

**LEASE AGREEMENT**

THIS LEASE AGREEMENT, dated \_\_\_\_\_, 2006 (for reference purposes only), is made by and between **Northgate South Commons, LLC** (hereinafter called Lessor) and **King County**, a political subdivision of the State of Washington (hereinafter called Lessee):

WITNESSETH:

1. **Premises:** Lessor does hereby agree to lease to Lessee, upon the following terms and conditions, 350 parking stalls as described herein and depicted on the attached site plan(s), attached as **Exhibit A** and incorporated herein by reference, hereinafter called the "Premises" or the "Leased Parking Spaces", located in a new parking garage to be constructed by Lessor, hereinafter called the "Garage", which shall be located on a portion of real property in Seattle, Washington, east of the Lessee's Northgate Transit Center, hereinafter called the "Garage Property", which real property is legally described in the attached **Exhibit B** and incorporated herein by reference.

2. **Term:** The term of this lease shall be **Forty (40) years**, commencing on the date possession of the Premises is delivered to Lessee as delivery is defined in Section 3 herein ("Commencement Date").

3. **Preparation of Premises and Delivery of Possession:** Prior to the Commencement Date, Lessor shall cause the Premises to be constructed in accordance with all applicable governmental approvals and with Exhibit C attached hereto. Delivery of possession of the Premises shall occur on the 1<sup>st</sup> day of the calendar month following thirty (30) days after the date Lessee receives written notice from Lessor that a temporary certificate of occupancy or other approval has been issued by the City of Seattle permitting the beneficial use of the Premises for the purposes described in this Lease and that the Premises are available for such use by Lessee. Notwithstanding the foregoing, upon thirty (30) days notice, Lessor shall be allowed on an interim basis (not to exceed twelve (12) months) to temporarily relocate the Leased Parking Spaces to other spaces (the "Interim Spaces") within the Garage. Delivery of possession, and the obligation to pay 95% of the Rent Payment, shall occur when Interim Spaces are available for use by Lessee.

4. **Rent:** Lessee covenants and agrees to pay Lessor, at Lessor's address, without deduction or offset, rent for the entire term in a lump sum payment in the amount of **Four Million Three Hundred and Seventy Five Thousand Dollars (\$4,375,000.00)** (the "Rent Payment"). Ninety Five percent (95%) of the Rent Payment shall be payable within thirty (30) days of the Commencement Date. The remaining Five percent (5%) of the Rent Payment shall be payable within thirty (30) days of Lessee receiving notice from Lessor that Lessor has made final payment to its general contractor for construction of the Garage. The Rent Payment represents the accrual of rent of One Hundred Nine Thousand Three Hundred Seventy-five Dollars

(\$109,375.00) per year for the forty (40) year period beginning on the Commencement Date; provided, however, that the Rent Payment fully satisfies any rent obligation and Lessee shall have no annual payment obligation under this Lease except the O&M Payment.

5 **Use of Premises by Lessee:** The Lessee shall have exclusive use of the Leased Parking Spaces for transit passenger vehicle parking between 6:00 a.m. and 10:00 a.m. Monday through Friday (excluding federal holidays, the Friday after Thanksgiving and any day on which weekday bus service is not available) in accordance with the following schedule: The first 100 Leased Parking Spaces will be made available to Lessee by 6:00 a.m., the next 150 Leased Parking Spaces by 7:00 a.m. and the remaining 100 Leased Parking Spaces by 8:00 a.m. The Lessee will have shared use of the Leased Parking Spaces with all other tenants and other users of the Garage after 10:00 a.m. After 6:00 p.m., Lessor shall have exclusive use of 100 of the Leased Parking Spaces, the exclusive use of 300 Leased Parking Spaces after 7:00 p.m. and the exclusive use of all 350 Leased Parking Spaces starting at 8:00 p.m. Transit passengers will not be allowed to use any Leased Parking Spaces between 8:00 p.m. and 6:00 a.m. weekdays or anytime on weekends, on federal holidays, on the Friday after Thanksgiving or on any other day on which weekday bus service is not available. Lessee shall have all rights necessary for transit passengers to access and use the Leased Parking Spaces, including the rights of ingress and egress and rights to use common area stairs and elevators. The Garage will include, at a minimum, a stairwell located at the west end of the Garage.

6. **Utilities:** Lessor shall provide, at its sole expense, electricity, water, and garbage removal as needed to perform its obligations hereunder.

7. **Maintenance, repairs and security:** Lessor shall be solely responsible for the maintenance, repair, operation and security of the Premises and the Garage in which they are contained. The Garage and the Premises shall be maintained by Lessor consistent with comparable parking facilities such as the parking garage at Alderwood Mall located in Lynnwood, Washington. The Lessor shall operate and maintain the Premises and Garage in accordance with the parking management requirements contained in **Exhibit D** attached hereto and the maintenance and security standards set forth in **Exhibit E** attached hereto. The Lessee shall pay an annual fee to Lessor for operation and maintenance of the Premises in the amount of \$240 per stall per year (the "O&M Payment"), due on the first anniversary of the Commencement Date and annually thereafter for all inclusive operating and maintenance costs.

The O&M Payment shall be adjusted annually by the CPI. As used herein, the CPI shall mean the Consumer Price Index for Seattle-Tacoma-Bremerton for All Urban Consumers (1982-84=100) published by the United States Department of Labor's Bureau of Labor Statistics ("CPI"). The CPI in effect on the Commencement Date shall be the "Base Index". The CPI in effect on each applicable anniversary of the Commencement Date shall be the "Adjustment Index" and used to compute adjustments to the O&M Payment. If the Adjustment Index in effect on the applicable anniversary date of the Commencement Date has increased over the Base Index, then the O&M Payment payable under this Lease shall be the initial O&M Payment described above multiplied by a fraction, the numerator of which is the

appropriate Adjustment Index and denominator of which is the Base Index. If, during the Lease Term, the O&M Payment payable under this paragraph is changed by an amendment to this Lease, the O&M Payment payable pursuant to the latest Lease amendment shall be the O&M Payment which is adjusted by the formula set forth in this paragraph. If any index is calculated from a base different from the base period 1982-84=100, such index shall be converted to a base period of 1982-84=100 by use of a conversion factor supplied said Bureau of Labor Statistics. If the CPI is discontinued or replaced during the term of this Lease, such other governmental Cost of Living Index or computation which replaces the CPI, as agreed upon by the Lessor and Lessee, shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or replaced.

8. **Transit Demand Management:** Lessor shall undertake Transit Demand Management related to the development of the real property described in Exhibit B as set forth in **Exhibit F** hereto.

9. **Mutual Indemnification and Hold Harmless:** Each party shall protect, defend, indemnify and save harmless the other party, its officers, officials, employees and agents while acting within the scope of their employment as such, from any and all suits, costs, claims, actions, losses, penalties, judgments, and/or awards of damages, of whatsoever kind arising out of, or in connection with, or incident to the rights and obligations associated with this Lease caused by or resulting from such party's own negligent acts or omissions. Each party agrees that it is fully responsible for the acts and omissions of its own subcontractors, their employees and agents, acting within the scope of their employment as such, as it is for the acts and omissions of its own employees and agents; provided that neither party is responsible for the acts and omissions of transit passengers. Each party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. The foregoing indemnity is specifically and expressly intended to constitute a waiver of each party's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the other party only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the indemnitor's employees. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them. This indemnity and hold harmless provision shall survive the expiration of this Agreement and apply to the maximum extent permitted by law or, if applicable, as defined by RCW 4.24.115, now enacted or as hereinafter amended.

10. **Insurance:** On and after the Commencement Date, Lessor shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of work hereunder by the Lessor, its agents, representative, employees, and/or sub-contractor. The cost of such insurance shall be paid by the Lessor or sub-contractor. The Lessor may furnish separate certificates of insurance and policy endorsements from each sub-contractor as evidence of compliance with the insurance requirements of this Agreement.

10.1 **For All Coverages:**

Each insurance policy shall be written on an "occurrence" form.

By requiring such minimum insurance coverage, the Lessee shall not be deemed or construed to have assessed the risks that may be applicable to the Lessor under this Agreement. The Lessor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Agreement.

#### 10.2. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. General Liability:

Insurance Services Office form number (CG 00 01 Ed. 11-88) covering  
**COMMERCIAL GENERAL LIABILITY.**

2. Garagekeepers Liability:

Insurance Services Office form number (CA 00 05 Ed. 12-90) Covering **Garage Coverage Form.**

3. Workers' Compensation:

Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington.

