

After recording return to:
Foster Pepper & Shefelman
Attention: Gary N. Ackerman
1111 Third Avenue, Suite 3400
Seattle, Washington 98101-3299

EASEMENT AND MAINTENANCE AGREEMENT

THIS EASEMENT AND MAINTENANCE AGREEMENT ("Agreement"), effective as of December 28, 1994, is entered into by and between PEACEHEALTH, a Washington nonprofit corporation ("PeaceHealth"), and PROVIDENCE POINT UMBRELLA ASSOCIATION, a Washington nonprofit corporation ("PPUA"), and hereinafter collectively referred to as the "Parties".

RECITALS:

A. PPUA is the owner of a certain parcel of real property located in King County, Washington, more particularly described in Exhibit A attached hereto and made a part hereof ("Servient Estate").

B. PeaceHealth is the owner of those certain parcels of real property located in King County, Washington, more particularly described in Exhibit B attached hereto and made a part hereof ("Dominant Estate").

C. PeaceHealth desires to receive and PPUA desires to grant to PeaceHealth a perpetual nonexclusive easement which is appurtenant to and running with the Dominant Estate for ingress and egress over and under the Servient Estate upon the terms and conditions hereinafter set forth.

AGREEMENT:

In consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Recitations. The foregoing recitations are true and correct and are hereby incorporated herein by this reference.

2. Grant of Easement. PPUA hereby grants to PeaceHealth a perpetual nonexclusive easement which is appurtenant to and running with the Dominant Estate ("Easement") over and across the Servient Estate (the "Road") for the purpose of providing ingress and egress (both pedestrian and vehicular) to the Dominant Estate over the Road; provided, however, that (i) PeaceHealth's use of the Road shall be subject to PPUA's coextensive right to use the Road, and (ii) each of the Parties shall not unreasonably interfere with the other Party's use thereof.

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3. Repair and Bid Process. In the event PPUA determines there exists the need for maintenance and repair work to the Road (the "Work"), the following processes shall apply:

3.1 For Work, the estimated cost of which is less than \$5,000, PPUA shall provide to PeaceHealth advance written notice of the Work to be performed, its estimated cost and the dates it contemplates on which such Work will occur.

3.2 For Work, the cost of which exceeds \$5,000, the following process shall apply:

3.2.1 PPUA shall submit in writing to PeaceHealth a description of the Work and the names of two contractors from which it intends to solicit bids for the Work and a request that PeaceHealth submit the names of two additional contractors willing to bid on the Work. PeaceHealth shall furnish the names of the additional contractors within ten business days after receipt of the request from PPUA.

3.2.2 After receiving bids from the contractor's, PPUA shall submit to PeaceHealth a copy of each of the bids for the Work and PPUA's first choice of contractor.

3.2.3 Within ten business days after receipt of the writing set forth in Section 3.2.2, PeaceHealth shall notify PPUA in writing of its acceptance or rejection of PPUA's first choice of bid. If PeaceHealth fails to notify PPUA within such ten-day period, PeaceHealth shall be deemed to have accepted PPUA's first choice of bid.

3.2.4 In the event PeaceHealth does not agree with PPUA's first choice, the Parties shall attempt to resolve the dispute in good faith.

3.2.5 If the Parties are unable to agree on a bid within ten business days of PPUA's receipt of PeaceHealth's rejection, the selection of the contractor shall be subject to arbitration pursuant to Section 11.

3.3 PPUA shall advise PeaceHealth of any routine or other planned Work as far in advance as is reasonable, so that PeaceHealth can reasonably budget for the cost of contribution and otherwise plan for the Work.

4. Contribution. PPUA shall pay initially all costs of the Work; however, PeaceHealth shall contribute 60 percent of the cost of the Work ("PeaceHealth's Contribution Amount") in the following manner: Upon completion of Work done under Section 3.1 (Work costing less than \$5,000), PPUA shall submit to PeaceHealth a detailed and itemized bill reasonably substantiating and stating the total cost of the Work and PeaceHealth's Contribution Amount.

