

December 15, 1995

Introduced By:

Pullen, Fimia, Gossett,
Laing, Sims, Sullivan, Vance

M:\95-758S.DOC

Proposed No.:

95-758

ORDINANCE NO. **12094**

AN ORDINANCE authorizing the executive to execute the Grand Ridge Joint Agreement relating to the annexation and development of the Grand Ridge area and the Master Transportation Financing Plan relating to the financing and construction of certain transportation improvements.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. King County makes the following legislative findings:

1. The Grand Ridge Property is an approximately 2,194-acre area of King County which is owned by the Grand Ridge and Glacier Ridge Partnerships (the "Partnership") and located within the East Sammamish Community Planning Area at the southern terminus of the Sammamish Plateau, northeast of the city of Issaquah, west of Fall City, north of Interstate 90 and southeast of Issaquah-Fall City Road.

2. The Grand Ridge Property has been planned and designated for urban, rural and open space uses within King County and city of Issaquah comprehensive plans.

3. Consistent with the purpose of the Growth Management Act to promote wise use of land through inter-jurisdictional planning efforts, King County Countywide Planning Policies and Comprehensive Plans adopted by King County and the city of Issaquah encourage coordinated land use decision-making throughout incorporated and unincorporated areas of King County.

4. The coordination of land use decision-making involving large land areas, such as the Grand Ridge area, provides unique opportunities for significant county-wide benefit.

5. Such coordinated decision-making offers the public and property owners unique opportunities to realize mutual benefits including preservation of open space, proponent contributions to major capital improvement needs, diversity in housing types and affordability, and establishment of a specific range and intensity of uses which maximize the responsible stewardship of lands within the county.

1 6. King County, the city of Issaquah and the Partnership have been cooperatively
2 planning for appropriate land uses and infrastructure for the Grand Ridge area, consistent
3 with the county and city comprehensive plans and development regulations.

4 7. King County's East Sammamish Community Plan provides that King County
5 should encourage and support those annexation proposals which result in sufficient public
6 service levels and will implement appropriate land use and environmental protection
7 standards.

8 8. King County's East Sammamish Community Plan policies encourage pre-
9 annexation planning agreements which address land use planning; transportation planning
10 and mitigation; development standards and development review; surface water drainage
11 and flood control; utilities planning and service provision; affordable and fair share
12 housing; historic preservation; parks, trails, wildlife corridors and open space;
13 environmentally sensitive areas; identification of resource lands, critical areas and lands for
14 public purposes; urban separators; financing of regional facilities and local urban services;
15 impact fee collection; infrastructure deficiencies and distribution of tax revenue among
16 service providers.

17 9. Such planning goals are appropriately reflected by the standards addressed in the
18 Grand Ridge Joint Agreement authorized herein.

19 10. Urban portions of the Grand Ridge Property are appropriate for annexation into
20 the city of Issaquah under the terms of the Grand Ridge Joint Agreement authorized herein.

21 11. State law acknowledges that potential for waste of public and private resources,
22 unnecessary escalation in housing costs, and land use planning inefficiencies and
23 disincentives can be readily avoided where appropriate assurances exist for property
24 owners that land use policies and regulatory standards will remain in effect over the life of
25 a proposed project. (See Development Agreement Statute, Ch. 347, 1995 Wash. Laws, Part
26 V, §§ 501-06).

27 12. Local governments are accordingly authorized by the Development Agreement
28 Statute to enter into agreements with property owners setting forth standards and other
29 provisions governing the use and development of real property for a specified time frame.

1 13. Standards set forth in the Grand Ridge Joint Agreement promote growth
2 management and planning objectives including reasonably priced housing; innovative and
3 sensitive land development with clustering, sensitive area preservation, and extensive areas
4 of contiguous natural open space; efficient major infrastructure improvements, including
5 the Sunset Interchange; creative solutions for housing, water conservation, traffic demand
6 management; creative mix of residential and commercial uses which further sustain area-
7 wide economic vitality of the community.

8 14. Land uses and infrastructure requirements established within the Grand Ridge
9 Joint Agreement are consistent with applicable county and city development regulations.

10 15. Joint agreements between public agencies with respect to multi-jurisdictional
11 development are authorized by the Interlocal Agreement Act, RCW 39.34.