4. Employers Liability or "Stop-Gap":

The protection provided by the Workers Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the General Liability policy.

#### 10.3. Minimum Limits of Insurance

The Lessor shall maintain limits no less than, for:

1. General Liability: \$ 1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$ 2,000,000 aggregate limit.
2. Garagekeepers Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Workers' Compensation: Statutory requirements of the State of Washington.
4. Employers' Liability or "Stop Gap" coverage: \$ 1,000,000

#### 10.4. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to, and approved by, the Lessee. The deductible and/or self-insured retention of the policies shall not limit or apply to the Lessor's liability to the Lessee and shall be the sole responsibility of the Lessor.

#### 10.5. Other Insurance Provisions

The insurance coverage(s) required in this Agreement are to contain, or be endorsed to contain the following provisions:

##### 10.5.1. Liability Policy(s) (Except Workers Compensation):

- a. The Lessee its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Lessor in connection with this Agreement.
- b. The Lessor's insurance coverage shall be primary insurance as respects the Lessee its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the Lessee its officers, officials, employees or agents shall not contribute with the Lessor's insurance or benefit the Lessor in any way.
- c. The Lessor's insurance coverage shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

##### 10.5.2. All Policies:

- a. Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims

paid, until after thirty (30) calendar days prior written notice (and such lesser period if required for terminations for non-payment of premium) has been given to the Lessee.

#### 10.6. Acceptability of Insurers

Unless otherwise accepted by the Lessee:

Insurance coverage is to be placed with insurers with a Bests' rating of no less than A: VIII, or, if not rated with Bests', with minimum surpluses the equivalent of Bests' surplus size VIII.

If at any time any of the foregoing policies fail to meet the above minimum requirements, the Lessor shall, upon notice to that effect from the Lessee, promptly obtain a new policy, and shall submit the same to the Lessee, with the appropriate certificates and endorsements, for approval.

#### 10.7. Verification of Coverage

The Lessor shall furnish the Lessee with certificates of insurance and endorsements required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the Lessee, acting reasonably, and are to be received and approved by the Lessee prior to the Commencement Date. The Lessee reserves the rights to require complete, certified copies of all required insurance policies at any time.

### 11. Remedies:

**11.1 Termination.** This Section 11.1 is in addition to any other provision of this Lease authorizing or otherwise relating to early termination of said Lease.

**11.1.1 Damage or Destruction:** In the event that the Garage is substantially damaged or destroyed and Lessor is unable to satisfy its obligation to provide 350 parking stalls with replacement parking stalls located elsewhere in the Garage or in the area described in Section 11.2.2 below, or if Lessor elects not to rebuild, then either party may elect to terminate this Lease, upon thirty (30) days' written notice to the other party, and a prorated portion of the Rent Payment shall be returned to Lessee in accordance with the provisions of Section 11.1.5 below as Lessee's sole and exclusive remedy. Notice regarding Lessor's decision whether or not to rebuild must be delivered to Lessee within ninety (90) days of the damage or destruction. If notice is not delivered by such date, it shall be presumed that Lessor has elected not to

rebuild. If Lessor elects to rebuild, but fails to provide adequate replacement parking for all 350 stalls and Lessee elects not to terminate the Lease because of Lessor's inability to provide 350 stalls, the O & M Payment shall be reduced by a proportionate amount equal to the difference between the number of stalls made available to Lessee and 350 stalls.

**11.1.2. Failure to acquire Property.** Lessor may terminate this Lease on or before July 1, 2006 without liability to Lessee if Lessor has failed to acquire the Garage Property by such date or Lessor has determined that it will be unable to acquire the development approvals required for the construction of the Garage on terms and conditions satisfactory to Lessor in its sole discretion. Lessor shall either provide Lessee with notice of such acquisition within ten (10) days of acquisition, or notice on or before July 11, 2006 that it has failed to acquire the Garage Property. Lessee may terminate this Lease if Lessor has failed to acquire the Garage Property on or before July 1, 2006. Notice of termination must be received by Lessor on or before August 1, 2006 or else Lessee's right to terminate under this section is waived.

**11.1.3. Breach.**

- a. If Lessee fails to make the Rent Payment when due pursuant to Section 4 of this Lease or the O&M Payment by the thirtieth day after it is due pursuant to Section 7 of this Lease, Lessor may pursue an action for specific performance of Lessee's obligations or, in the alternative, elect to pursue any and all other remedies it may have. The parties agree that damages may be an insufficient remedy for Lessee's failure to make the Rent Payment when due.
- b. Lessor may terminate this Lease if Lessee breaches or fails to perform or observe any of the non-monetary terms and/or conditions of this Lease, provided such failure materially and adversely impairs Lessor's operation of the Garage or ability to perform its obligations under this Lease or under any other lease or obligation of Lessor, and Lessee fails to cure such breach or default within thirty (30) days after written notice from Lessor or such longer period (up to one hundred twenty (120) days) as may be reasonably required to diligently complete a cure commenced within that thirty (30) day period.
- c. Lessee may terminate this Lease if Lessor breaches or fails to perform or observe any of the terms and/or conditions of this Lease, provided such failure materially and adversely impairs Lessee's ability to use the Leased Parking Spaces for the purposes contemplated hereunder and Lessor fails to cure such breach or default within thirty (30) days after written notice from Lessee or such longer period (up to one hundred twenty (120) days) as may be reasonably required to diligently complete a cure commenced within that

thirty (30) day period as long as Lessor diligently and continuously pursues the cure during the longer period.

- d. The remedies for breach set forth in Sections 11.1.3.a., 11.1.3.b., and 11.1.3.c above are not exclusive, and Lessor or Lessee may pursue all rights they may have at law or in equity in addition to and notwithstanding such provisions.

**11.1.4. Termination Process and Reimbursement.** Unless otherwise specified in this Lease, prior written notice of termination shall be delivered by certified mail, return receipt requested, and shall be effective upon receipt of such notice, as evidenced by the return receipt. Upon such termination, except by Lessor under Sections 11.1.3.a or 11.1.3.b herein, Lessee shall be entitled to the reimbursement of any amounts prepaid by Lessee for any period after termination. For purposes of such reimbursement, the Rent Payment shall be allocated on a straight-line basis over forty (40) years starting from the Commencement Date.

## **11.2. Completion of Construction.**

11.2.1 A purchase and sale agreement for the sale of Lessee's property at NE 112<sup>th</sup> St. and 5<sup>th</sup> Ave. NE (on which a Park and Ride lot currently exists) (the "Existing P&R Lot") to the City of Seattle will be executed between the City and Lessee contemporaneously with this Lease. The sale of the property will close on or before February 1, 2008. If Lessor fails to deliver possession of the entire Premises or Interim Stalls to Lessee on or before February 1, 2008, then any rent costs incurred by Lessee in renting back parking stalls from the City of Seattle (the "City Rent Payment") shall be off set by any interest earned by Lessee on the Rent Payment while deposited in the King County Investment Pool (the "Interest Earnings") since the closing of the sale of the property. Lessor shall reimburse Lessee the difference between the City Rent Payment and the Interest Earnings, up to \$35,000 per month. If Lessor fails to deliver possession of the entire Premises or Interim Stalls to Lessee by June 1, 2008, then Lessor shall reimburse Lessee the difference between the City Rent Payment and the Interest Earnings, without a monthly cap, until such time as Lessor delivers possession of the Leased Parking Spaces, Interim Spaces or alternative parking as allowed under Section 11.2.2 below.

11.2.2 If possession of the Leased Parking Stalls or Interim Stalls will not be delivered by February 1, 2008, Lessee agrees to use commercially reasonable efforts to lease back stalls from the City at the Existing P&R Lot until such Leased Parking Stalls or Interim Stalls are available, subject to Lessor's obligation to reimburse Lessee for the cost of such parking in accordance with the terms of Section 11.2.1 above. If in any month the City limits the number of stalls it will rent back to Lessee to an amount less than 350 parking stalls, Lessor, at its sole cost, will arrange for the use by Lessee of a sufficient number of stalls in another location to make up the deficit. Notwithstanding the foregoing, if the Leased Parking Stalls or Interim Stalls will not be delivered by June 1, 2008, as of June 1, 2008, Lessor may arrange for Lessee's use of, at no cost to Lessee, an alternate location for the replacement parking stalls that is located along 5<sup>th</sup> Avenue NE between NE Northgate Way and NE 103<sup>rd</sup> Street and is served by a bus stop, or



is located along NE 103rd Street between 1st and 5th Avenue NE. Providing replacement parking stalls shall not constitute delivery of possession of the Premises.