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Upon completion of Work done under Section 3.2 (Work pursuant to bid), PPUA shall submit to PeaceHealth a copy of the invoice(s) from the contractor and a statement of PeaceHealth's Contribution Amount. PeaceHealth shall pay to PPUA PeaceHealth's Contribution Amount within 45 days after receipt of the bill. If not paid in full within such 45-day period, unpaid portions of PeaceHealth's Contribution Amount shall bear interest at the rate of 12 percent per annum from the date PeaceHealth received the bill until it is paid in full.

5. Ownership of Road/Responsibility for Maintenance; Indemnification. Notwithstanding any other provision in this Agreement, the Parties agree that PPUA is the sole owner of the Road and has the ultimate responsibility for its condition, subject to contribution from PeaceHealth as provided herein, responsible for compliance with all applicable laws and regulations affecting the Road, and shall indemnify, defend and hold PeaceHealth harmless from and against any liability, loss, damage, expense, action or claim, including costs and reasonable attorney's fees arising directly or indirectly from the Work on the Road, except PeaceHealth's obligations under this Agreement and any actions of PeaceHealth.

6. Legal Status. Notwithstanding anything to the contrary herein, if performance by any of the Parties hereto of any provision this Agreement shall jeopardize the tax-exempt status of PeaceHealth, or the ability of PeaceHealth to issue tax-exempt bonds, or should cause PeaceHealth to be in violation of applicable law or regulation, such provision shall be renegotiated by Parties. In the event the Parties are unable to renegotiate such provision within a reasonable time, PeaceHealth shall have the right to terminate this Agreement upon written notice to PPUA whereupon the aforesaid Grant of Easement shall terminate.

7. Access to Books and Records. During the term of this Agreement and for a period of four years after the Agreement's termination, PPUA shall grant access to the Secretary of U.S. Department of Health and Human Services ("Secretary"), the U.S. Comptroller General, and their authorized representatives to the following documents: this Agreement and all books, documents, and records necessary to verify the nature and cost of services. If PPUA carries out the duties of this Agreement through a subcontract worth \$10,000 or more over a 12-month period with a related organization, the subcontract shall also contain a clause permitting access by the Secretary, Comptroller General, and their authorized representatives to the related organization's books, documents, and records.

8. Assignment. PeaceHealth may assign its interest in this Agreement or any percentage thereof in the event it sells,

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transfers, or otherwise assigns its interest in any of the properties it owns which are adjacent to the Road without PPUA's written consent, but notwithstanding such assignment, sale, or transfer, PeaceHealth shall continue to be liable for the contribution obligation set forth in Section 4 for Work commenced prior to such assignment.

9. Easement. If any action by any entity disturbs the rights of PeaceHealth to access the Road, PeaceHealth shall have no further obligation to contribute towards the Work until such right is restored.

10. No Partnership. Nothing in this Agreement shall be construed to create a partnership between the Parties. The Parties agree that the sole responsibility of PeaceHealth shall be to contribute to the cost of the Work as described above.

11. Arbitration. In the event of any dispute which involves any provision of this Agreement, such dispute shall be resolved by arbitration by the American Arbitration Association pursuant to its commercial rules and regulations in Bellevue, Washington, with one arbitrator. Either party hereto may commence such arbitration at any time by a written request therefore sent to the American Arbitration Association of its office in King County, Washington, with immediate notice thereof given to the other party. Judgment upon the award rendered by the arbitrator may be entered into the judgment docket of any court having jurisdiction thereof. Each Party shall be solely responsible for its attorneys' fees, expenses of witnesses and other costs of preparation and presentation of that Party's position. The obligations set forth in this Section shall survive the termination of this Agreement.

12. Notices. Any and all notices required or permitted hereunder shall be delivered personally to the Party to be notified, or sent by certified mail, return receipt requested, or by confirmed facsimile transmission, to the following address or to such other and different address as one Party may notify the other Party in writing.