12 16. The background and experience which the county has had reviewing grading
13 permit matters associated with ongoing quarry mine operations within the urban portion of
14 the Grand Ridge Property support continuing county review of such applications following
15 annexation as provided for in the Joint Agreement.

16 17. King County, the city of Issaquah and the Partnership have identified four core
17 transportation improvements and other transportation improvements necessary for the
18 development of the Grand Ridge Property and have agreed upon responsibilities for
19 financing and constructing these improvements under the terms of the Master
20 Transportation Financing Agreement.

21 18. The King County Council finds the Grand Ridge Final Environmental Impact
22 Statement issued September 1995 is adequate for purposes of making decisions to approve
23 and authorize the execution of the Grand Ridge Joint Agreement and the Master
24 Transportation Financing Agreement.

1 SECTION 2. The King County Council hereby adopts and the King County
 2 executive is authorized to execute the Grand Ridge Joint Agreement and the Master
 3 Transportation Financing Agreement in substantially the forms attached hereto as
 4 Appendix A and Appendix B, respectively, provided that, prior to such execution, the
 5 executive shall: (1) revise the exhibits and appendices to the agreements as necessary to
 6 conform to the amendments adopted by the council; and (2) obtain a legal description of
 7 the Grand Ridge Project and insert such legal description in Exhibit 1 of the Grand Ridge
 8 Joint Agreement; and provided further that, the Executive shall by March 1, 1996 prepare a
 9 conservation easement governing the 174 acres to be granted to King County by the
 10 Partnership.

11
 12 INTRODUCED AND READ for the first time this 30th day of

13 October, 1995

14 PASSED by a vote of 12 to 1 this 18th day of December,

15 1995.

16 KING COUNTY COUNCIL
 17 KING COUNTY, WASHINGTON

18 Kent Pullen
 19 Chair

20 ATTEST:

21 Gerald A. Peterson
 22 Clerk of the Council

23 APPROVED this 29th day of December, 1995

24 Jonny Locke
 25 King County Executive

26 Attachments:

27 Appendix A: Grand Ridge Joint Agreement
 28 Appendix B: Master Transportation Financing Agreement

NOTE: This document reflects both technical and substantive amendments. Some amendments have not been agreed to by the Partnership. Substantive amendments drafted at the request of Councilmembers or in response to Councilmember concerns are shaded and need to be voted upon by the Committee-of-the-Whole.

Revised December 15, 1995

GRAND RIDGE JOINT AGREEMENT

Among

KING COUNTY, WASHINGTON

and

CITY OF ISSAQUAH, WASHINGTON

and

GRAND RIDGE LIMITED PARTNERSHIP

and

GLACIER RIDGE LIMITED PARTNERSHIP

Date: December 15, 1995_

INCORPORATES COUNCIL ADOPTED AMENDMENTS 12/18/95

THIS JOINT AGREEMENT ("Agreement") is entered into effective the ____ day of _____, 1995, by and among KING COUNTY, a Washington home rule charter county ("County"), CITY OF ISSAQUAH, a Washington municipal corporation ("City") and THE GRAND RIDGE PARTNERSHIP (LIMITED PARTNERSHIP) and THE GLACIER RIDGE PARTNERSHIP (LIMITED PARTNERSHIP), both Washington limited partnerships (collectively the "Partnership").

WHEREAS, King County is a home rule charter county under the laws of the State of Washington with authority to enact laws and enter into agreements to promote health, safety and welfare of its citizens, including the approval of land use plans and development standards within unincorporated King County and designation and dedication of open space areas; and

WHEREAS, the City of Issaquah, is a noncharter optional municipal code city incorporated under the laws of the State of Washington, has authority to enact laws and enter into agreements to promote the health, safety and welfare of its citizens and thereby to control the use and development of property within its jurisdiction and to annex territory and specify zoning and development standards for annexed areas; and

WHEREAS, the Partnership is composed of The Grand Ridge Partnership (Limited Partnership) and The Glacier Ridge Partnership (Limited Partnership), which each owns their respective portion of the Grand Ridge Property as shown on Exhibit 1; and

WHEREAS, the Grand Ridge Project is an approximately 2,194 acre area of King County which is located within the East Sammamish Community Planning Area at the southern terminus of the Sammamish Plateau, northeast of the City of Issaquah, west of Fall City, north of Interstate 90 and southeast of Issaquah-Fall City Road; and