**11.3 TDM Compliance.** Notwithstanding Lessee's obligations pursuant to Section 7 and Lessor's remedies pursuant to Section 11.1.3 herein, Lessee may withhold payment of the O&M Payment if Lessor fails to comply with the TDM requirements contained in Section 8 herein and Exhibit F hereto. Lessee shall resume payment and make all payments in arrears (without interest) once Lessee has determined Lessor is in compliance with the TDM requirements.

**11.4 Right to Cure.** If Lessor or Lessee are deemed to be in breach or default under Section 11.1.3.b or 11.1.3.c herein and fail to cure such breach or default within a commercially reasonable time for emergencies and otherwise within the time periods provided in such Sections, then the other party shall, upon ten (10) business days prior written notice to the breaching party, be entitled to cure the default and the breaching party shall reimburse the non-breaching party its reasonable out of pocket costs to effect such cure within thirty (30) days of receipt of an invoice and supporting documentation regarding such costs.

**11.5 Late Payment.** Any amount required to be paid by Lessee hereunder which is not paid when due shall accrue interest at a rate of twelve percent (12%) per annum from the date due until the date paid. Lessee shall also pay Lessor a late charge of five percent (5%) of the amount due to compensate Lessor for the additional costs incurred in handling delayed payments.

**11.6 Limited Rights to Terminate.** Lessee hereby waives the right to terminate this Lease for convenience, lack of appropriation or, other than provided in Section 11.3, withhold or claim a set off or deduction from the Rent Payment or any O&M Payment due hereunder.

**12. Subletting and Assignment:** Lessee shall not sublet the whole or any part of the Premises, nor assign this lease or any interest thereof, without the prior written consent of the Lessor, which consent may be withheld in Lessor's sole discretion; provided that consent to assign this Lease to the Central Puget Sound Regional Transit Authority ("Sound Transit") or its successor is hereby given provided such assignment is made on or after the Commencement Date and after the Lessor receives the Rent Payment. Lessor may transfer the Premises and assign its obligations under this Lease and, as a result, Lessor shall thereby be released from any further obligations hereunder arising after the date of transfer.

**13. Affordable Housing:** Lessee would not have entered into this Lease but for the agreement of Lessor to (i) lease thirty percent (30%) of rental apartment units constructed in Lessor's development project ("the Project"), of which the Garage is one component, initially to persons earning no more than seventy percent (70%) of the median income for residents of King County at rents sufficient for the Project to qualify for the Multifamily Housing Property Tax Exemption authorized by Ch. 84.14 RCW and Ch. 5.73 SMC, and (ii) establish initial rents for another twenty percent (20%) of the rental apartment units constructed in the Project consistent

with those rent levels established by the City of Seattle Office of Housing for persons earning eighty percent (80%) of the median income for residents of King County, adjusted for household size. After lease up, Lessor shall provide Lessee with a rent roll which documents Lessor's conformance with these requirements.

14. **Prevailing Wage:** Lessor shall cause the general contractor to pay to all laborers, workers and mechanics (as such terms are defined in Chapter 39.12 of the Revised Code of Washington) employed on construction of the garage component of the project the prevailing rate of wages (as defined in Chapter 39.12 of the Revised Code of Washington) for work performed on construction of the garage.

15. **Liens:** Lessee shall keep the Premises and the Garage free from any liens arising out of any obligations incurred by Lessee.

16. **Federal Taxes:** Lessee makes no representations or warranties nor shall Lessee bear any responsibility or liability concerning the federal tax consequences to Lessor of the transactions contemplated by this Lease. Notwithstanding anything herein to the contrary, any party to this Lease (and any employee, representative or other agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Lease and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

17. **Hazardous Substances:**

17.1 **General.** To the best of Lessor's actual knowledge, no Hazardous Substances are or have been in the past generated, treated, stored or discharged on or at the Premises except in accordance with applicable laws, and Lessor will not in the future generate, treat, store or discharge such Hazardous Substances on or at the Premises except in accordance with applicable laws. Lessor shall be solely responsible, at Lessor's expense, for remediating any Hazardous Substances present in the Premises or Garage as of the Commencement Date or thereafter that is in violation of any federal, state or local building law as then in effect and interpreted (provided that this obligation shall not apply to any substances introduced to the Premises or Garage by Lessee, its agents or employees). Lessor will not knowingly allow another tenant or Lessor's contractors or agents to generate, treat, store or discharge Hazardous Substances on or at the Premises or Garage except in accordance with applicable laws. "Lessor's actual knowledge" means the actual, current knowledge of Steve Bolliger, as the principal project manager, or knowledge he should have without special inquiry.

17.2 **Definition of Hazardous Substances:** "Hazardous Substances" as defined in this lease shall mean:

- a. Any toxic substances or waste, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances; or

- b. Any dangerous waste, hazardous waste, or hazardous substance as defined in:
  - i. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereinafter amended (42 U.S.C. 9610 et seq.);
  - ii. Resource Conservation and Recovery Act, as now or hereinafter amended (42 U.S.C. 6901 et seq.);
  - iii. Washington Model Toxics Control Act, as now or hereinafter amended (R.C.W. Chs. 70.105, 70.105A and 70.105D); or
- c. Any pollutant, contaminants, substances, as defined above, posing a danger or threat to public health or welfare, or to the environment, which are regulated or controlled by any federal, state and local laws, and regulation, as now or hereinafter amended.

18. **Waiver of Subrogation:** Lessor and Lessee agree that they shall not make a claim against or seek recovery from the other for any loss or damage to their property, or the property of others, resulting from fire or other hazards covered by fire and extended coverage insurance and each hereby releases the other from any such claim or liability regardless of the cause of such loss or damage to the extent such loss is paid by insurance. In the event of any increased cost or impairment of ability to obtain such insurance, the party suffering such increased cost or impairment may terminate such waiver and release upon written notice to the other party hereto. Such waiver is conditioned upon the parties having had their respective insurance companies issue a policy or endorsement providing that the waiver or release of subrogation rights shall not adversely affect or impair such policies or recovery by the insured thereunder.

19. **Costs and Attorney's Fees:** If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this lease, any action for enforcement of this Lease is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this lease will be in the county in which the Premises are situated.

20. **Subordination:** If a lender requires that this lease be subordinated to any encumbrance now of record or any encumbrance recorded after the date of this lease, this lease shall be subordinated to that encumbrance, if Lessor first obtains from the lender a written agreement that provides substantially the following:

20.1 As long as Lessee is not in default under this lease, no foreclosure of, deed given in lieu of foreclosure of, or sale under the encumbrance, and no steps or procedures taken under the encumbrance, shall affect Lessee's rights under this lease.

20.2 Lessee shall attorn to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure.

20.3 Lessee shall execute the written agreement and any other documents required by the lender to accomplish the purposes of this paragraph.

Lessee shall execute and return to Lessor (or such other party designated by Lessor) within ten (10) days after written request therefor such documentation, in recordable form if required, as any lender may reasonably request to evidence such subordination and such certificate confirming such factual certifications and representations as to this Lease as Lessor may reasonably request.

21. **Successors and Assigns:** All of the agreements, conditions and provisions of this lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Lessor and Lessee.

22. **Anti-Discrimination:** Pursuant to King County Code 12.16.125, in all services or activities related to the operation and maintenance of the Premises, Lessor shall not discriminate against any employee or applicant for employment because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status, sexual orientation, or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification. This requirement shall apply to but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. In operating and maintaining the Premises, the Lessor shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations which prohibit such discrimination. These laws include, but are not limited to, Chapter 49.60 RCW and Titles VI and VII of the Civil Rights Act of 1964. Any proven violation of this provision shall be considered a violation of a material provision of this lease and shall be grounds for termination of the Lease for breach and may result in ineligibility for further agreements.

23. **Quiet Enjoyment:** Lessor covenants and agrees that Lessee, upon performance of all Lessee's obligations under this lease, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this lease without disturbance by Lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, subject to the other terms and provision of this lease and subject to all mortgages, underlying leases and other underlying matters of record to which this lease is or may become subject to and subordinate and subject to the rights of other tenants, provided such rights do not conflict with those of Lessee hereunder. Lessor shall not be responsible for interruption of utilities or other adverse effects on Lessee's quiet enjoyment which arise through no fault of Lessor.

