

15027

Attachment C

GROUND LEASE

2004-370

This Ground Lease ("Lease") is made as of the 23 day of December, 2002, by and between Society of St. Vincent de Paul, Council of the Seattle Area, as "Landlord" and KING COUNTY, a political subdivision of the State of Washington, as "Tenant" with reference to the following facts:

RECITALS

A. Landlord is the owner of approximately 145,470 square feet of land (the "Real Property") located at 7304 Bothell Way NE, in Kenmore, Washington and more particularly described in Exhibit A attached hereto and by this reference incorporated herein.

B. Tenant wishes to lease a portion of the Real Property for use as a park-and-ride facility and transit center. Landlord has agreed to enter into this Lease with Tenant on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Incorporation of Recitals; Basic Lease Terms. Each recital set forth above is incorporated into this Agreement as though fully set forth herein. This Section contains the Basic Lease Terms of this Lease between Landlord and Tenant named above.

a. Premises: (Section 2)

A portion of the Real Property located at 7304 Bothell Way NE, in Kenmore, Washington

b. Term: (Section 2.4)

Approximately fifty (50) years

c. Option to Extend: (Section 2.5)

Two options to extend for ten (10) years each

d. Rent: (Section 3)

The rent payable by Tenant under this Lease.

TABLE OF CONTENTS

1. Incorporation of Recitals; Basic Lease Terms 1

2. Premises 2

3. Rent 4

4. Taxes and Assessments 5

5. Compliance with Legal Requirements and Agreements 6

6. Use 6

8. Maintenance 7

9. Ownership of Improvements 7

10. Liens 7

11. Indemnification 8

12. Insurance 8

13. Destruction 9

14. Condemnation 9

15. Assignment and Subletting 10

16. Hazardous Substances 10

17. Default 11

18. Remedies 11

19. Attorneys' Fees 12

20. Surrender; Holding Over 12

21. Broker 13

22. Miscellaneous Provisions 13

Exhibit A - Legal Description 1

Exhibit B - Map of Premises 1

Exhibit C - Confirmation of Lease Commencement and Expiration Dates 2

Exhibit D - Memorandum of Lease 1

15027

e. Notice Addresses:

Landlord: Society of St. Vincent de Paul, Council of the
Seattle Area
Executive Director
5950 4th Avenue South Seattle, WA 98108
Facsimile: 206-767-6439

With a copy to:

Tenant: King County
Department of Transportation
201 S. Jackson St.
M.S. KSC-TR-0817
Seattle, WA 98104
Attention: Edward Walker
Facsimile: 206-684-1968

With a copy to:

2. Premises.

2.1 Lease to Tenant. In consideration of the Rent to be paid and the covenants and agreements hereinafter provided which Tenant hereby agrees to keep and perform, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises. The Premises shall mean the real property outlined in red on the map attached hereto as Exhibit B, consisting of approximately eighty six thousand two hundred fourteen square feet (86,214).

2.2 Boundary Line Adjustment. Landlord acknowledges the Premises contains portions of more than one parcel of the Real Property. Landlord, at its sole expense and prior to the Commencement Date of this Lease, shall cause a Boundary Line Adjustment to be submitted to and approved by the City of Kenmore, which will establish the Premises as a separate legal lot.

2.3 Title to Real Property. Landlord warrants that it owns the Real Property and the Premises in fee simple and that it has full right to make and enter into this Lease and that

15027

Tenant shall have quiet and peaceable possession and enjoyment of the Premises during the term of this Lease and any extensions thereto.

2.4 Term. This Lease shall be for a term of fifty (50) years commencing April 1, 2003, if each of the following conditions is satisfied: (a) this Lease has been fully executed by Landlord and Tenant, (b) the Boundary line Adjustment to the Real Property, as approved by Tenant, has been completed and any other government agency approvals required to lease the Premises for use as a park-and-ride facility have been obtained, (c) this Lease has been approved by the King County Council, which approval shall occur no later than July 1, 2002 and (d) the premises have been cleared of all outbuildings and is available for Tenant's use. (the "Commencement Date") If all of the above conditions have not been satisfied by April 1, 2003, the Commencement Date shall be the first day of the first month following the date all conditions have been satisfied. The Lease shall expire on the Expiration Date, unless sooner terminated pursuant to this Lease. Landlord and Tenant shall confirm the Commencement and Expiration Dates of this Lease by executing a written Confirmation of Commencement and Expiration Dates in the form attached hereto as Exhibit C, which shall thereafter constitute and form a part of this lease.

2.5 Option to Extend. So long as Tenant is not in default under this Lease, and there is no event that with the giving of notice, the passage of time, or both, would constitute an event of default under this Lease, Tenant shall have the right to extend the Term of this Lease for two additional ten (10) year terms the "Extension Terms") on the same terms and conditions as set forth in this Lease. Tenant shall exercise its right to extend the Term of this Lease by giving written notice to Landlord of its intent to extend the Term of this Lease at least six (6) months prior to the Expiration Date of this Lease. Tenant shall also give Landlord at least six (6) months prior written notice if Tenant has elected not to extend the Term of this Lease for the Extension Term. Tenant shall have no other right to extend the Term of this Lease beyond the expiration of the Extension Term, unless the parties in their sole discretion agree otherwise in writing.