WHEREAS, the Grand Ridge Property has been planned and designated for urban, rural and open space uses in the County and City comprehensive plans; and

WHEREAS, the Grand Ridge project ("Project") is described in this Agreement and in a separate "Grand Ridge Annexation and Development Agreement" ("Annexation Agreement") covering the Urban Growth Area ("UGA") portion of the Project; and

WHEREAS, in keeping with the Growth Management Act's purpose of promoting wise use of land through interjurisdictional planning efforts, King County Countywide Planning Policies and Comprehensive Plans adopted by King County and the City of Issaquah encourage coordinated land use decision-making throughout incorporated and unincorporated areas of King County; and

WHEREAS, the coordination of land use decision-making involving large land areas, such as the Grand Ridge area, provides unique opportunities for significant County-wide benefit; and

WHEREAS, such coordinated decision-making offers the public and property owners unique opportunities to realize mutual benefits including preservation of open space, proponent contributions to major capital improvement needs, diversity in housing types and affordability, and establishment of a specific range and intensity of uses which maximize the responsible stewardship of lands within the County; and

WHEREAS, the County, City and Partnership have been cooperatively planning for appropriate land uses and infrastructure for the Grand Ridge area, consistent with the County and City comprehensive plans and development regulations; and

WHEREAS, King County's East Sammamish Community Plan provides that King County should encourage and support those annexation proposals which result in sufficient public service levels and will implement appropriate land use and environmental protection standards; and

WHEREAS, King County's East Sammamish Community Plan policies encourage preannexation planning agreements which address land use planning; transportation planning and mitigation; development standards and development review; surface water drainage and flood control; utilities planning and serve provision; affordable and fair share housing; historic preservation; parks, trails, wildlife corridors and open space; environmentally sensitive areas; identification of resource lands, critical areas and lands for public purposes; urban separators; financing of regional facilities and local urban services; impact fee collection; infrastructure deficiencies and distribution of tax revenue among service providers; and

WHEREAS, King County and the City have determined that such planning goals are appropriately reflected by the standards addressed herein; and

WHEREAS, parties to this agreement thus acknowledge that urban portions of the Grand Ridge Property are appropriate for annexation into the City of Issaquah under the terms of this Agreement; and

WHEREAS, State law acknowledges that potential for waste of public and private resources, unnecessary escalation in housing costs, and land use planning inefficiencies and disincentives can be readily avoided where appropriate assurances exist for property owners that land use policies and regulatory standards will remain in effect over the life of a proposed project. (See Development Agreement Statute, Ch. 347, 1995 Wash. Laws, Part V, §§ 501-06); and

WHEREAS, local governments are accordingly authorized by the Development Agreement Statute to enter into agreements with property owners setting forth standards and other provisions governing the use and development of real property for a specified timeframe; and

WHEREAS, upon carefully evaluating the range of potential development within the Grand Ridge area, the County and City have determined that standards set forth in this agreement

promote growth management and planning objectives including reasonably priced housing; innovative and sensitive land development with clustering, sensitive area preservation, and extensive areas of contiguous natural open space; efficient major infrastructure improvements, including the Sunset Interchange; creative solutions for housing, water conservation, traffic demand management; and creative mix of residential and commercial uses which further sustain area-wide economic vitality of the community; and

WHEREAS, land uses and infrastructure requirements established within this Agreement are consistent with applicable County and City development regulations; and

WHEREAS, the City and County agree that the extensive background and experience which the County has had reviewing grading permit matters associated with ongoing quarry mine operations in Development Area 4 as identified on Exhibit 3 to this Agreement support continuing County review of such applications within the City pursuant to the Interlocal Agreement Act, RCW 39.34, for the interim following annexation as provided by Appendix C.

NOW, THEREFORE, the County, the City and the Partnership do hereby agree as follows:

1. MUTUAL CONSIDERATION AND DEFINITIONS

1.1 CONSIDERATION

The parties acknowledge that they have diverse and potentially conflicting objectives with regard to the Property, and this Agreement is entered into to resolve those issues in a mutually beneficial way. The parties covenant to perform such acts as may be called for by this Agreement. In consideration of the mutual promises set forth herein, including, but not limited to, the County agreeing to support an annexation consistent with the terms of this Agreement, the City agreeing not to seek annexations inconsistent with the terms of this Agreement, the Partnership agreeing to develop the Property consistent with the terms of this Agreement, and the promises of the parties related to the transportation improvements described in Appendix F, the parties hereby mutually promise to be bound by the terms and conditions of this Agreement.