24. **Notices:** All notices by either party to the other shall be in writing and may be delivered personally or by certified or registered mail or by facsimile to the following addresses:

To Lessee: King County Real Estate Services Section  
500 Fourth Avenue, Suite 500

Seattle, WA 98104-3279

Fax: \_\_\_\_\_

Attn: \_\_\_\_\_

To Lessor: Northgate South Commons LLC  
c/o Lorig Associates LLC  
2025 First Avenue, Suite 420  
Seattle, WA 98121  
Fax: (206) 728-5847  
Attn: Bruce C. Lorig

or at such other address as either party may designate to the other in writing from time-to-time.

25. **Force Majeure:** Notwithstanding anything contained herein to the contrary, Lessor shall not be deemed in default hereunder nor liable for damages arising from its failure to perform any duty or obligation hereunder if such delay is due to causes beyond the party's reasonable control, including, but not limited to, acts of God, acts of civil or military authorities (including failure of civil authorities to timely process permits or provide utilities), fires, floods, windstorms, earthquakes, strikes or labor disturbances, civil commotion, delays in transportation, governmental delays or war. In such event, the date for performance shall be delayed one day for each day of delay caused by such event. Subject to the foregoing, time is of the essence of this lease and of each and all the agreements, conditions and provisions herein.

26. **Entire Agreement:** This Lease and the Exhibits attached hereto contain all covenants and agreements between Lessor and Lessee relating in any manner to the leasing and use of the Premises and Lessee's use of the Garage and other matters set forth in this lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this lease shall not be altered, modified or added to except in writing signed by Lessor and Lessee.

27. **Interpretation - State Law:** The titles to paragraphs of this lease are for convenience only and shall have no effect upon the construction or interpretation of any part hereof. This lease shall be governed by the laws of the State of Washington.

28. **Severability:** The unenforceability, invalidity, or illegality of any provision of this lease shall not render the other provisions unenforceable, invalid or void.

29. **Addenda:** Any addendum attached hereto and signed and acknowledged by the Lessor and Lessee prior to execution of this Lease by both parties shall be deemed a part hereof.

30. **Brokers.** Neither Lessor nor Lessee have dealt with any broker or agent in connection with the negotiation or execution of this Lease. Lessee shall indemnify, defend and hold Lessor harmless from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under Lessee. Lessor shall indemnify, defend and hold Lessee harmless from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under

Lessor. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.

31. **Exhibits:** The following Exhibits described herein and attached hereto are fully incorporated into this Lease by this reference:

- Exhibit A Premises Site Plan
- Exhibit B Legal Description of Garage Property
- Exhibit C Lessee's Garage specifications
- Exhibit D Parking Management Plan
- Exhibit E Maintenance and Security Standards
- Exhibit F Transportation Demand Management Plan
- Schedule F-1 Lorig TDM Program – May 2006

IN WITNESS WHEREOF, the Lessor and Lessee have executed this lease on the dates specified below.

LESSOR:

LESSEE: King County, Washington

NORTHGATE SOUTH COMMONS, LLC

By: Lorig Associates L.L.C.

By: \_\_\_\_\_

By: \_\_\_\_\_

Harold Taniguchi, Director  
Department of Transportation

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM ONLY:

By: \_\_\_\_\_

Senior Deputy Prosecuting Attorney

Date: \_\_\_\_\_

KING COUNTY (Dept. Name)

By: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that \_\_\_\_\_ signed this instrument, on oath stated that he was authorized by the King County Executive to execute the instrument, and acknowledged it as the \_\_\_\_\_ of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Date:

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington residing at \_\_\_\_\_. My  
appointment 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 s/he acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as a Manager of Lorig Associates L.L.C., the company which is a Manager of NORTHGATE SOUTH COMMONS LLC, the company that executed the within and foregoing instrument, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
[Signature of Notary]

\_\_\_\_\_  
[Print Name of Notary]

Notary Public in and for the State of  
Washington, residing at \_\_\_\_\_.  
My commission expires: \_\_\_\_\_.



**EXHIBIT A**

**PREMISES SITE PLAN**

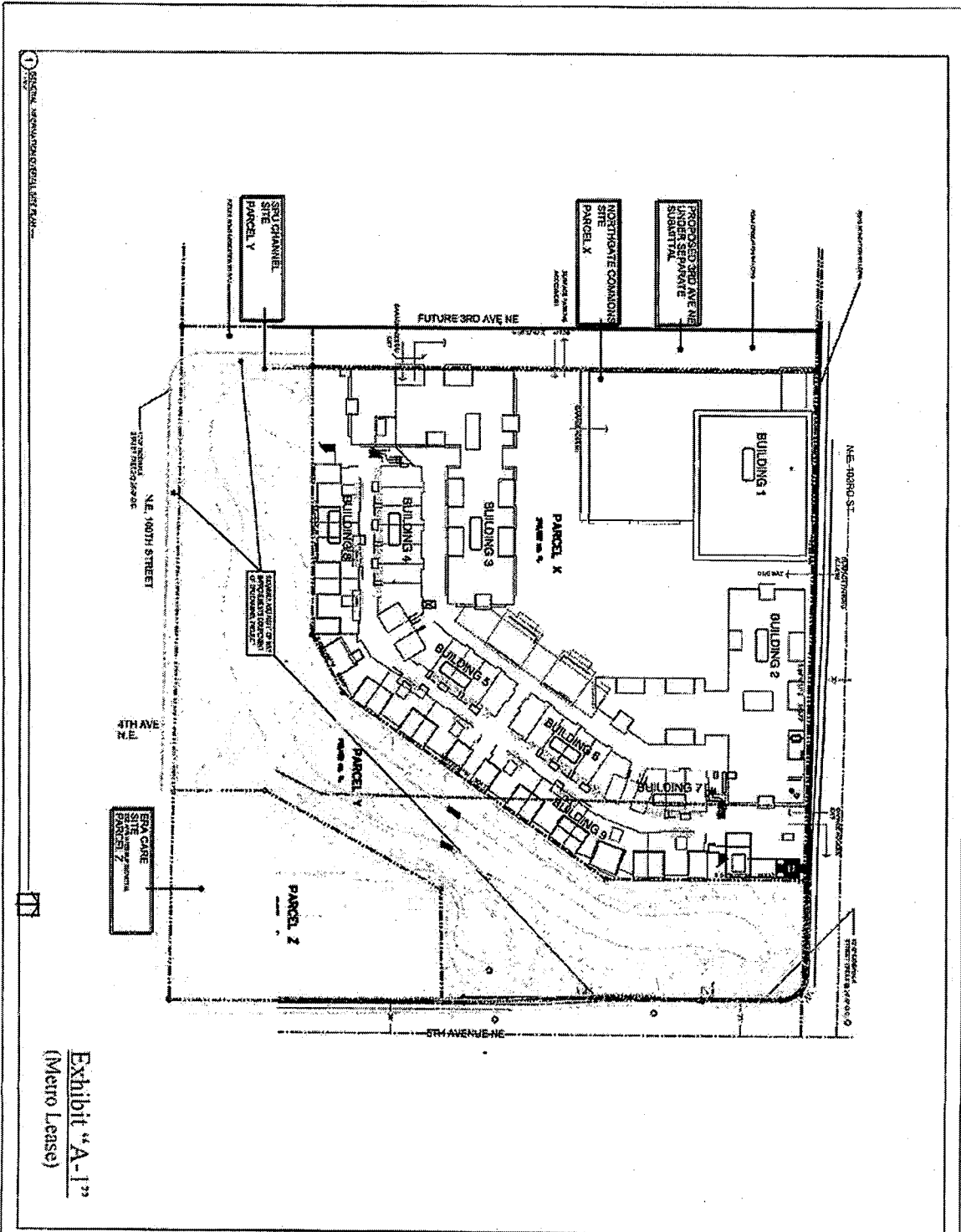


Exhibit "A-1"  
(Metro Lease)

Scale: 1" = 100'

DATE: 10/10/10

BY: [Signature]

NO.	DESCRIPTION	DATE	BY
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3	REVISED	10/10/10	[Signature]
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Progress Set - 55%