2.6 Right of First Offer. If at any time after the date of this Lease Agreement and prior to the expiration of the Lease Term and any Extensions, Landlord desires to sell the Premises, Landlord shall provide Tenant the right of first offer to purchase the Premises for a purchase price to be established pursuant to agreement of the parties as set forth herein or pursuant to the process described in Subsection 3.5 below. Before marketing or offering the Premises for sale, Landlord shall provide Tenant with notice of its intent to sell (the "Sale Notice"). The Sale Notice shall be in writing and shall specify the minimum terms and conditions under which Landlord would be willing to sell the Premises (the "Minimum Terms"). The Minimum Terms shall include the purchase price (which shall be based on an MIA appraisal of the Premises, the form of conveyance deed to be provided by Landlord, a general description of the representations and warranties to be provided by Landlord and a preliminary title commitment for the Premises. Tenant shall have thirty (30) days in which to decide whether to accept the purchase price described in the Sale Notice or to request arbitration as set forth in Subsection 3.5. Following completion of said arbitration, Tenant shall have sixty (60) days in

which to exercise its right of first offer to purchase the Sale Property on the Minimum Terms or on such other terms as mutually agreed between Landlord and Tenant.

3. Rent. Tenant shall pay Landlord as and when provided herein, the Rent set forth in the remainder of this Section 3. without deduction, offset, prior notice or demand.

3.1 Base Rent. Tenant agrees to pay Landlord the sum of two hundred sixteen thousand dollars (\$216,000.00) as base rent for the first year of the Lease Term, payable in monthly installments of eighteen thousand dollars (\$18,000.00). The First installment of the Base Rent is due and payable in full on the Commencement Date of this Lease. Subsequent payments of installments will be due on the first day of each month thereafter, during the Term of this Lease.

3.2 Prepaid Rent. Notwithstanding that Tenant's duty to pay Rent shall not commence until the Commencement Date, Tenant shall make one payment of prepaid rent, in the amount of \$50,000.00, which shall be used by Landlord to pay for the cost of removal and disposition of all existing structures on the Premises. Said Prepaid Rent shall be paid by Tenant within fourteen (14) days of approval of this Lease by ordinance adopted by the King County Council or within three (3) days of the effective date of said ordinance, whichever occurs earlier.

3.3 Application of Prepaid Rent. The Prepaid Rent paid by Tenant shall constitute a credit to be applied to initial installments of the Base Rent until exhausted.

3.4 Adjustments to Base Rent. On each annual anniversary of the Commencement Date of this Lease (the "Adjustment Date") commencing on the first (1st) anniversary of the Commencement Date of this Lease, the Base Rent shall be increased from the Base Rent then in effect by two (2) percentage points.

3.5 Recalculation of Base Rent for Term Extensions. Upon receipt of Tenant's Notice of Intent to Extend the Lease as described above in Section 2.5, Landlord shall recalculate the Base Rent for the Extension Periods to reflect fair market rental value as of the Expiration Date of the Lease Term.

3.5.1 Fair Market Rental Value Defined. For all purposes required under this Lease, "Fair Market Rental Value" is defined as: An amount in the competitive market that a well-informed and willing lessor, who desires but is not required to lease, would accept, and which a well-informed and willing lessee, who desires but is not required to lease, would pay for the use of the premises, after due consideration of all the elements reasonably affecting value.

3.5.2 Arbitration. If Landlord and Tenant cannot agree upon the Base Rent recalculation, the Base Rent for the Extension Periods will be adjusted by arbitration. Landlord and Tenant will select one arbitrator each, and the two selected arbitrators will select a third. If the two arbitrators have not selected a third arbitrator within thirty (30) days after the selection of the last selection of the two, either Landlord

or Tenant may apply to the presiding Judge of the Superior Court in King County for the appointment of a third arbitrator. Each arbitrator will be a member of the American Institute of Real Estate Appraisers, or of the Society of Real Estate Appraisers, or of some equivalent body. If in the future, a licensing requirement for real estate appraisers is imposed by any legislative body, each arbitrator shall be licensed. The three arbitrators will determine the Fair Market Rental Value for the premises. The decision of a majority of the arbitrators will bind both Landlord and Tenant. As the conclusion of the arbitration, the arbitrators will submit written reports to Landlord and Tenant, which shall contain all pertinent evidence that led to their conclusion together with an explanation of their reasoning for such conclusion.

3.5.3 Cost Of Arbitration. The cost of the arbitration will be divided equally between Landlord and Tenant.

3.5.4 Rent Pending Recalculation. In the event resolution of the rental recalculation not completed prior to the commencement of the Extension Term being considered, Tenant shall, pending resolution of such rental recalculation, continue to pay Landlord the rental then in effect.

3.6 Adjustments to Extension Terms Base Rent. The Base Rent for the Extension Terms will be adjusted annually as described above in section 3.4.

3.7 Payments to Third Parties. Tenant shall pay all other sums required to be paid by Tenant to third parties under this Lease, when the same shall be due and payable and in all events prior to delinquency. Such payments shall include all costs, expenses, fees, services and charges of all kinds for heat, water, light, gas and telephone, and for all other utilities used on the Premises so that the same shall not become a lien against the leased premises or the Real Property.

4. Taxes and Assessments.

4.1 Payment by Landlord. Landlord shall pay all Taxes directly to the applicable governmental agency prior to delinquency and shall provide proof of such payment to Tenant promptly upon request.