1.2 DEFINITIONS

"Agreement" means this joint agreement for the Grand Ridge Property entered into by the County, City and Partnership.

"Annexation Agreement" means the "Grand Ridge Annexation and Development Agreement" developed concurrently with and separately from this Agreement and entered into by the Partnership and the City to govern annexation and development of the UGA. The terms and conditions of the Annexation Agreement are not incorporated herein.

"Annexation Area" means the UGA except that portion designated as "County UGA Open Space".

"City" means the City of Issaquah, a code city.

"Conservation Area" means the 180 acres located within the SE Rural Parcel as described in Section 4.1.2 and shown on Exhibit 3 of this Agreement.

"County" means King County, a home rule charter county.

"County UGA Open Space" means the approximately 44 acres shown on Exhibit 3 and described in Section 2.2.2(b).

"Development Areas" means the urban Development Areas 1 through 4 as shown in Exhibit 3.

"Eastern Access" means that driveway, further described in Section 4.3.8, providing access limited to three residences from 280th Avenue SE to the eastern edge of the Rural Residential Area (the Eastern Access shall not include internal roads within the Rural Residential Area).

"Expansion Areas" means the approximately 94 acres of land outside of the Partnership ownership, some or all of which may be added to the Project boundaries as an expansion of Development Areas 3 and 4 as shown in Exhibit 3.

"Material Provision" means any provision in the Agreement which constitutes consideration of the Agreement, without which the Agreement would not have been made.

"Household" means one or more persons occupying a single dwelling.

"Northeast (NE) Rural Parcel" consists of approximately 35 acres as further described in Section 4.2.

"Open Space Uses" as used throughout this Agreement means uses that which would: (a) conserve and enhance natural or scenic resources; (b) protect streams or water supply; (c) promote conservation of soils, wetlands, beaches or tidal marshes; (d) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space; (e) enhance and or provide recreation opportunities, including a regional trail system and its support facilities; (f) preserve historic sites; or (g) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use. Open Space uses shall be only those uses reserved to grantor or grantee in Appendix G and Appendix H.

"Partnership" means collectively The Grand Ridge Partnership (Limited Partnership) and The Glacier Ridge Partnership (Limited Partnership), which each owns their respective portion of the Property described in Exhibit 1. Except for those responsibilities, liabilities and obligations that originate solely from a limited partnership's property ownership, the Grand Ridge and Glacier Ridge Limited Partnerships shall be jointly and severally liable for all Partnership obligations that arise hereunder.

"Project" means the urban, rural and open space development and uses proposed for the Property, and the 47-acre park site currently owned by the City and adjoining the Property, with the development standards and on the other terms, standards, and conditions set forth in this Agreement.

"Property" means the real property owned by the Partnership described on Exhibit 1, and any of the Expansion Areas which may be subjected to this Agreement through the criteria set forth in Section 2.2.2(f). The definition of "Property" shall be deemed automatically to include all portions of the Expansion Areas which become subject to this Agreement.

"Rural Development Standards" shall mean the standards and requirements for development of the SE Rural Parcel as set forth in Section 4.3 of this Agreement.

"Rural Open Space" means the approximately 1,201 acres shown on Exhibit 3 (which includes 180 acres subject to a conservation easement surrounding the Rural Residential Area) described in Section 4.1.2.

"Rural Residential Area" means the approximately 150 acres within the SE Rural Parcel designated for up to 40 units as set forth in Section 4.3.

"Southeast (SE) Rural Parcel" means the approximately 330 acres including the Rural Residential Area (150 acres) and the Conservation Area (180 acres) as further described in Section 4.3.

"Urban Growth Area" or "UGA" means the portion of the Property located within the Urban Growth Area designated in the King County Comprehensive Plan and shown on Exhibit 3. The UGA portion of the Property (except the County UGA Open Space) is intended to be annexed into the City. The UGA portion shall automatically include any additions of the Expansion Areas described in Section 2.2.2(f).