**Northgate Commons**

10000 NE 100th Street, Seattle, WA

**MITRUM**

Architectural Firm

10000 NE 100th Street, Seattle, WA

206.465.1234

www.mitrumpartners.com

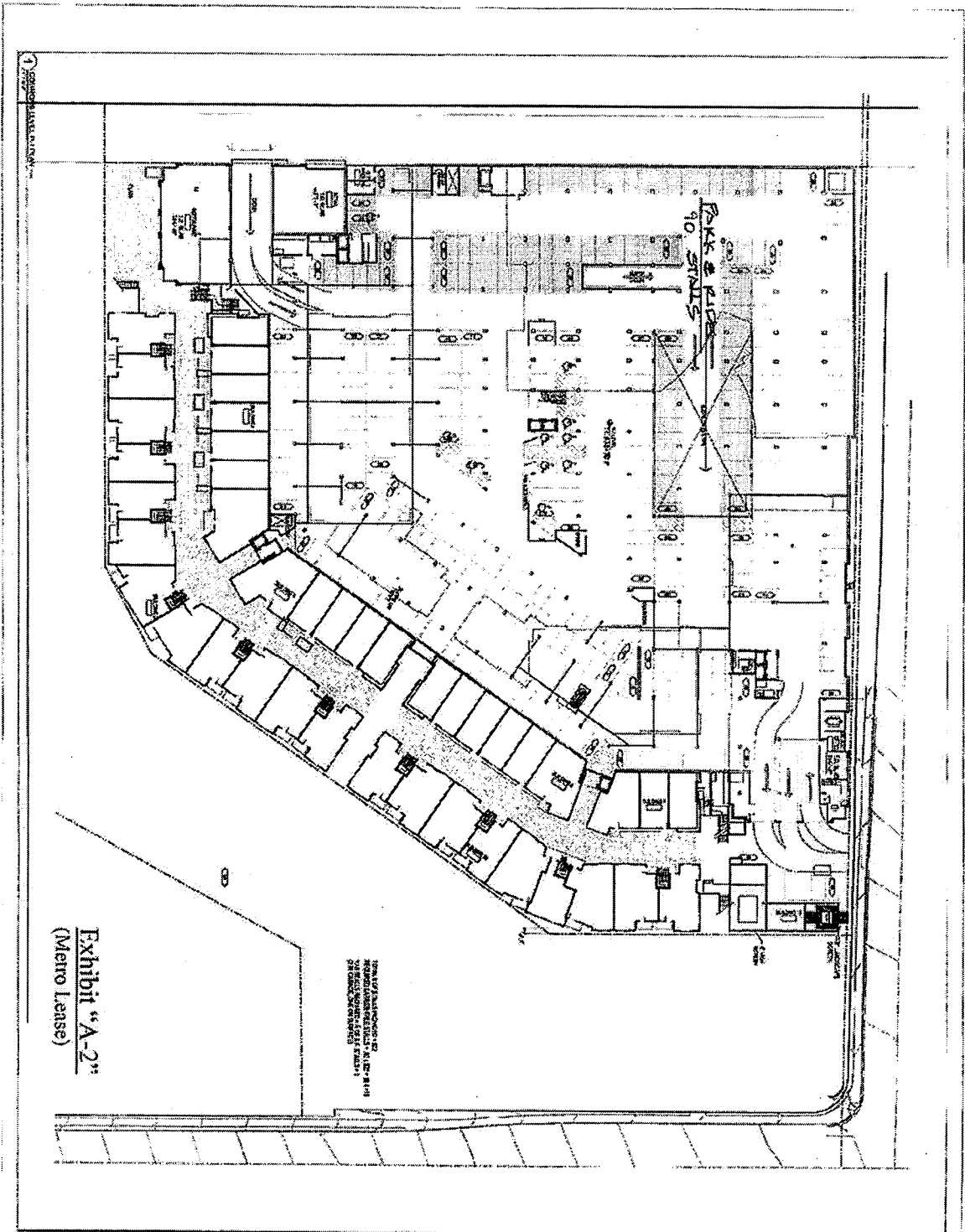


Exhibit "A-2"  
(Metro Lease)

THESE PLANS WERE PREPARED BY  
ARCHITECTURAL FIRM OF  
2100 NORTH GATE AVENUE, SUITE 100  
DENVER, COLORADO 80202

**MITHÜN**  
Architectural Firm  
1000 North Gate Avenue, Suite 100  
Denver, Colorado 80202

Progress Set - 55%

**Northgate**  
Commons

THESE PLANS WERE PREPARED BY  
ARCHITECTURAL FIRM OF  
2100 NORTH GATE AVENUE, SUITE 100  
DENVER, COLORADO 80202

**EXHIBIT A-2**

**A1.02** METRO LEASE

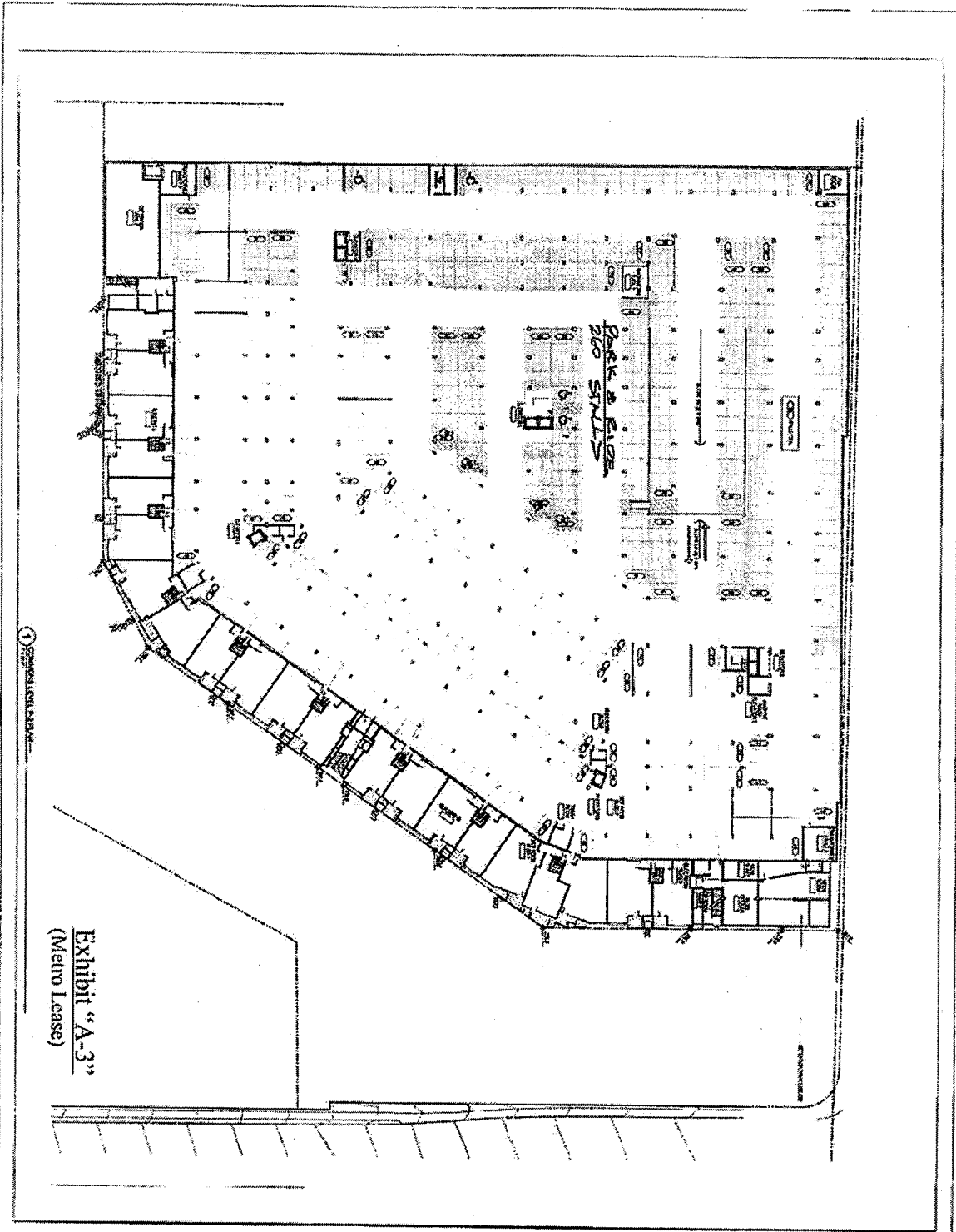


Exhibit "A-3"  
(Metro Lease)

A101  
ENCLOSURE  
4/16/10

THE INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE IN THIS DOCUMENT.