4.2 Definition of Taxes. Taxes shall include all real and personal property taxes and assessments (including assessments for public improvements), license and permit fees, charges for public utilities, leasehold excise taxes, other excise taxes, levies, sales, use and occupancy taxes, business and occupation taxes, all gross receipts or similar taxes (i.e., taxes based upon gross income which fail to take into account deductions with respect to depreciation, interest, taxes or ordinary and necessary business expenses relating to the Premises), any tax or charge assessed against the Rent or fair market value of the Premises and any taxes levied or assessed in addition to or in lieu of, in whole or in part, such taxes, assessments or other charges (including any leasehold excise taxes which may from time to time be levied on the leasehold estate created by this Lease and all other governmental impositions and charges of every kind

and nature, general and special, ordinary and extraordinary, foreseen and unforeseen of every character (including interest and penalties thereon) which at any time during or in respect of the Term may be imposed, levied upon or assessed against or which arise with respect to or constitute a lien upon the Premises (or any part thereof), the leasehold estate created by this Lease or any part thereof, or any occupancy, use or possession of or activity conducted on the Premises or any part thereof. To the extent Taxes, assessments or other charges can be paid in installments, Landlord may pay such Taxes in installments.

5. Compliance with Legal Requirements and Agreements. Tenant shall at its sole cost and expense comply with and perform all obligations with respect to (a) all applicable local, state and federal laws, ordinances and regulations, and other governmental rules, orders and determinations now or hereafter in effect, whether or not presently contemplated, applicable to the Premises, or its ownership, operation, use or possession (collectively, "Legal Requirements"), including, (without limitation), all those relating to parking restrictions, building codes, zoning or other land use matters, the Fair Housing Act of 1968, as amended, The Americans With Disabilities Act of 1990, as amended, life safety requirements, environmental compliance with respect to the handling, treatment, storage, disposal, discharge, use and transportation of Hazardous Substances (defined below) and (b) all contracts (including insurance policies, to the extent necessary to prevent cancellation and to insure full payment of all claims made under such policies), covenants, conditions and restrictions and all other documents applicable to the Premises and its ownership, operation, use or possession (collectively, "Agreements"), which compliance includes the making of any and all required physical alterations or structural changes to the Premises.

6. Use.

6.1 Use of Premises for Transit Purposes. Tenant intends to use the premises as a park-and-ride facility. Nothing herein, however, shall be deemed to limit Tenant's use of the Premises for other purposes, so long as said use complies with applicable land use codes and regulations and Tenant has obtained all applicable permits; provided that Tenant must also obtain prior written consent of Pacific Northwest Bank (Bank) and U.S. Bank Trust National Association (Bond Trustee), lienholders in the Premises. Said lienholders' consent may be withheld only if, in the opinion of qualified bond counsel, the proposed use will render the interest on the bonds taxable, pursuant to the applicable provisions of the Internal Revenue Code.

6.2 Suitability. Tenant acknowledges that neither Landlord nor any agent or employee of Landlord has made any representation or warranty with respect to the Premises. Tenant further acknowledges that Landlord has not agreed to undertake any modification, alteration or improvements to the Premises or to supply any utilities or other services to the Premises except removal of all structures on the Premises upon receipt of Tenant's Prepaid Rent and non-separated utilities.

6.3 Prohibited Uses. Tenant shall not allow the Premises to be used for any unlawful purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

7. Utilities. Except for Utilities, which may jointly serve the Premises and the remainder of the Real Property, Tenant shall be solely responsible for and shall pay separately for all charges for Utilities used or consumed in the Premises. Tenant shall make any necessary arrangements to have all such services or Utilities billed directly to and paid for directly by Tenant. "Utilities" means all utilities and services furnished to the Premises, including without limitation, gas, electricity, water, sewer, storm water, garbage collection and telephone service.

Landlord shall not be liable in its capacity as landlord for any loss or damage caused by or resulting from any variation, interruption or failure of Utilities or other services due to any cause whatsoever, and no temporary interruption or failure of such Utilities or other services incident to the making of repairs, alterations or improvements or due to accident or strike conditions shall be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations hereunder.

8. Maintenance.

8.1 Tenant Maintenance. From and after the Commencement Date of this Lease, Tenant shall, at its sole cost and expense, maintain the Premises at the same level of cleanliness and operation as the existing Kenmore Park & Ride lot. Landlord shall provide Tenant written notice of any maintenance or repair required to the Premises or of any default by Tenant in the performance of its obligations under this Section 8.1. Tenant shall have seven (7) business days after receipt of notice from Landlord detailing the need for maintenance or repair, to commence to perform its obligations under this Lease, except that Tenant shall perform its obligations as soon as reasonably possible if the nature of the problem presents a hazard or emergency.

8.2 Tenant's Failure to Maintain; Landlord's Remedies. Landlord at all reasonable times and on reasonable prior notice may enter the Premises for the purpose of inspection and to determine Tenant's compliance with the terms, covenants, conditions and requirements of this Lease. In the event Tenant fails to maintain the Premises in accordance with the terms of this Lease, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work.

9. Ownership of Improvements. During the Term of this Lease, and any extension thereof, any improvements constructed by Tenant on the Premises shall be the property of Tenant. Upon the expiration or earlier termination of this Lease, all improvements, additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed thereon and not removed by Tenant shall become the property of Landlord without further notice and without the payment of any additional consideration.

10. Liens.

10.1 Covenant Against Liens. Tenant covenants and agrees that it shall not during the Term of this Lease suffer or permit any lien, charge, security interest or encumbrance

(collectively, "Liens") to be attached to, upon or against the Real Property or the Premises, or any portion thereof or any Rent payable under this Lease for any reason, including without limitation, Liens arising out of the possession, use, occupancy, construction or repair of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Tenant. Tenant agrees to indemnify, protect, defend and hold Landlord harmless from and against all liabilities, losses, damages, expenses and costs (including reasonable attorneys' fees and costs) incurred in connection with any such Lien. Tenant's obligations pursuant to this Section 10.1 shall survive the expiration or earlier termination of this Lease.