"Urban Open Space" means the approximately 276 acres to be annexed to and owned by the City and shown on Exhibit 3 and discussed in Section 4.1.1.

"Vested Date" shall mean, for the Grand Ridge Estates I short plats, the October 20, 1989 date upon which the Grand Ridge Estates I completed short plat applications were submitted to the County and, for the Grand Ridge Estates II short plats, the August 15, 1990 date upon which the Grand Ridge Estates II completed short plat applications were submitted to the County.

"Western Access" means that roadway, further described in Section 4.3.8, providing access from the eastern edge of the UGA portion of the Grand Ridge Property to the western edge of the 150 acre Rural Residential Area (the Western Access shall not include internal roads within the Rural Residential Area).

2. PROJECT ELEMENTS

2.1 PROJECT LOCATION

The Grand Ridge Project area consists of approximately 2,194 acres of Partnership land, plus a potential of approximately 94 additional acres of adjacent land shown on Exhibit, located north of and contiguous to the City of Issaquah. The Partnership property is legally described in Exhibit 1 ("Property"). The Vicinity and Area Map are attached hereto as Exhibit 2.

2.2 PROJECT ELEMENTS

The Grand Ridge area is being master planned for a mix of public and private uses. The Project is composed of major use components as shown on Exhibit 3, described as follows:

2.2.1 Outside Urban Growth Area. The following Project areas are located in unincorporated King County outside of the UGA and are not intended for annexation under this Agreement:

(a) Rural Open Space. As more fully set forth in Section 4.1.2 below, King County shall receive fee title or conservation easements for 1,201 acres which the parties designate and

will hold for passive open space uses. This total area consists of the following: (a) 1,021 acres for which first a conservation easement and later fee title shall be conveyed to King County, and (b) 180 acres surrounding the SE Rural Parcel denominated as the "Conservation Area" and shown on Exhibit 3, for which first a conservation easement shall be conveyed to King County and later fee title may be conveyed to King County. These combined areas of 1,201 acres are shown as "Rural Open Space" on Exhibit 3. (Road rights-of-way are not included in open space area calculations.)

(b) Rural Residential Development. Approximately 185 acres are designated for private rural residential development as follows: (i) NE Rural Parcel with approximately 35 acres and 7 lots; and (ii) Rural Residential Area within the SE Rural Parcel with approximately 150 acres and up to 40 lots. These rural residential development areas are mapped on Exhibit 3 and the uses, easements and other development standards are described in Section 4.2 and 4.3.

2.2.2 Within Urban Growth Area. The following Project areas are located in unincorporated King County within the UGA and all but the County UGA Open Space are intended for annexation into the City:

(a) City Urban Open Space. Approximately 276 acres shown on Exhibit 3 as "Urban Open Space" in Urban Development Areas 1, 2 and 3 will be owned by the City. The 276 acres of Urban Open Space to be owned by the City includes approximately 229 acres to be deeded to the City by the Partnership and an additional 47 acres of designated park land already owned by the City. As further provided in Section 4.1.1.1, within the City's Urban Open Space, 174 acres (which may include the existing 47 acre park land) shall be limited to those uses authorized for the Rural Open Space pursuant to Appendix H through a conservation easement to be granted to King County. The remaining 102 acres of City Urban Open Space will be used for active recreation and related facilities, except up to 9 acres may be used for government services, utilities or facilities as determined by the City. The Urban Open Space is shown on Exhibit 3 and further discussed in Section 4.1.1.1. (Road rights-of-way are not included in the 174- acre conservation easement open space area.)

(b) County UGA Open Space. Approximately 44 acres shown on Exhibit 3 as "County UGA Open Space" to be owned by the County within the UGA and not annexed to the City.

(c) Urban Development Area 1. Urban Development Area 1 includes approximately 143 acres consisting of 10 Development Areas in 7 drainage sub-basins. This area is mapped on Exhibit 3 along the Eastern boundary of urban development and will include predominantly conventional single family detached residential as described in Appendices A and B.

(d) Urban Development Area 2. Urban Development Area 2 includes approximately 100 acres consisting of 9 Development Areas in 5 drainage sub-basins. This area is mapped on Exhibit and is part of the residential core of Grand Ridge and will include a variety of residential types and densities ranging from mid to high density single family detached to single family attached and multifamily, as described in Appendices A and B.