PeaceHealth

15325 S.E. 30th Place
Suite 300
Bellevue, WA 98007
Attn: Alice J. Becker
Assoc. General Counsel
Phone: (206) 747-1711
Fax: (206) 649-3825

PPUA

4135 "A" Providence Point
Drive, S.E.
Issaquah, WA 98027
Attn: Property Manager
Phone: (206) 392-9483
Fax: (206) 392-2539

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13. Severability. Any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair, or invalidate any other provision hereof, and such other provisions shall remain in full force and effect.

14. Waiver. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

15. Complete Understanding. This Agreement contains the entire understanding of the parties hereto and there are no other written or oral understandings or promises between the Parties with respect to the subject matter of this Agreement other than those contained herein.

16. Binding Effect. The covenants contained in this Agreement are not personal, but shall run with the land and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, transferees or successors in interest.

17. Appurtenant Easement. The Dominant Estate is adjacent and contiguous to the Servient Estate and this Easement is granted for the benefit of the Dominant Estate and, therefore, is an easement appurtenant thereto. Notwithstanding the foregoing and any other provision of this Agreement to the contrary, the parties understand, acknowledge and agree that PeaceHealth otherwise has access to the Road to and from the adjacent parcels pursuant to the road and utility easement shown on Short Plat No. 983051 R as recorded under King County Recorder's No. 8503069003, a copy of which is attached hereto as Exhibit C and made a part hereof, and that nothing in this Agreement shall be construed to otherwise waive the rights of PeaceHealth with regard to such easement or otherwise preclude or prevent PeaceHealth from exercising such rights; provided, however, that the existence of such prior rights shall not affect the obligations of PeaceHealth under this Agreement.

18. Enforcement. In the event of a breach of any of the covenants or agreements set forth in this Agreement which are not resolvable by arbitration, the parties shall be entitled to any and all remedies available at law or in equity, including but not limited to the equitable remedies of specific performance or mandatory or prohibitory injunction issued by a court of

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appropriate jurisdiction. The parties hereto agree that in the event it becomes reasonable for any party to defend or institute court proceedings as a result of the failure of either party to comply with the terms, covenants, agreements and/or conditions of this Agreement, it is understood and agreed that the prevailing party in such litigation shall be entitled to be reimbursed for all costs incurred or expended in connection therewith, including, but not limited to, reasonable attorney's fees (including appellate fees) and court costs.

19. Amendment. This Agreement may not be modified or amended by course of dealing or without the prior written approval of the then owners of the land who are benefited or burdened by the provisions of any amendment to this Agreement.

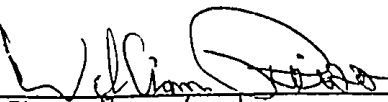
20. Captions. The captions and paragraph headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement, nor the intent of any provision hereof.

THIS EASEMENT AND MAINTENANCE AGREEMENT is executed in duplicate original by the parties, intending to be legally bound, as of the date first written above.

PPUA:

PROVIDENCE POINT UMBRELLA ASSOCIATION

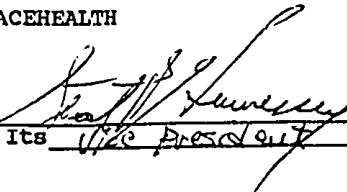
By


Its President

PeaceHealth:

PEACEHEALTH

By


Its Vice President

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STATE OF WASHINGTON)
) SS.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that William Reiss is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of PROVIDENCE POINT UMBRELLA ASSOCIATION, a Washington nonprofit corporation, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

Dated this 21st day of December, 1994.

[Signature]

(Signature of Notary)

F.G. Mead, Jr

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at Edmonds

My appointment expires 2-1-97

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STATE OF WASHINGTON)
) SS.
COUNTY OF King)

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

Dated this 28th day of December, 1994.

[Signature]

(Signature of Notary)

Karen Gilson

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at Renton, WA

My appointment expires 5/15/96

Exhibit A
to
Easement and Maintenance Agreement

Servient Estate - PPUA's Property

That portion of Lot 1 shown as "PRIVATE ROAD & UTILITY EASEMENT" on King County Short Plat No. 983051 R, as recorded under Recorder's No. 8503069003, records of King County, Washington.