10.2 Covenant to Remove Liens. Tenant will promptly remove and discharge any and all Liens which attach to, upon or against the Premises or any portion thereof (other than Liens or encumbrances arising through the actions of Landlord) or any leasehold interest of Tenant created under this Lease. Tenant reserves the right to contest the validity or amount of any such Lien in good faith provided that, within thirty (30) days after the filing of such Lien, Tenant discharges said Lien of record or records a bond which complies with the requirements of RCW 60.04.161 eliminating said Lien as an encumbrance against the Premises. In the event Tenant shall fail to so remove any such Lien, Landlord may take such action as Landlord shall reasonably determine to remove such Lien and all costs and expenses incurred by Landlord including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs shall be paid by Tenant as Additional Rent. Tenant's obligations pursuant to this Section 10.2 shall survive the expiration or earlier termination of this Lease.

11. Indemnification.

11.1 Tenant's Indemnity. To the extent permitted by law, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against any and all claims, debts, demands, obligations, losses, Liens, judgments or liabilities now or hereafter arising from the negligent acts or omissions of Tenant and its officers, employees or agents. Tenant upon notice from Landlord shall defend any such claim at Tenant's expense and with counsel reasonably satisfactory to Landlord. This indemnity shall survive the expiration or other termination of this Lease. This indemnity is for the sole benefit of Landlord and shall not inure to the benefit of any third party.

11.2 Landlord's Indemnity. To the extent permitted by law, Landlord shall protect, defend, indemnify and hold Tenant harmless from and against any and all claims, debts, demands, obligations, losses, Liens, judgments or liabilities now or hereafter arising from the negligent acts or omissions of Landlord and its officers, employees or agents. Landlord upon notice from Tenant shall defend any such claim at Landlord's expense and with counsel reasonably satisfactory to Tenant. This indemnity shall survive the expiration or other termination of this Lease. This indemnity is for the sole benefit of Tenant and shall not inure to the benefit of any third party.

12. Insurance.

12.1 Tenant's Liability Insurance. Tenant, as a charter county government under the constitution of the State of Washington, maintains, in the regular course of providing general purpose government services, a Risk Management Program as authorized by King County Code 4.12. Landlord acknowledges, agrees and understands that Tenant is self-funded for all of its liability exposures and that its self-funded program satisfies any obligation Tenant has to maintain liability insurance pursuant to this Lease. Tenant agrees, at its own expense, to maintain, through its self-funded program, coverage for its liability exposure for the duration of this Lease. Tenant agrees to provide Landlord with at least 30 days prior written notice of any material change in Tenant's self-funded program and will provide Landlord with a certificate of self-insurance as adequate proof of coverage.

12.2 Landlord as Additional Insured. Notwithstanding the foregoing provisions to the contrary, if, at any time during the Term, Tenant procures and maintains any policy of commercial general liability insurance (whether for extraordinary loss or otherwise), Tenant will promptly name Landlord, as well as the parties described above, as additional insureds under any such policy of liability insurance.

13 Destruction. In the event that there is any damage or destruction to the Premises, sufficiently substantial as to render the Premises unusable or substantially unusable as a parking lot, or such further use as may apply pursuant to Paragraph 6.1 or Paragraph 15 herein, then Landlord shall have the option to terminate the lease on thirty (30) days notice.

14. Condemnation.

14.1 Total Taking. If during the Term there is a taking or damaging of all or any portion of the Premises by the exercise of any governmental power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction over the Premises or a transfer by Landlord either under threat of condemnation or while legal proceedings for condemnation are pending (a "Condemnation") such that there can be no reasonable use of the Premises by Tenant, as reasonably determined by Tenant, this Lease shall terminate on the date the condemnor has the right to possession of the property being condemned. The award payable by the condemning authority with respect to the taking of the Premises shall be paid to Landlord. Tenant shall be entitled solely by a separate award that does not diminish any award to which Landlord would otherwise be entitled to the cost of moving and relocating Tenant's park and ride facility (including the cost of removal of Tenant's equipment and personal property, if any, owned by Tenant and located in the Premises) and any other award separately paid to Tenant. Tenant shall be entitled to participate in any such condemnation proceeding with respect to determining the award or portions of the condemnation award to which Tenant is entitled as contemplated above; provided, that in any event, Tenant shall be entitled to a refund of that portion of the Base Rent applicable to the period after Lease termination.

14.2 Partial Condemnation. If during the Term there is a partial taking of a part of the Premises by Condemnation, and Tenant determines that a reasonable use can be made of the remaining Premises by Tenant notwithstanding such Condemnation, then this Lease shall continue in effect, and Landlord shall promptly proceed to restore the Premises to substantially

its same condition prior to such taking, to the extent practicable after the taking, and the award payable to Landlord for the partial taking shall be applied to the cost of such repair or restoration, as necessary. Rent shall be abated or refunded proportionately based upon the extent to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration and following such repair, reconstruction or restoration Rent, shall be permanently reduced on the basis of the percentage of the Premises taken as a result of such Condemnation.