(e) **Urban Development Area 3.** Urban Development Area 3 includes approximately 90 acres consisting of 9 Development Areas in 3 drainage sub-basins. This area is mapped on Exhibit and is predominantly residential and focused on a mixed use "village green," as described in Appendices A and B.

(f) **Urban Development Area 4 (Quarry Area).** Urban Development Area 4 includes approximately 136 acres consisting of 10 Development Areas in 2 drainage sub-basins. This area is mapped on Exhibit and is a predominantly commercial mixed use "urban village center," as described in Appendices A and B.

(g) **Expansion Areas.** Up to approximately 94 acres of land outside of the Partnership's ownership on the date of execution of this Agreement, as shown on Exhibit 3 and described in Exhibit 1, may be included within the Project boundaries upon meeting the following conditions: (i) mutual agreement by the parties (or the Partnership and the City after the effective date of annexation) to develop in a manner consistent with the land uses and densities using the format shown in Appendix B; (ii) acquisition of the potential expansion area(s) by the Partnership or the agreement by the Partnership and those adjacent owners to subject those properties to the terms of this Agreement (if executed before annexation of the UGA by the City, the Agreement between the Partnership and adjacent owners shall be in a form acceptable to both the County and City; if executed after annexation of the UGA by the City, the agreement between the Partnership and adjacent owners shall be in a form acceptable to the City only); and (iii) annexation of the expansion area(s) to the City. These expansion areas are mapped on Exhibit 3 and extend Development Areas 3 and 4 to their natural topographic or drainage basin boundaries, and provide a stronger cohesion between these two village areas. To the extent an expansion area is not within the current UGA boundary, then its inclusion in the UGA shall comply with all applicable laws, including but not limited to any required County UGA approval and boundary adjustment provisions in the Comprehensive Plans of the County and City, including County Policy I-204 (regarding the provision of additional open space at a 4:1 rural to urban ratio), and be done prior to annexation.

2.3 Acreage Chart. The acres reflected in the following chart are estimates based on a geographic information system and are subject to change following more detailed study and survey, except that the combined County UGA Open Space, County Rural Open Space, and Conservation Area acres shall be no less than four times the combined acres in Urban Development Areas 1, 2 and 3.

PROJECT AREA	SUBTOTAL ACREAGE	AREA ACREAGE	TOTAL ACREAGE
I. RURAL AREA			
A. NE Rural Parcel		35.00	
B. SE Rural Parcel		150.00	
TOTAL			185.00
II. URBAN DEVELOPMENT AREAS (including ROW)			
A. Development Area #1	142.25		
B. Development Area #2	99.51		
C. Development Area #3	90.02		
D. Right of Way in 1, 2, 3	22.00		
Subtotal for 4:1 ratio calculation (353.78 x 4 = 1415.12 acres required for open space)		353.78	
E. Development Area #4 (including ROW)		135.58	
TOTAL			489.36
EXPANSION AREAS			
A. Lakeside North Parcel		18.97	
B. Lakeside South Parcel		4.36	
C. WSDOT Parcel		39.29	
D. DNR Parcel		21.01	
TOTAL			93.63
OPEN SPACE AREA			
A. County Rural Open Space			
1. County Rural Open Space (fee title)	1,020.73		
2. Conservation Area in SE Rural (easement)	180.00		
Subtotal		1200.73	
B. County Urban Open Space			
1. County UGA Open Space (fee title inside UGA line but not to be annexed)		43.56	
2. City's Conservation Easement for passive uses (Subtotal County Rural and Urban Open Space = 1,418.22)		173.93	
C. Active City uses (includes parks recreation, roads, utilities, water reservoir/tank, detention)		101.79	
TOTAL			1,520.01
GRAND TOTAL PROJECT AREA			2,288.00
GRAND TOTAL PROJECT AREA W/O EXPANSION AREAS			2,194.37

3. URBAN AREA

3.1 URBAN DEVELOPMENT WITHIN CITY

The Partnership agrees to petition, within 30 days of the effective date of this Agreement, the City for annexation of the UGA portion of the Grand Ridge Property, including

the urban Development Areas and the Urban Open Space but excluding the County UGA Open space as shown on Exhibit 3. Upon annexation these areas will be developed under the jurisdiction of the City consistent with or exceeding the standards and service levels described in this Section 3 and Appendices A through D.

