

Property Settlement Summary

New York Quarterly Meeting [Trustees] & Friends Seminary

December 4, 2015

The New York Quarterly Meeting [Trustees] and Friends Seminary have agreed on the following terms for a property settlement pursuant to separate incorporation:

- 1) The Masonic Temple and the Townhouses will be deeded to Friends Seminary
- 2) The 1964 Building will be provided to Friends Seminary in a 99-year ground-lease, giving Friends Seminary autonomy over its internal and external configuration and use. The lease can be renewed for a second 99 years if Friends Seminary is still occupying the property on expiration.
- 3) The Old School Building and its Courtyard will be provided to Friends Seminary in a 75-year triple-net lease, giving Friends Seminary autonomy over its internal configuration and use.
- 4) The Central Building and the Meetinghouse will be retained by NYQM. The property agreement will provide for shared use of the Meeting Room, the Lounge, the Common Room, and the Inner and Meetinghouse Courtyards during weekdays and at other times as scheduled. Friends Seminary will have exclusive use, and the responsibility for maintenance and repair, of the Cafeteria and the Seeger Center (with sharing of the Cafeteria as customary). The NYQM will otherwise have responsibility for maintenance, improvement, and repair for all these spaces.
- 5) Friends Seminary will receive the 20,500 sf of development rights that it needs to complete the campus redevelopment project.
- 6) Friends Seminary will convey to NYQM \$775,000 annually for this use. As NYQM is assuming responsibility for the upkeep of these historic properties, NYQM commissioned a preliminary facilities assessment to review its likely capital costs going forward. This assessment revealed a substantial backlog of needed improvements to maintain these spaces. A preponderant share of Friends Seminary's financial contribution to the QM will be dedicated to this work, and to the ongoing needs of the aging buildings, the fruits of which will be shared by both. Additionally, Friends Seminary and NYQM will each contribute \$175,000 annually to a Capital Reserve Fund to insure that funds are available for needed improvements going forward. These figures will be subject to resets and escalations to account for changing costs and inflation.

In light of the complexity of executing these changes, and also in light of Friends Seminary's space and financial needs in the three years ahead during which it will be pursuing its construction project, these terms, both spatial and financial, will roll out sequentially at a rate agreed to by both.