15. Assignment and Subletting. Tenant shall not sublet the Premises, in whole or in part, without the prior written consent of Pacific Northwest Bank (Bank) and U.S. Bank Trust National Association (Bond Trustee), lienholders in the Premises. No such sublease shall release Tenant from any of Tenant's obligations under this Lease. Tenant shall not assign or transfer this Lease or any interest in this Lease without the prior written consent of Pacific Northwest Bank (Bank) and U.S. Bank Trust National Association (Bond Trustee), which consent shall not be unreasonably conditioned, withheld or delayed. Said lienholders' consent may be withheld only if, in the opinion of qualified bond counsel, the proposed use will render the interest on the bonds taxable, pursuant to the applicable provisions of the Internal Revenue Code. Said lienholders shall be deemed to have consented to an assignment to a governmental successor to Tenant's metropolitan transportation function.

16. Hazardous Substances.

16.1 Condition of Premises. Landlord has not received any notice from any federal, state or local governmental agency regarding any violation of any Environmental Law and Landlord has no actual knowledge regarding the presence of any Hazardous Substances (as hereinafter defined) on the Premises in a manner or quantity that presently violates any Environmental Law.

16.2 Compliance with Laws and Regulations. Tenant hereby represents, warrants, covenants and agrees to and with Landlord that all operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, by Tenant, shall, throughout the Term of this Lease, be in compliance in all material respects with all state, federal and local Environmental Laws and regulations governing or in any way relating to the generation, handling, storage, use, transportation, discharge or disposal.

16.3 Indemnification; Remedial Work. Tenant shall not cause or knowingly permit any Hazardous Substances to be brought upon, kept or used in or about the Premises by Tenant, Subtenant or any of their respective agents, employees, contractors or invitees, except in compliance with all Environmental Laws. If Tenant breaches its obligations set forth above or if the presence of Hazardous Substances on or about the Premises caused or permitted by Tenant, or any of its agents, employees, contractors, subcontractors or invitees results in contamination of the Premises or surrounding area, then Tenant shall protect, defend, indemnify and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises), damages for the loss or restrictions on use of any space in the Premises, including, but not limited to, Park and Ride Spaces, damages arising from any adverse impact on marketability of the Premises, and

sums paid in settlement of claims, attorney's fees, consultant fees and expert fees) which arise during or after the Term of this Lease as a result of such contamination. If the presence of any Hazardous Substance on or about the Premises caused or permitted by Tenant or any of its agents, employees, contractors, subcontractors or invitees results in any contamination of the Premises or surrounding area, or causes the Premises or surrounding area to be in violation of any Environmental Laws, Tenant shall promptly take at its sole cost and expense all actions necessary to return the Premises and surrounding area to the condition existing prior to the introduction of such Hazardous Substance including all costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Substances present in the soil or ground water in, on, under or about the Premises; provided that Landlord's approval shall first be had and obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or surrounding area.

16.4 Survival. Each of the covenants, agreements, obligations, representations and warranties of Tenant set forth in this Section 16 shall survive the expiration or earlier termination of this Lease.

17. Default. The occurrence of any of the following shall constitute a default by Tenant under this Lease:

17.1 Payment. Failure to make any payments of Rent due under this Lease, if the failure to pay is not cured within thirty (30) days of the day when due; or

17.2 Other Failure to Perform. Failure to perform any other provision of this Lease, if the failure to perform is not cured within thirty (30) days after written notice of such default has been given by Landlord to Tenant. If the default cannot reasonably be cured within thirty (30) days, then Tenant shall not be in default under this Lease if Tenant commences to cure the default within thirty (30) days and diligently and in good faith diligently and continuously prosecutes such cure to completion; or

18. Remedies. In the event of any default or breach by Tenant, Landlord may, at any time thereafter without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

18.1 Maintain Lease in Effect. Landlord may maintain this Lease in full force and effect and recover the Rent, and any other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate this Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate this Lease, including removal of all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant.

15027

18.2 Termination of Right to Possession. Landlord may terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including without limitation thereto, the following: (i) the worth at the time of award of any unpaid Rent and Additional Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent and Additional Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent and Additional Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the damages proximately caused by Tenant's failure to perform its obligations under this Lease and the Related Documents or which in the ordinary course of events would be likely to result therefrom, including, without limitation, costs of reletting, tenant improvements and leasing commissions; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law. Upon any such reentry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in (i) above, the "worth at the time of award" is computed by allowing interest at the rate of twelve percent (12%) per annum from the date of default.

18.3 Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent, Additional Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Accordingly, if any installment of Rent, Additional Rent or any other sum due from Tenant shall not be received by Landlord within five (5) days after written notice by Landlord that such amount is due, Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

19. Attorneys' Fees. In the event either party requires the services of an attorney in connection with enforcing the terms of this Lease, or in the event suit is brought for the recovery of any Rent due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of said Premises to Landlord and/or eviction of Tenant during said Term or after the expiration thereof, the prevailing party will be entitled to a reasonable sum for attorneys' fees, witness fees, and court costs, including costs of appeal.

20. Surrender; Holding Over.

20.1 Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises in the same condition as it was on the Commencement Date, ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone excepted. Tenant at its expense shall (a) remove all of Tenant's Personal Property and those of all persons claiming under Tenant from the Premises and repair any damage to the Premises occasioned thereby; (b) remove all telecommunications and computer network wiring and cabling to the extent required by Landlord; and (c) peaceably surrender possession of the Premises. Any property left on the Premises after the expiration or termination of the Lease Term shall be deemed to have been abandoned and to have become the property of Landlord to dispose of as Landlord deems expedient, and Tenant shall be liable for all costs associated with the disposal of such property. Tenant hereby waives all claims for damages that may be caused by Landlord's reentering and taking possession of the Premises or removing and storing Tenant's property as herein provided and Tenant shall indemnify and hold harmless Landlord therefrom. No such entry shall be considered or construed to be a forcible entry.