3.2 AFFORDABLE HOUSING

3.2.1 Required Percentages. Thirty Percent (30%) of the Project units to be developed within the City after annexation shall be affordable, comprised of ten percent (10%) of the units affordable to middle income households, ten percent (10%) of the units affordable to moderate income households and land set aside for at least ten percent (10%) of the units affordable to low-income households.

3.2.2 Definitions. "Middle", "moderate" and "low" income are defined as the respective income level measured against the applicable percentage for median income in King County: middle income category is 100% to 120%; moderate income category is 80% to 100%; and low income category is less than 80%. Median income and affordable monthly housing payments based upon a percentage of such income shall be determined annually by the County based upon King County median household income provided annually by the U.S. Department of Housing and Urban Development and indexed by household size using HUD guidelines.

3.2.3 Affordable Housing Development Standards.

3.2.3.1 All Parties. Before the earlier of (a) the first preliminary plat approval, (b) submittal of an application for the first building permit or site plan application for multi-family units or (c) the sale of any parcel proposed for affordable housing units within the Project, the City, County and the Partnership shall mutually agree to and the City shall adopt or revise development standards for affordable housing that address the following unresolved affordable housing issues: (i) maximum house prices and rents; (ii) length of time that housing must remain affordable; (iii) procedures for reporting, and monitoring provisions for affordable units. The parties agree that time is of the essence in reaching agreement on development standards for affordable housing.

3.2.3.2 City and Partnership. No later than the time provided in the preceding Section, the City and the Partnership shall agree to, after consultation with the County, and the City shall adopt development standards for affordable housing that address the following unresolved housing issues: (a) the location of affordable housing within the Project, balancing the goals of integrating affordable housing with other housing in the Project and locating affordable units close to transit; (b) the location and planned density of a land set aside for low-income housing development; (c) procedures and timing for establishing a set aside of land for development of low-income housing, and procedures for seeking development proposals; (d) procedures for tracking the number of affordable housing units provided as the Project is developed, and (e) for low income housing, the specific terms of the set-aside, determination of fair market value of the parcels or lots for acquisition and other matters to close any acquisition.

Mr. Laing moved the amendment in the shaded area. The motion passed 12 to 0, Ms. Hague excused.

3.2.4 Recorded Covenant. The affordable housing development standards to be adopted or revised under Section 3.2.3 shall be incorporated into a specific housing covenant between the Partnership and the City (and the builder of the affordable housing if known) that sets forth all terms and conditions of the affordable housing obligation for each specific parcel which is to contain affordable housing. The housing covenant shall be recorded against the parcel to contain affordable housing prior to or concurrent with the earlier of any of the following: (a) final plat approval for each plat proposed to contain affordable housing units; (b) issuance of a building permit or site plan approval for parcels proposed to contain affordable multi-family units; or (c) sale of any plat or parcel proposed for affordable housing units. Consistent with the above provisions, the Partnerships and City (and any builder if known) may amend the covenant where the City in good faith determines the changes carry out the intent of providing affordable housing as part of the Project.

3.2.5 Land Set Aside. The Partnership shall be obligated to provide the low-income housing only to the extent funds available from sources other than the Partnership for such housing are made available to the Partnership for the cost of constructing and occupying such housing. To provide the County, City and other entities the opportunity to secure full funding, the Partnership is required to set aside sufficient land for the low-income housing units in those plats and multi-family parcels containing land proposed for low-income housing for a period of up to five (5) years as follows: (a) after final plat approval for each plat, or (b) after creation of any multi-family parcel.

At the time the land set-aside is established, the City shall provide written notification to non-profit housing agencies and potential housing funders, such as A Regional Coalition for Housing (ARCH) and King County, for the purpose of soliciting development proposals. Priority shall be given to development proposals that provide housing affordable to low income households below 50% of median income.