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Exhibit B
to
Easement and Maintenance Agreement

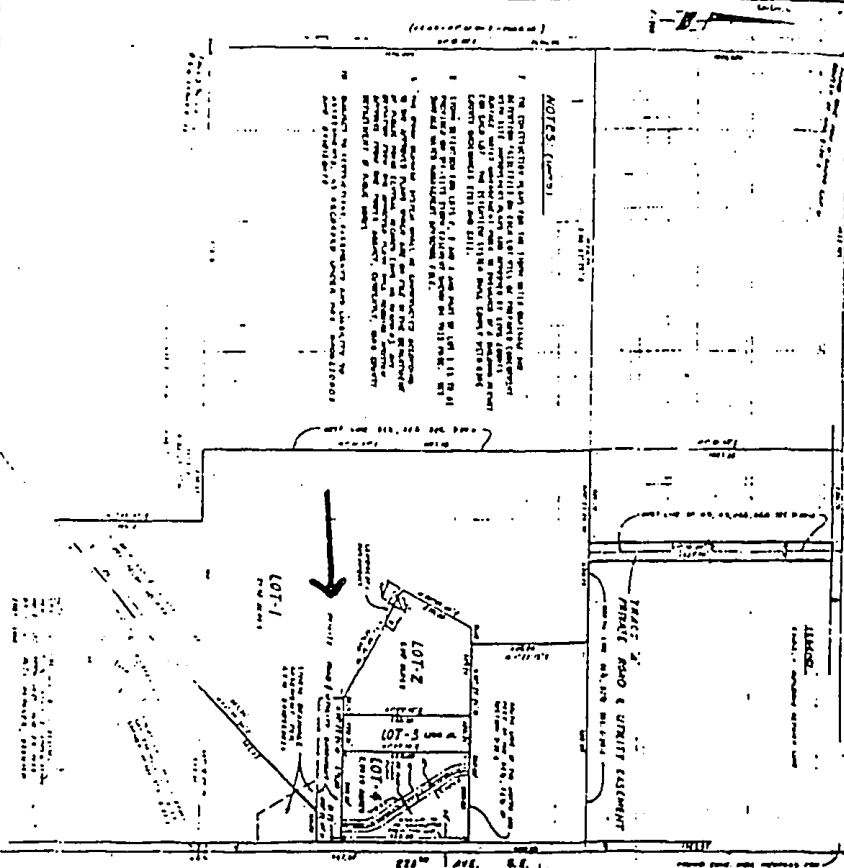
Dominant Estate - PeaceHealth's Property

Lots 2, 3 and 4 of King County Short Plat No. 983051 R, as recorded under Recorder's No. 8503069003, records of King County, Washington.

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PORTION OF THE SEEN OF SECTION 3, T8N, R43E, N3W AND THE NEEN, N4E, N3E, SECTION 10, T8N, R43E, N3W



NOTES:

1. The description of the land shown in this plat was prepared by the surveyor from the original survey records and the original plat of the land shown in this plat. The surveyor has not been able to locate the original plat of the land shown in this plat. The surveyor has not been able to locate the original plat of the land shown in this plat. The surveyor has not been able to locate the original plat of the land shown in this plat.

NOTES:

1. The survey was made by the surveyor on the 10th day of August, 1951, and the survey was completed on the 10th day of August, 1951.
2. The survey was made by the surveyor on the 10th day of August, 1951, and the survey was completed on the 10th day of August, 1951.
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LEGAL DESCRIPTION:

The portion of the SEEN of SECTION 3, T8N, R43E, N3W and the NEEN, N4E, N3E, SECTION 10, T8N, R43E, N3W, containing the land shown in this plat, is described as follows: ...

RECORDS CLERK
 ILLA HANSEN
 KING COUNTY

WARDEN'S CLERK
 WARDEN'S CLERK



JUDITH A. AISCHE, REC.
 180 S. 14th St., Suite 201
 FEDERAL BLDG., 800 BMS
 SEATTLE, WA 98101

RECORD OF SURVEY
 SHEET 1417 NA 1418/14
 SHANNON - DEAN CORPORATION
 KING COUNTY, WASHINGTON
 SHT 1
 OF 1