20.2 Holding Over. If Tenant, with Landlord's consent remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on thirty (30) days notice given at any time by either party. During such month-to-month tenancy, Tenant shall pay all Rent required by this Lease as determined in accordance with Section 3. All provisions of this Lease, except those pertaining to Term, shall apply to the month-to-month tenancy.

20.3 Title to Improvements. Upon the expiration or earlier termination of this Lease, Landlord shall automatically acquire title to all improvements located on the Premises free and clear of any encumbrances arising by, through or under Tenant.

21. Broker. Landlord and Tenant each represent to the other that neither is represented by any broker, agent or finder with respect to this Lease in any manner. Each party agrees to indemnify and hold the other party harmless from and against any and all liability, costs, damages, causes of action or other proceedings instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in any manner whatsoever in connection with this Lease.

22. Miscellaneous Provisions.

22.1 Entire Agreement. This Lease together with all of the exhibits annexed hereto sets forth the entire agreement of the parties as to the ground lease of the Premises to Tenant and supersedes all prior discussions and understandings between them. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or representative of each party hereto.

22.2 Governing Law. This Lease shall be governed by and construed and enforced in accordance with the laws of the State of Washington.

15027

22.3 Severability. Should any of the provisions of this Lease be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the parties.

22.4 Jurisdiction. In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive in personam jurisdiction in the King County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Seattle, Washington.

22.5 Waiver. No waiver of any right under this Lease shall be effective unless contained in writing signed by a duly authorized officer or representative of the party sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

22.6 Captions. Paragraph and section captions contained in this Lease are included for convenience only and form no part of the agreement between the parties.

22.7 Notices. All notices or requests required or permitted under this Lease shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by facsimile transmission and shall be deemed given three (3) days following the date when mailed or on the date when delivered or faxed (provided the fax machine has issued a printed confirmation of receipt). All notices or requests shall be sent to Landlord and Tenant addressed as follows:

If to Landlord:

Society of St. Vincent de Paul, Council of Seattle Area
5950 4th Avenue South
Seattle, WA 98108

Attention: Executive Director
Facsimile: 206-767-6439

If to Tenant:

King County
Department of Transportation
201 S. Jackson St.
Seattle, WA 98104
M.S. KSC-TR-0817

Attention: Edward Walker
Facsimile: (206) 684-1968

Either party may change the address to which notices shall be sent by notice to the other party.

22.8 Binding Effect. This Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of assignment shall have been delivered to Landlord and Landlord shall have been furnished with the name and address of the assignee. The term "Tenant" shall be deemed to include the assignee under any such permitted assignment. The term "Tenant" shall include any successors to or assigns of the Tenant's interest in the Premises following any foreclosure of a Leasehold Mortgage, including Bond Trustee or any purchaser at a trustee's or sheriff's sale of Tenant's leasehold interest in the Premises.

22.9 Nature of Relationship. The relationship between the Landlord and Tenant shall be solely that of landlord and tenant. Nothing contained in this Lease shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership between Landlord and Tenant. No term or provision of this Lease is intended to be, or shall be, for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

22.10 Fair Construction. The provisions of this Lease shall be construed as a whole according to their common meaning not strictly for or against any party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Lease. Each party hereto and its counsel has reviewed and revised this Lease and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be construed in the interpretation of this Lease.

22.11 Recording. This Lease shall not be recorded, but following satisfaction of certain conditions precedent to the Commencement Date of this Lease, the parties shall execute a Confirmation of Commencement and Expiration Dates of this Lease in the form of Exhibit __ and, if requested by Tenant, a memorandum of this Lease in the form of Exhibit __ attached hereto which may be recorded. Within ten (10) days following the expiration or earlier termination of this Lease, Tenant shall execute and deliver to Landlord an instrument, in recordable form, confirming the termination of this Lease which instrument, at Landlord's option, may be placed of record in the King County real property records.

22.12 Time is of the Essence. The parties hereto expressly agree that time shall be of the essence as to each and every obligation created under this Lease.

22.13 Counterparts. This Lease may be executed in counterparts, which when attached to the body of the Lease shall constitute an executed original document.

15027

IN WITNESS WHEREOF, the parties have executed this Lease as of the date and year first above written.

Landlord:

Gary Bass

Society of St. Vincent de Paul, Seattle Council

By:

GARY F. BASS
~~Joseph Roberts~~

Name:

Title:

President 1st Vice President

Approved as to form:

D. P. K. [Signature]
for Robert Stein
Deputy Prosecuting Attorney
King County

Tenant:

KING COUNTY, a political subdivision of the State of Washington

By:

Name:

Title:

Margaret [Signature]
Dep. Dir. KCDOT

By:

Name:

Title:

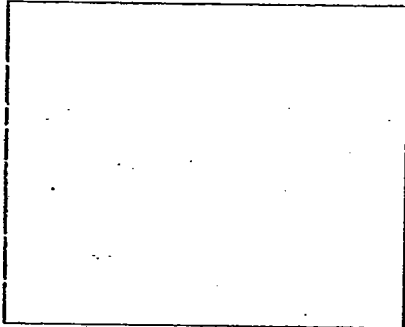
15027

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

Copy sent
12-31-02

I certify that I know or have satisfactory evidence that Joseph Roberts 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 President of Society of St. Vincent de Paul, Council of the Seattle Area to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 31, 2002