DATE: 04/16/10

BY: [Signature]

FOR OFFICIAL USE ONLY

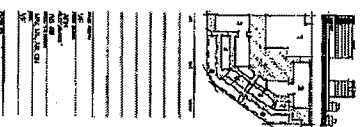
LEVEL: 3

PROJECT: [Blank]

DATE: [Blank]

BY: [Blank]

FOR OFFICIAL USE ONLY



Progress Set - 55%

**Northgate**  
Commons



**MITRUM**  
ARCHITECTURE

**EXHIBIT B**

**LEGAL DESCRIPTION OF GARAGE PROPERTY**

That portion of the Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 32, Township 26 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the West line of said subdivision and the South line of the North 30.00 feet thereof, said South line being the South margin of Northeast 103<sup>rd</sup> Street; thence South 88°15'44" East 446.63 feet along said South margin; thence South 01°44'16" West 461.07 feet; thence South 28°12'43" West 154.29 feet to the North line of the South 33.00 feet of said subdivision, said North line being the North margin of Northeast 100<sup>th</sup> Street; thence North 88°16'22" West 366.35 feet along said North margin to the West line of said subdivision; thence North 00°38'18" East 599.36 feet along said West line to the point of beginning in King County, Washington.

**EXHIBIT C**

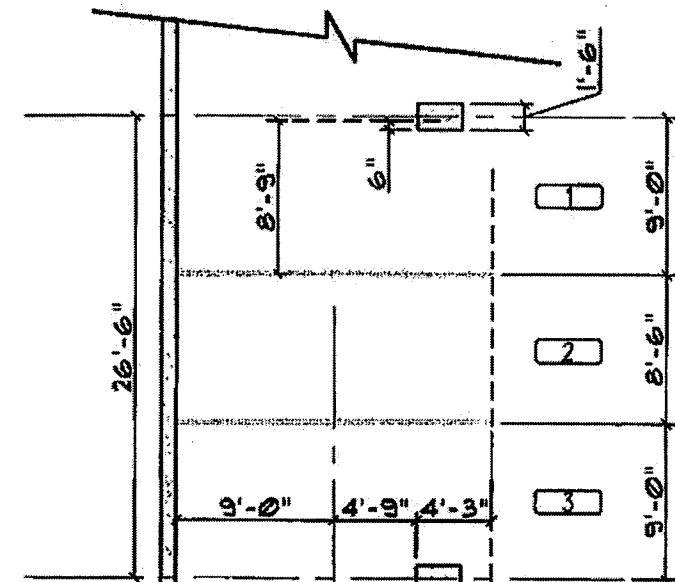
**LESSEE'S GARAGE SPECIFICATIONS**

Exhibit "C-1"  
(Metro Lease)

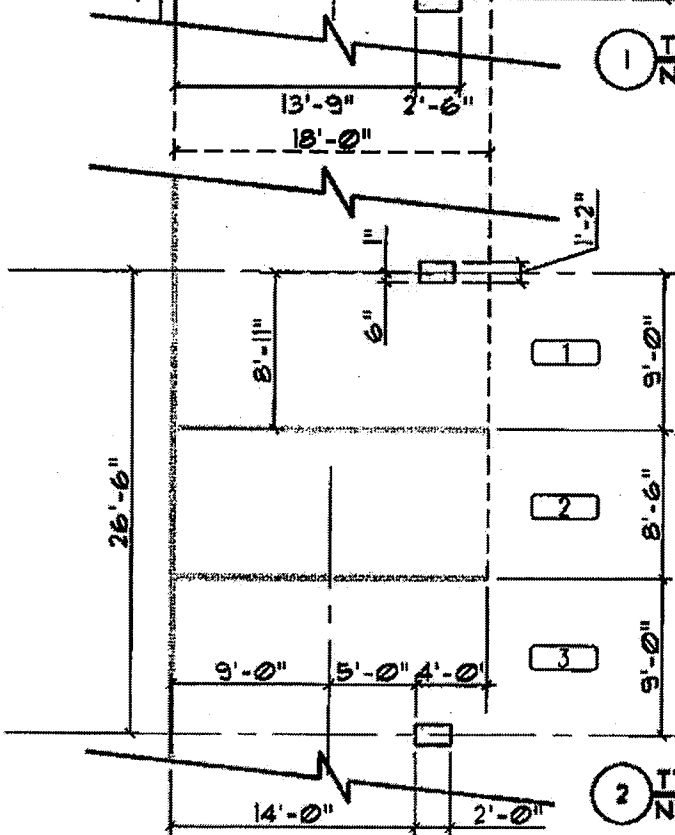
Parking Garage Design- Northgate Commons  
Updated March 13, 2006

- Parking Stalls Available - 350 stalls-during park & ride hours
- Parking Stalls Location- Level P2,  
Access Point #1 – one way ramp off of 3<sup>rd</sup> Ave 2 level above Park & Ride Stalls  
Access Point #2 – Street level access off 3<sup>rd</sup> Avenue NE, 1 level above Park & Ride Stalls  
Access Point #3 – Street level access off of NE 103<sup>rd</sup> Street, 1 level above Park & Ride Stalls
- Parking Stall Size - 8'-6" X 18'-0" at center of bay  
9'-0" x18'-0" at end of bays besides columns
- Parking Aisle Width - Typical aisle width is 23'-7" to 24'-0" wide
- Column Sizes Typical Column Size is 14"x24",  
Typical Column Size at shear wall transfers is 14"x42"  
Typical Column under Building #1 is 18"x30"
- Headroom Typical headroom min. 7'-6" under beams at column grid lines, more at the underside of slabs
- Lighting Metal Halide Lighting at 5 foot candles min.
- Walls & Ceilings Ceilings, walls and columns painted white
- Vertical Transportation Park and Ride Users have access to 2 -3000 lb elevators at 125 feet per min
- Security Security Cameras and on site staff during Park & Ride hours.
- Ventilation Ventilated at 1 CFM/1 SF of garage upon activation CO sensors.

**Exhibit "C-2"**  
**(Metro Lease)**



**1 TYPICAL PARKING STALLS • 18" W. COLUMNS**  
 NTS



**2 TYPICAL PARKING STALLS • 14" W. COLUMNS**  
 NTS



## **EXHIBIT D**

### **PARKING MANAGEMENT PLAN**

#### **1. MANAGEMENT TEAM**

Both parties will establish and appoint representatives to a Management Team responsible for:

- Overseeing Lessor's implementation of the terms of the Parking Management Plan
- Reviewing reporting/monitoring and enforcement activity, as necessary
- Refining operating procedures/requirements as necessary
- Resolving/curing issues related to parking that arise over time.

The Management Team will establish a routine format and schedule for meeting. The Management Team will meet at least twice a year.

#### **2. SIGNAGE**

##### **2.1 Exterior signage**

The Lessor shall install and maintain exterior signage that may include electronic or manual signs or a combination thereof and shall indicate the existence of the Metro Park and Ride stalls within the Garage. All signage must be consistent with governmental requirements.

##### **2.2 Interior Signage/Traffic Control**

Lessor shall develop, subject to Lessee's approval, not to be unreasonably withheld or delayed, a system of traffic control (using a combination of cones, barricades and or/ signage) to assure that Park & Ride customers are efficiently and conveniently directed to the Leased Parking Spaces, as shown in Exhibit A. Whenever feasible, and subject to the mutual consent of the parties, Lessee's standard Park & Ride signage will be utilized. Project signage may include signs containing Lessee's and/or Lessor's "Code of Conduct".

##### **2.3 Leased Parking Spaces**

Format and design of all interior signage shall be subject to the prior reasonable approval of Lessee and Lessor.

The initial set of signs will be provided to the Lessor by Lessee at Lessee's expense. The Lessor shall, at its expense, install the signs in the Garage. The Lessor shall, at its expense, be

responsible for maintaining signs, as well as the subsequent manufacture and replacement of removed and damaged signs with signs of comparable quality.

### **3. MANAGEMENT OF USERS**

Lessor shall adopt and enforce procedures designed to assure that the Leased Parking Spaces are available for use by transit passengers as described in Section 5 of the Lease.

