
2	Seating brackets
	Assorted hardware supply
	Assorted paint
	Assorted tile
	Assorted chemicals
1	Hand truck
	Assorted brooms
	Assorted safety erumpent
1	Heater 110Volt
	Assorted pipe

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EXHIBIT B
Legal Description

TAHOMA POOL

Those real property improvements, including fixtures and equipment, located on:

That certain real estate described as follows: Commencing at the monument marking the Southwest corner of the Southwest Quarter of Section 18, Township 22 North, Range 6 East, Willamette Meridian, King County, Washington; thence East along the Southerly line of said subdivision said line being the centerline of S.E. 240th Street, 60 foot wide right-of-way, a distance of 645.90 feet; thence North at right angles to said subdivision line, a distance of 42 feet to the True Point of Beginning; Thence continuing North 168 feet; thence along a curve to the left, having a radius of 100 feet; thru a central angle of 24° 50' or", an arc distance of 43.34 feet; thence East 29.25 feet; thence South 63° 26' 06" East a distance of 111.80 feet to a point 202 feet Northerly as measured at right angles from said subdivision line; thence East 180 feet; thence South 160 feet; thence West, parallel to said subdivision line, a distance of 300 feet to the True Point of Beginning. Containing 1.3 acres more or less. All in King County, Washington.

Tahoma
P.O.

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EXHIBIT C

In L # 7405135124

#1058

LEASE AGREEMENT

DC0174

THIS LEASE made in quadruplicate this 8th day of May 1974 by and between KING COUNTY, WASHINGTON, a legal subdivision of the State of Washington, Lessee, and TAHOMA SCHOOL DISTRICT NO. 409, King County, Washington, a municipal corporation of the State of Washington, Lessor:

WITNESSETH:

In consideration of the covenants and agreements of the Lessee hereinafter set forth, the School District does by these presents lease and demise unto King County that certain real estate described as follows:

Commencing at the monument marking the Southwest corner of the Southwest Quarter of Section 18, Township 22 North, Range 6 East, Willamette Meridian, King County, Washington; thence East along the Southerly line of said subdivision said line being the centerline of S.E. 240th Street, 60 foot wide right-of-way, a distance of 645.90 feet thence North at right angles to said subdivision line, a distance of 42 feet to the True Point of Beginning;

Thence continuing North 168 feet; thence along a curve to the left, having a radius of 100 feet; thru a central angle of 24°50'04", an arc distance of 43.34 feet; thence East 29.25 feet; thence South 63°26'06" East a distance of 111.80 feet to a point 202 feet Northerly, as measured at right angles from said subdivision line; thence East 180 feet; thence South 160 feet; thence West, parallel to said subdivision line, a distance of 300 feet to the True Point of Beginning. Containing 1.3 acres more or less. All in King County, Washington.

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Lease Agreement - Page Two

In addition to the property leased, the School District will provide all convenient and necessary easements for utilities, ingress and egress.

The term of such lease shall be for a period of forty (40) years from the date above written. Upon expiration of said lease term, Lessee shall have an option to renew such lease upon terms to be negotiated between the parties, it being the intent at this date that the lease continue for at least the useful life of the building and structures to be located on the premises.

King County accepts the premises in the present condition and for the purpose of immediately constructing thereon a major indoor swimming pool.

King County shall be responsible for all charges for utilities or governmental charges or taxes that should be levied against the property and shall keep the property in good repair and insured against all damage and liability resulting from the use thereof.

King County shall at times when facilities on the leased premises are not to be used by King County permit the School District to use such facilities subject to a separate written Use Agreement between the two agencies.

In addition to the property leased, lessee shall have the exclusive use during pool operation hours, and for the term of this lease, of 40 parking stalls within the Tahoma High School parking lot, said stalls to be designated at time of final pool siting.

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Lease Agreement - Page Three

In addition to the exclusive use of the forty (40) parking stalls, lessee shall have the right to share with the lessor the use of the remainder of the parking lot, during pool operation hours and for the term of this lease, as pool requirements demand.

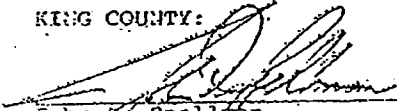
The lessee shall provide reasonable directional signs in the parking lot adequately informing the public of the permitted uses of the parking lot for swimming pool use.

King County agrees to hold the School District harmless and to indemnify and defend the School District against any claim or liability for damage to any person or property and costs incident thereto arising with respect to the leased premises, except when such damage is a result of School District sponsored or controlled activities on the leased premises or where such damage is attributable to some act or omission of the School District.

The School District agrees to hold King County harmless and to indemnify and defend King County against any claims or liability for damage to any person or property and costs incident thereto caused by the negligence of the School District or as a result of School District sponsored or controlled activities on the leased premises, and where such damage is not attributable to some act or omission of King County.

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands and seals the date first above written.

