

**Memorandum of Agreement
for Funding of Schools in Highline School District**

This Agreement is entered into this 4th day of June, 2004 by and between the Port of Seattle ("the Port") and the Highline School District ("the District") (collectively, "the Parties").

Whereas, the Federal Aviation Administration (FAA), the Port and the District signed a Memorandum of Agreement on June 4, 2002 (June MOA) with details on the District insulation program, roles and responsibilities, administrative procedures, and other aspects of funding the sound insulation program and associated tasks;

Whereas, the Port through work with the State Legislature committed 15 Million Dollars for District schools over and above existing Port and FAA commitments for work associated with sound insulation for District schools;

Now, therefore, the Parties agree as follows:

1. Use of Funds. The Port will contribute Fifteen Million Dollars (\$15,000,000) from Port ad valorem tax revenues to the District ("Port Funds"), in addition to the moneys defined in the June MOA, for implementation of the District's capital improvement program; *provided*, that the parties agree that the Port Funds may include federal funding sources, to the extent such fund sources become available for uses consistent with the Port funding obligations under this Agreement. The District will give priority consideration in the application of the Port Funds to capital improvements at the 15 schools named in the June MOA. Six Hundred and Fifty Thousand Dollars (\$650,000) per year, not to exceed a total of Six Million Five Hundred Thousand Dollars (\$6,500,000) of the Port Funds paid under this Agreement may be applied by the District to its Aviation High School. At the District's discretion, an amount not to exceed Seventy-five Thousand Dollars (\$75,000) of the Port Funds may be used to monitor the District's apprenticeship program.

2. Existing Procedures and Requirements. To administer these funds, the District and the Port will use applicable administrative requirements and reimbursement procedures contained in Section 11(a) of the June MOA. (See attachment A, Memorandum of Agreement for Sound Insulation in the Highline School District, June 4, 2002.). Any additional procedures needed to administer the Port Funds will be jointly developed by the District and the Port by no later than July 31, 2004.

the case of the Port, while the Managing Director, Aviation (or his/her designee) will attend, final authority for settlement may be subject to the approval of the Port Commission or that of its designee.

c. The Parties may bring no litigation on a dispute unless the dispute has been properly raised and considered in the above mediation procedure. The parties to the mediation shall share the mediator's fee and any filing fees equally. The mediation shall be held in King County, Washington. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

7. Hold Harmless/Indemnification. Each party shall indemnify and hold harmless from and against any and all claims, actions, damages, liability, and expense, including, without limitation, reasonable attorney's fees incurred thereby or in proving the right to indemnification, incurred as a result of such party's actions or omissions under this Agreement; *provided that*, if such claims, actions, damages, liability, or expense arise from concurrent negligence of two or more of the parties, including without limitation instances where this Agreement is subject to the provisions of RCW 4.24.115, then the obligation to indemnify under this Agreement shall be effective only to the extent of each party's own negligence. No party shall be required under this Paragraph to indemnify another for its sole negligence.

8. Notices. All notices under this Agreement may be delivered or mailed. If mailed, they shall be sent to the following respective addresses:

To: Highline School District
Superintendent
15675 Ambaum Blvd. SW
Burien, WA 98166

To: Port of Seattle
Aviation Director
P.O. Box 68727
Seattle, WA 98168-0727

9. Applicable Law. This Agreement shall be governed by the laws of the State of Washington.

10. Severability. If any provision of this Agreement shall be held invalid, the remainder of the Agreement shall not be affected thereby if such remainder would then continue to serve the purposes and objectives of the Parties.

11. Non-Waiver. Waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any prior or subsequent breach, and shall not be construed to be a modification of this Agreement.

12. Amendments/Modifications. This Agreement may be amended or modified by written agreement of the Parties.

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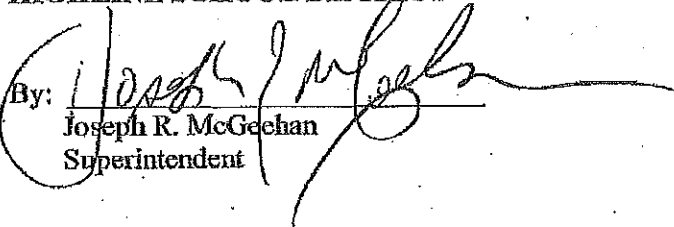
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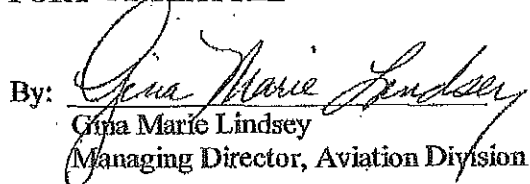
13. Entire Agreement. This Agreement contains the entire agreement of the Parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the Parties not embodied herein shall be of any force or effect.

In witness whereof, the Parties have caused this Agreement to be executed on the date first written above.

HIGHLINE SCHOOL DISTRICT

By: 
Joseph R. McGeehan
Superintendent

PORT OF SEATTLE

By: 
Gina Marie Lindsey
Managing Director, Aviation Division