(Use this space for notarial stamp/seal)

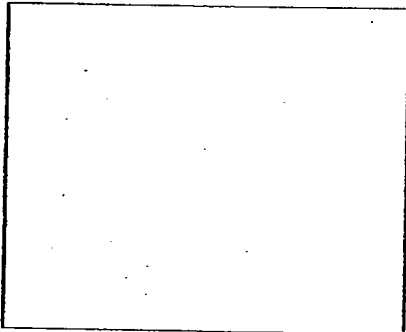
Notary Public *William J. Cordery*
Print Name William J. Cordery
My commission expires 4-25-05

Use this space for notarial stamp/seal

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Mary H. Peterson 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 Dept of Transportation of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Dec. 23, 2002



Use this space for notarial stamp/seal

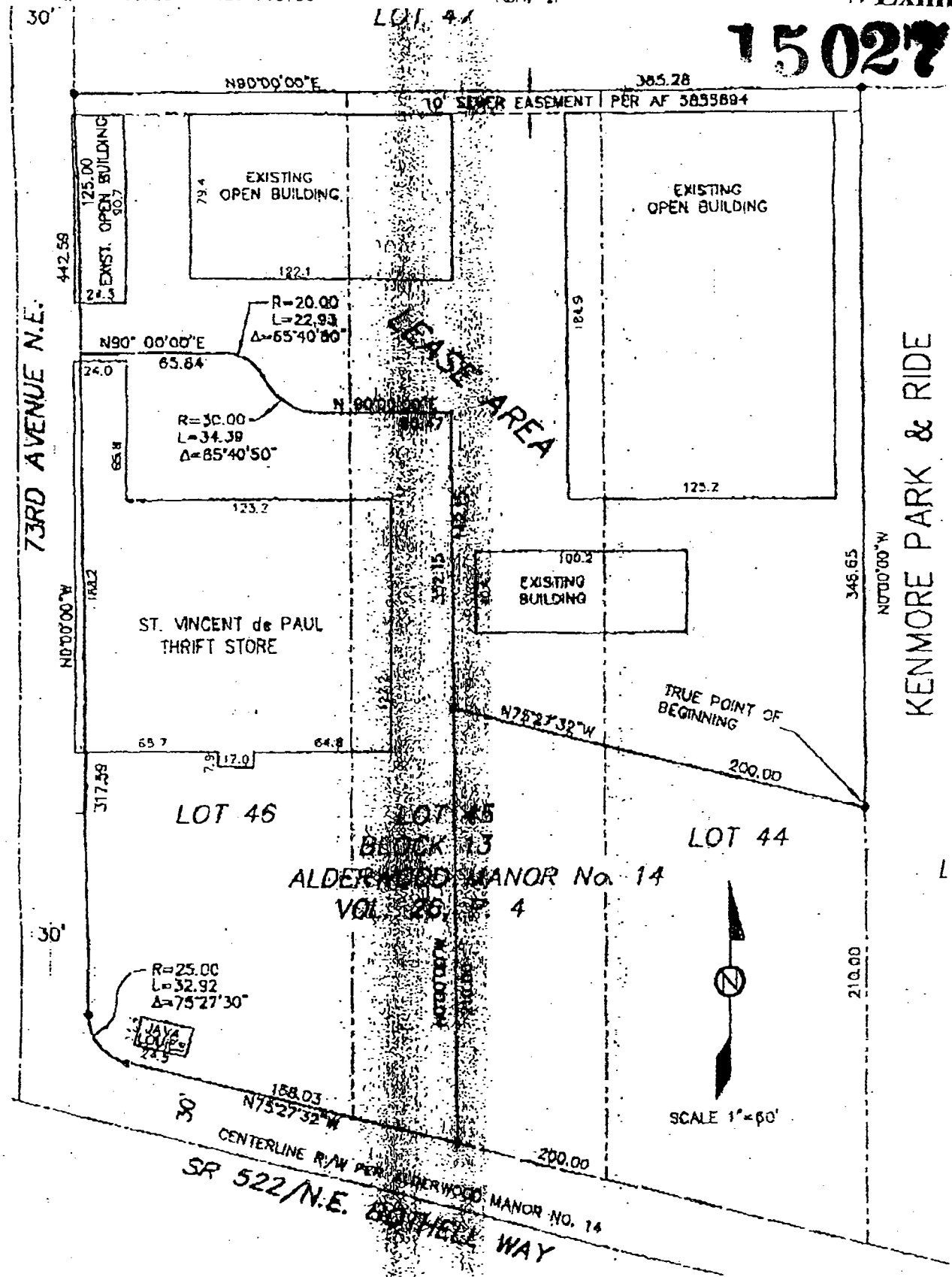
Notary Public *Pam J. Abbey-Bowman*
Print Name Pam J Abbey-Bowman
My commission expires 5/19/03

15027

EXHIBIT A

LEGAL DESCRIPTION

15027



73RD AVENUE N.E.