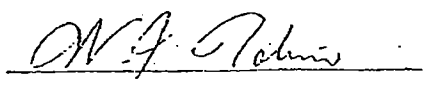
KING COUNTY:


John A. Spellman
County Executive

Approved as to Form and Legality:



TAHOMA SCHOOL DISTRICT NO. 409


Superintendent
(Title)

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Exhibit D

ASSIGNMENT OF LEASE

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Assignment") is entered into this ____ day of _____, 2004, by and between KING COUNTY, a political subdivision of the State of Washington (the "County") and the CITY OF COVINGTON, a political subdivision of the State of Washington (the "City"), and TAHOMA SCHOOL DISTRICT NO.409, a Washington municipal corporation (the "District").

WHEREAS, the County has leased certain real property from the District pursuant the Lease Agreement dated May 8, 1974 ("Lease"), which is attached as Exhibit A;

WHEREAS, the County has constructed a facility known as the Tahoma Pool ("Pool") on the property leased from the District pursuant to the Lease;

WHEREAS, the County and City have reached an agreement for transfer of ownership of the Pool from the County to the City, a copy of which in substantially final form has been provided to the District; and

WHEREAS, the Lease should accordingly be assigned to the City and the District approves of such assignment;

NOW THEREFORE, in consideration of the mutual promises made in this Assignment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignment. The County hereby assigns, transfers and conveys to the City all of the County's right, title, and interest in and to the Lease.

2. Assumption. The City hereby accepts and assumes all of the County's right, title and interest in and to the Lease and assumes all obligations of any kind or nature under the Lease that arise after the date of this Assignment. The City agrees for itself, its successors and assigns, to defend, indemnify, and hold harmless the County, its appointed and elected officials and employees, from and against any and all claims, liability, damages, demands, suits, judgments, costs, including attorney fees and costs of defense, which are caused by, arise out of, or are incidental to the City's breach or violation of the terms of the Lease or this Assignment.

3. Acceptance. The District hereby approves and accepts the assignment of the

Lease from the County to the City pursuant to the terms contained in this Assignment and releases the County from all obligations under the Lease, provided, however, this release shall not constitute a release from liability as to any County breach of the Lease that occurred prior to the date of this Assignment.

4. Counterparts. This Assignment may be executed in counterparts, and each set of duly delivered identical counterparts which includes all signatories shall be deemed to be one original document.

5. Applicable Law. This Assignment shall be governed by the laws of the State of Washington.

6. No Other Amendments. Except as otherwise modified or amended by this Assignment, all of the terms and conditions of the Lease remain unchanged.

Dated as of the date and year first above written.

KING COUNTY

CITY OF COVINGTON

By _____

By _____

Its _____

Its _____

TAHOMA SCHOOL DISTRICT No. 409

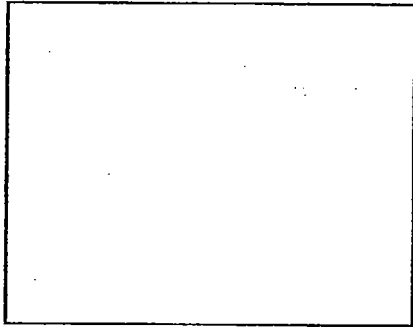
By _____

Its _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



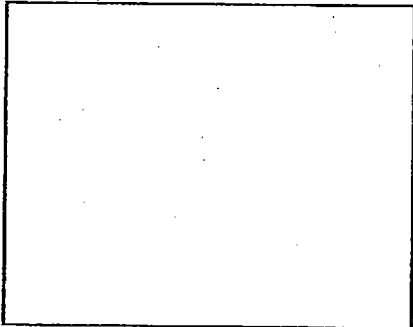
(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

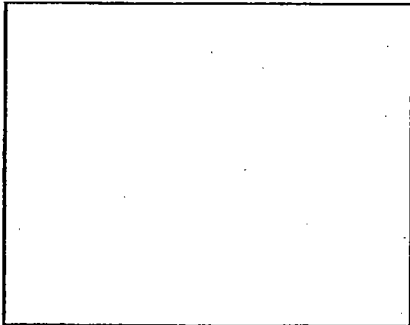
STATE OF WASHINGTON)
) ss.

15011

COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

15011

Exhibit E

Tahoma Pool Estimated Operating Costs for October 1 through December 30, 2004

Cost Item	Amount
Pool Manager	\$ 19,442
Senior Swim	13,404
Lifeguard	12,941
½ Pool Operator	8,530
Temporary Staff	30,800
Temporary Benefits	5,236
Maintenance Labor	800
Electricity	9,500
Water	3,500
Fuel	10,500
Chemicals	2,645
Office Supplies	150
Permits	100
Telecom	120
Other	4,013
<i>Total 2003 Operating Costs, before Overhead</i>	<i>\$121,681</i>
County Overhead (32.5%)	\$ 39,546
Major Maintenance Estimate	3,936
Major Maintenance Overhead (32.5%)	1,279
Total Operating Cost	\$166,442
Estimated Revenue	\$ 59,261
Total Net Operating Cost for October 1 through December 30 2004	\$107,181