#### **3.1 Residential and Retail Shared Use of Leased Parking Spaces**

All vehicles of residential tenants using the Garage shall:

- a. Have vehicle license numbers registered. This information will be provided to the parking manager (see below) for use in monitoring/enforcement of the Garage; and
- b. Other identification procedures such as adhesive permits or electronic identifiers that may be adopted from time to time to facilitate management. Residents will be instructed (through parking lease agreement) of the use and time restrictions/enforcement procedures for shared use of the Leased Parking Spaces.

#### **3.2 Employees of the development site**

All vehicles of employees of the development site using the Leased Parking Spaces will:

- a. Have vehicle license numbers registered. This information will be provided to the parking manager (see below) for use in monitoring/enforcement of the Garage; and
- b. Other identification procedures such as adhesive permits or electronic identifiers may be adopted from time to time to facilitate management. Employees will be instructed of the use, time and area restrictions/enforcement procedures for use of the Garage.

#### **3.3. Parking Manager**

The Lessor will appoint a "parking manager" who will be on-site between the hours of 5:30 a.m. and 7:00 p.m., Monday through Friday (except federal holidays, the Friday after Thanksgiving and any other day on which weekday bus service is not available). The parking manager will be responsible for managing the Garage during those time periods, which may include:

- Displaying appropriate external signage by 5:45 a.m. each morning to assure clear directional information to Park & Ride customers.
- Setting up necessary cone/barriers/directional signage by 5:45 a.m. to efficiently direct Park & Ride customers to Leased Parking Spaces.

- Assuring the availability of parking stalls as per the schedule outlined in Section 5 of the Lease.
- Assuring correct display of information on all exterior signage.
- Monitoring and reporting the presence of residential vehicles in Leased Parking Spaces between 6:00 a.m. and 10 a.m.
- If the Management Team determines supply counts are necessary to remedy a chronic problem, provide supply counts on a daily basis.
- Issuing warnings and/or enforcing misuse of Leased Parking Spaces.
- Directing customers to “contingency” parking areas as necessary through use of physical direction, signage and/or a combination of both.
- Accurately reporting operating performance (use, activity, enforcement) to the Management Team
- Removal/replacement of signage and directional information as appropriate to the time of day before leaving the site.

### 3.4 Monitoring enforcement

Monitoring/enforcement by Lessor through its parking manager may include:

#### **a. Supply**

- A physical count of all residential vehicles sharing use of the Leased Parking Spaces shall be made between 6:00 a.m. and 8:00 a.m. if the Management Team determines a count is needed to address a chronic problem.
- If required to remedy a chronic problem, a warning to the owner of vehicles parked in Leased Parking Spaces in violation of the Lease shall be issued by placing a notice on the vehicle and directing Park & Ride parkers to contingency parking areas. In such event, Lessor shall make such contingency parking areas available at its sole cost and designate such areas on a site plan that will be provided to the Lessee's representative.
- Towing or impounding vehicles violating the established supply guidelines. Lessee reserves the right to request that the parking manager tow or impound vehicles in violation of the parking requirements in the Lease.

#### **b. Additional Restrictions**

- Parking of transit passenger vehicles in the Garage overnight is prohibited.
- Vehicles leaking oil in the Garage will be notified using written notices placed on the windshield by the Parking Manager/enforcement personnel.

Lessee maintains the right to conduct its own vehicle occupancy counts (within the Premises) at any time.

### 3.5 Reporting

The parking manager will provide periodic reports and usage information that will be submitted to the Management Team for review. The Management Team will determine how often the reports shall be submitted provided such reports shall not be required more than quarterly unless a chronic problem exists. The reports will, at minimum, summarize:

- Average daily use of the Leased Parking Spaces based on a representative sample of days within that quarter
- Violations of use (detail, date/location/incidence)
- Actions taken as regards enforcement
- Requests for operational improvements

#### **4. LESSOR'S REMEDIES**

Should problems arise regarding the use and availability of the Leased Parking Spaces and other spaces in the Garage, the parties should first attempt to resolve operational and performance issues through discussions at the Management Team. However, Lessor is solely responsible for assuring the proper use of the Leased Parking Spaces. Options that Lessor may implement to assure supply availability include:

- Expansion of the "contingency/overflow" parking area
- Implementation of valet parking services to move vehicles to available parking areas.
- Towing of offending vehicles, provided that the Lessor agrees not to tow or impound vehicles belonging to transit passengers before 8:00 p.m. and that prior to commencement of enforcement measures that include towing or impounding transit passenger vehicles, the Lessor will notify Lessee in writing that a pattern of violation exists and work with the Lessee representative to determine if any enforcement measures other than towing or impoundment can be implemented to alleviate the problem. Lessor will be responsible for all towing and impoundment of vehicles and other remedies as described in this agreement.

#### **5. EQUIPMENT**

Over time, the Management Team will consider operational guidelines that may need to be compatible with transit fare technologies (e.g. smart card and flexpasses) that might be developed.

Over time, the Management Team will consider any upgrades to equipment, access control and/or revenue control that may be necessary to manage, operate and control access to the Garage. The cost of major equipment or other upgrades shall be shared by Lessor and Lessee to the extent such upgrades are mutually approved and benefit transit passengers. With mutual agreement, the parties may agree to these upgrades with agreed on cost allocation. Maintenance of the garage shall be the responsibility of the Lessor. Such maintenance shall include, but not be

limited to, repainting, elevator and stairwell equipment maintenance, lighting, sprinkler systems, and maintenance of other systems.

## **6. PAY PARKING**

If Lessor desires to implement a pay parking system, the Management Team must be informed of the proposed format and system prior to implementation. Systems may need to be developed which differentiate “pay parkers” from Park & Ride customers. As pay parking systems are developed and implemented, the system and fees will need to be workable for and approved by both parties.

## **7. OTHER AGREEMENTS**

This parking management agreement will need to be consistent and compatible with other agreements for parking in the Garage. Lessee has the right to review the parking provisions in any other agreement related to the Garage to the extent that Lessor is not otherwise prohibited by law from disclosing such information.

**8. RULES AND REGULATIONS:** Lessor may require transit passengers to faithfully observe and comply with the rules and regulations applicable to all users of the public portion of the Garage, as such rules may be modified from time to time.

## EXHIBIT E

### MAINTENANCE AND SECURITY STANDARDS

#### 1. MAINTENANCE

Lessor shall be solely responsible for all maintenance of the Garage and shall furnish all labor, equipment and supplies necessary for the proper performance of the maintenance service. Supplies include, but are not limited to, cleaners, detergents, floor polish, disinfectants, vacuum cleaners, dust cloths, wet and dry mops, waxes, buffing machines, plastic bags, graffiti removal agents, and trash can liners. Such maintenance shall include the following, as necessary to maintain the parking garage in a manner consistent with that of comparable facilities such as the parking garage at Alderwood Mall (provided those tasks with an \* shall be performed at least once a week):

##### 1.1 Elevators and stairs:

- Clean interior of elevators, remove stickers and advertisements\*
- Sweep and mop elevator floors
- Dust or vacuum light and fan grills as needed
- Clean exterior doors and call button areas on both floors
- Clean stairs and handrails\*
- Remove food and beverage spills, and gum.

##### 1.2 Parking areas:

- Pick up all paper, cigarette butts, beverage containers, and other debris from floor of Garage
- Sweep floors as needed
- Sweep stairs and clean handrails
- Empty trash receptacles and replace liners\*
- Remove stickers and flyers from all surfaces including the exterior of building\*.
- Clean telephones, security monitors and any other miscellaneous equipment.
- Replace broken or burned out light fixtures\*.
- Remove accumulated snow, ice, and water in and around the Garage and access areas as necessary. No chloride products shall be used.

##### 1.3 Periodic Maintenance:

- Pressure wash or hose off food and beverage spills
- Sweep the entire garage and/or hose clean
- Dust light fixtures, wash glass on security monitors

- Pressure wash stairs
- Pressure wash off grease and oil.
- Wash all light fixtures

#### 1.4 Graffiti:

Graffiti shall be removed within 24 hours of it being reported or seen.

## **2. SAFETY AND SECURITY**

As between Lessor and Lessee, Lessor shall be solely responsible for safety and security in the Garage. Lessor shall take all commercially reasonable steps to ensure the safety and security of the users of the Leased Parking Spaces but Lessee specifically acknowledges and agrees that Lessor is not a guarantor of the security or safety of any user.