KENMORE PARK & RIDE

LOT 46

LOT 45

LOT 44

ALDERWOOD MANOR No. 14
VOL. 25, P. 4

SR 522/N.E. BATHURST WAY



SCALE 1"=60'

Exhibit A

15027

LEASE AREA DESCRIPTION:

THAT PORTION OF LOTS 44 THROUGH 46 IN BLOCK 13 OF ALDERWOOD MANOR NO. 14, ACCORDING TO PLAT RECORDED IN VOLUME 26 OF PLATS AT PAGE(S) 4, IN KING COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 44;
THENCE NORTH ALONG THE EAST LINE THEREOF A DISTANCE OF 210.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH $75^{\circ}27'32''$ WEST PARALLEL WITH THE SOUTH LINE OF SAID LOT A DISTANCE OF 200.00 FEET;
THENCE NORTH A DISTANCE OF 142.15 FEET;
THENCE WEST A DISTANCE OF 60.47 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET;
THENCE NORTHWESTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $65^{\circ}40'50''$ AN ARC DISTANCE OF 34.39 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 20.00 FEET;
THENCE NORTHWESTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $65^{\circ}40'50''$ AN ARC DISTANCE OF 22.93 FEET;
THENCE WEST A DISTANCE OF 65.64 FEET MORE OR LESS TO THE WEST LINE OF SAID LOT 46;
THENCE NORTH ALONG SAID WEST LINE A DISTANCE OF 125.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 46;
THENCE EAST A DISTANCE OF 365.28 FEET TO THE NORTHEAST CORNER OF SAID LOT 44;
THENCE SOUTH ALONG THE EAST LINE THEREOF A DISTANCE OF 346.65 FEET MORE OR LESS TO THE TRUE POINT OF BEGINNING.

NOTE: THE ABOVE DESCRIPTION CONTAINS 86,214 SQUARE FEET, MORE OR LESS.

15027

EXHIBIT B

Map of Premises (referenced in Section 2.1)

15027

EXHIBIT C

CONFIRMATION OF LEASE COMMENCEMENT AND EXPIRATION DATES

This Confirmation of Lease Commencement and Expiration Dates is made Sept. 18, 2003, by SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF THE SEATTLE AREA, as "Landlord" and KING COUNTY, a political subdivision of the State of Washington as "Tenant".

1. Landlord and Tenant entered into a Lease dated December 23, 2002, whereby Landlord agrees to lease the Premises legally described in Exhibit A attached hereto and outlined in red on the map attached hereto as Exhibit B and by this reference incorporated herein to Tenant. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Lease.

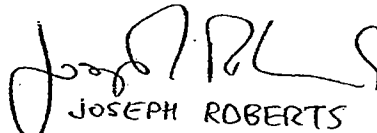
2. Pursuant to the Lease, Landlord and Tenant do hereby confirm the following:

a. The Commencement Date of the Lease is October 1, 2003.

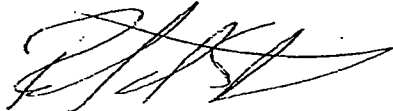
b. The Expiration Date of the Lease is October 1, 2053.

DATED this 18 day of September, 2003

Landlord:

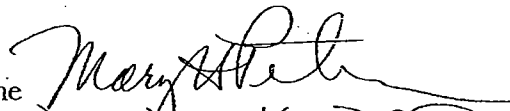
By 
Name JOSEPH ROBERTS
Title PRESIDENT

APPROVED AS TO FORM

By 
Deputy Prosecuting Attorney
King County

Tenant:

KING COUNTY, a political subdivision of the State of Washington

By 
Name
Title Dep. Dir. KC DOT

15027

EXHIBIT D

After Recording Return To:
William J. Crowley
Crowley Law Offices, P.S.
1301 Fifth Avenue Suite 3401
Seattle, WA 98101

MEMORANDUM OF LEASE

GRANTOR: SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF THE
SEATTLE AREA
(Landlord)

GRANTEE: King County, a political subdivision of the State of Washington
(Tenant)

Legal Description:

Abbreviated form:

Additional legal on page _____ of document

Assessor's Property Tax Parcel Account Number(s):

MEMORANDUM OF LEASE

15027

THIS MEMORANDUM OF LEASE (the "Memorandum") is executed this _____ day of _____, 200__ by and between _____ ("Landlord") and KING COUNTY, a political subdivision of the State of Washington ("Tenant").

1. Lease. Landlord has leased the real property described in Exhibit A attached hereto and by this reference incorporated herein (the "Premises") at a rent and on the terms and condition set forth in that certain Lease Agreement dated _____, 200__ by and between Landlord and Tenant (the "Lease"). The Lease is for a term of _____ () years commencing _____, 200__, and shall expire _____, 20__, unless sooner terminated pursuant to the terms of the Lease.

2. Definition of Terms. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Lease.

3. Purpose of Memorandum. This Memorandum is prepared for purposes of recordation only and does not set forth all of the terms and conditions set forth in the Lease. In the event there is any conflict between the terms and conditions of the Lease and this Memorandum, the Lease shall control.

DATED this _____ day of _____, 200__.

Landlord:

By:
Name:
Title:

15027

Approved as to form:

Tenant:

KING COUNTY, a political subdivision of
the State of Washington

Deputy Prosecuting Attorney
King County

By:

Name: _____

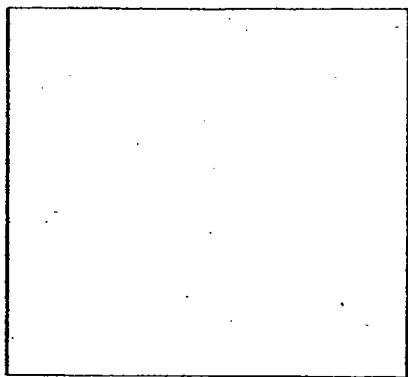
Title:

By:

Name: _____

Title:

15027



Notary Public
Print Name
My commission expires

Use this space for notarial stamp/seal)