All major incidents concerning the personal security and safety of transit customers will be investigated and reported by Lessor to the Seattle Police Department immediately. Lessor shall notify King County Chief of Transit Police of major incidents within 24 hours of discovery. Major incidents shall mean the following:

1. Homicide
2. Arson
3. Assault
4. Robbery
5. Major Vandalism
6. Bomb threats
7. Auto theft
8. Any other serious injury

## EXHIBIT F

### TRANSPORTATION DEMAND MANAGEMENT PLAN

#### **TDM Program – Northgate**

##### **Background.**

Lessor plans to develop a portion of the lot located south of the Northgate Mall and east of the King County Metro Park-n-Ride. The proposed development will combine 279 residential apartment units, 109 residential condominium units, a 16 screen cinema, 52,000 SF of additional retail space and over 875 stalls of parking in the Garage.

This TDM program arose out of community concern over the impacts of the development and a King County need to replace Park-n-Ride stalls due to the construction of 3<sup>rd</sup> Avenue, and the sale of the existing park and ride lot located at NE 112<sup>th</sup> Street and 5<sup>th</sup> Avenue NE to the City. Pursuant to the terms of the Lease to which this Exhibit is an attachment, Lessee shall pay for use of stalls in the Garage. In addition, Lessor has agreed to provide benefits to its tenants as part of the TDM program in the manner and in the amounts described in the Draft Lorig TDM Program – Jan 2006 attached hereto as Schedule F-1 and further described as follows:

##### **Program Elements.**

**Transit Pass Program** – Provide access to and financial assistance for a transit pass for each unit in the development. Higher benefit will be provided to residents who don't own cars (as outlined in the Draft Lorig TDM Program Jan 2006). At a minimum, the pass will be useable for King County Metro and Sound Transit service. The anticipated program covers 40 residents without cars and 125 residents with cars.

The program will continue for five years. Following the end of the fifth year, the property manager will analyze continuation of the existing program given funding levels and available products for distributing transit benefits.

**Flexcar** – This element requires Lessor to site within the Garage one or more Flexcar vehicles depending on demand. Lessor will work with Lessee and Flexcar to select the location for the vehicle(s). The Flexcar vehicle(s) should be located in a convenient location for residents to access (e.g. near elevators). Lessor shall also provide a tiered usage credit to new residents who become Flexcar members with a higher benefit for residents without cars (as described in the Draft Lorig TDM Program – Jan 2006).

**Bike Incentives** – Offer a voucher to purchase bike related accessories to all residents. Higher voucher level will be offered to residents without cars (as described in the Draft Lorig TDM Program – Jan 2006).



**Transportation Coordinator** – Lessor shall arrange for a transportation coordinator on site. The transportation coordinator will be responsible for: incentive distribution, providing transit-bike-pedestrian related information and maintaining an information center, transit travel training, conducting outreach to residents about transit passes, Flexcar, and other transportation options, conducting surveys to assess transportation behavior, communicating with Flexcar and Lessee about the program, and participating in any future Transportation Management Association.

**Lessee Incentive Payments** - Subject to the additional restrictions described below, for the first three years of the program, Lessee shall contribute to the cost of providing the above-described Program Elements. The estimated Lessee contribution amounts are contained in the Draft Lorig TDM Program – Jan 2006 attached hereto as Schedule F-1

**Voluntary Additional Programs.**

The Additional Programs described on the Draft Lorig TDM Program – Jan 2006 attached hereto as Schedule F-1 (Package for Employees; Package for Seniors) are voluntary.

**Financial Commitment to TDM Program.**

Lessor shall contribute up to \$235,305 and Lessee shall contribute up to \$93,805 for the TDM Program described on attached Schedule F-1. Costs associated with the Voluntary Additional Programs do not count towards these contribution limits and claims by Lessor for costs incurred related to a Transportation Coordinator are limited to a cumulative total of \$50,000 over five years. Notwithstanding any other provision herein, in no event shall either Lessee or Lessor be obligated to incur any costs or commit any funds in excess of such limits. Lessor's participation in the TDM Program shall be voluntary after five (5) years.

**SCHEDULE F-1**

**LORIG TDM PROGRAM – NORTHGATE (May, 2006)**

(Spreadsheet attached)

**Lorig TDM Program - Northgate**

May-06

- Objectives**
- Increase use of alternative modes
  - Decrease user demand for parking stalls
  - Provide a package of benefits for residents and employees

**Background**

This TDM program is part of a relationship between King County Metro and Lorig to share parking stalls. Lorig provides Transportation Coordinator for distributing benefits and transportation information including a Transit Info Board

Program Element	Details	Outcomes	Year 1	Year 2	Year 3	Year 4	Year 5	Notes
<b>1. Package of benefits for residents without cars</b>	Transit Benefit - Monthly or annual passes for residents who do not own a car Flexcar usage benefit at \$50 per unit Bike Incentive at \$100 per unit Sub-Total	Reduce demand for parking by encouraging lower car ownership, increase transit ridership Reduce demand for parking, makes it easier for Reduce demand for parking, encourage bicycle	\$0,360 \$780 \$1,580 \$11,700	\$22,960 \$1,913 \$3,827 \$28,700	\$24,000 \$2,000 \$4,000 \$30,000	\$24,000 \$2,000 \$4,000 \$30,000	\$24,000 \$2,000 \$4,000 \$30,000	Initial budget assumes 50 units (12%) choose not to purchase a parking stall.
<b>2. Package of benefits for residents with cars</b>	Transit Benefit - \$15 monthly voucher toward transit pass cost Flexcar benefit of one-time \$30 usage credit \$30 voucher to purchase a bike helmet at REI Sub-Total	Encourage lower car ownership, increase transit ridership Encourage lower car ownership Reduce demand for parking, encourage bicycle	\$6,335 \$1,385 \$1,389 \$11,114	\$21,072 \$3,512 \$3,512 \$28,096	\$22,500 \$3,750 \$3,750 \$30,000	\$22,500 \$3,750 \$3,750 \$30,000	\$22,500 \$3,750 \$3,750 \$30,000	Assume 22 move in per month & 50% participation rate, full occupancy & full cost is in Year 3
<b>3. Overall site incentives</b>	Flexcar Sting Subsidy - subsidize up to minimum number of usage hours Transportation Coordinator - On-site property manager, in-kind Lorig contribution Parking consulting services, in-kind Metro contribution	Gives the opportunity to test a car that may begin with low usage Provide residents with source of information about transit, supplies, Transit Info Board Explore innovative parking strategies including tiered parking charges dependent on number of stalls, variable price parking, employee parking	\$10,000 \$10,000	\$5,000 \$10,000	\$3,000 \$10,000	\$1,500 \$10,000	\$1,500 \$10,000	Log direct expenditure
<b>Sub-Total Metro Incentives</b>			\$42,814 (\$21,407)	\$71,796 (\$35,898)	\$73,000 (\$36,500)	\$71,500 \$71,500	\$70,000 \$70,000	\$329,110 (\$93,805)
<b>Sub-Total After Incentives</b>			\$21,407	\$36,898	\$36,500	\$71,500	\$70,000	\$235,305

**Additional and Optional Programs**

Program Element	Details	Outcomes	Year 1	Year 2	Year 3	Year 4	Year 5	Notes
<b>4. Package for Employees</b>	Annual FlexPass - Unlimited rides on Metro and Sound Transit Bus	Reduce demand for parking by encouraging lower car ownership, increase transit ridership	\$54,675	\$75,087	\$77,340	\$79,660	\$82,050	Assumes 324 employees (112 present upon opening & 1/2 at 6 months), 3% increase assumed for each year Pricing structure will change significantly under Smartcard. Prices will likely change.
<b>5. Package for Seniors</b>	Annual Regional Reduced Fare Slicker		\$2,145	\$5,473	\$6,204	\$6,204	\$6,204	Assumes 7 move in per month & 75% of 94 units participate, full occupancy & full cost in Year 3
<b>Sub-Total Metro Incentives</b>			\$56,820 (\$28,410)	\$80,560 (\$40,260)	\$83,544 (\$41,772)	\$85,864 (\$41,772)	\$88,254 (\$41,772)	
<b>Sub-Total After Incentives</b>			\$28,410	\$40,260	\$41,772	\$41,772	\$41,772	

**Grand Total**      \$49,817      \$76,178      \$78,272      \$157,364      \$156,254