If at the end of said five (5) years full funding is not available for any of the low income housing units which the Partnership had designated for that plat or parcel, then one or more of the following shall apply (i) The Partnership shall agree to sell only a portion of the land to any entity to construct a portion of the low-income housing if only a portion of the necessary funds are available. (ii) The Partnership may agree to build some or all of the low income housing units using available funds and any supplemental funds the Partnership may elect to contribute to existing available funds. The Partnership shall consider reasonable proposals to purchase a portion or portions of set-aside land from any entity who agrees to construct and operate low-income housing. (iii) If no agreement for partial sale or construction under (i) or (ii) is reached, then the land in that respective plat or multi-family parcel shall no longer be set aside for low income housing and the Partnership's requirement for the "moderate" income housing category shall be increased by the number of units which otherwise would have been low income housing units. Any agreement under (i) or (ii) of the preceding sentence shall describe the extent to which any unfunded and unbuilt low-income housing units shall be added to the Partnership's obligation to provide "moderate" income housing category.

3.2.6 Phasing. The affordable housing specified in this Section 3.2 shall be provided as follows: 10% of units in Phase I shall be affordable to low, moderate or middle income households; the remainder of the required affordable housing for the urban development shall be provided in Phase II.

3.3 DESIGN GUIDELINES

The "Grand Ridge Planning Goals and Commitments" set forth in Appendix A shall provide policy guidance to the Grand Ridge Commission referenced in Section 3.4 and the City for the development and adoption of design guidelines applicable to the UGA portion of the Grand Ridge Project.

3.4 GRAND RIDGE COMMISSION

The City is establishing a Grand Ridge Commission pursuant to the Annexation Agreement to adopt design guidelines and review various land use matters within the UGA portion of the Grand Ridge Project. Until recording of the first final plat, the County Executive shall have the right to submit a candidate to sit on the Grand Ridge Commission, subject to confirmation by the Mayor and Issaquah City Council, which shall not be unreasonably withheld. The County Executive's candidate shall be nominated without regard to political affiliation, and no compensation shall be paid to the commissioner.

4. OPEN SPACE AND RURAL AREA DEVELOPMENT

4.1 OPEN SPACE AND PARKS

NOTE: 4.1 is redrafted to reflect a the change in dealing with some acres of open space within the UGA, timing of conveyance of the conservation easement to the County for City open space, access to Duthie Hill Park, providing for a regional trail connection, and technical edits.

4.1 OPEN SPACE

4.1.1 Open Space Within the Annexation Area The Project includes 275.72 acres of open space within the Annexation Area, including approximately 47.62 acres previously conveyed by Grand Ridge to the City.

Upon the effective date of annexation, provided that said date is within 20 years of the effective date of this Agreement, the Partnership shall convey conservation easements to the City and to the County covering approximately 228 acres of the Property designated "Urban Open Space" on Exhibit 3 inside the UGA, consistent with Section 2.2.2(a). Said conservation easements shall limit use of said property to those uses authorized in the Rural Open Space pursuant to Appendix H. Thereafter, upon receiving final approval by the City for the first final plat or commercial, retail or residential building permit within the Project, if said approval occurs within 20 years of the effective date of this Agreement, the conservation easement granted to the City for the Urban Open Space shall be replaced by the Partnership's conveyance of fee title to the Property, subject to a conservation easement conveyed by the City to the County as set forth in Section 4.1.1.1 below.

The parties recognize that fee title to some or all of the Urban Open Space may be conveyed to the City. Notwithstanding conveyance of fee title to the City, there shall be no

merger of the conservation easement created herein, and the uses, limitations and other terms of the easement shall continue to be enforceable thereafter.

4.1.1.1 Open Space within the Annexation Area with uses limited to those authorized for Rural Open Space.

Within the total 275.72 acres owned or to be owned by the City, not less than 173.93 acres shall be subject to a conservation easement granted in favor of King County, allowing only those uses authorized for the Rural Open Space pursuant to Appendix H. The parties acknowledge the final location and configuration of the 173.93 acres subject to the conservation easement may not be determined until the City completes its park and open space plan for the Annexation Area. The City shall have the right from time to time to remove all acreage in excess of the 173.93 acres required to be limited to Rural Open Space uses, so long as the remaining open space within the conservation easement meets the following criteria: (a) the open space is connected to one or more larger, contiguous open-space areas to the extent reasonably possible, (b) the open space integrates to the extent reasonably possible the County' UGA Open Space and the Rural Open Space and (c) the open space provides appropriate connections to the urban Development Areas and active park areas within the Annexation Area. The conservation easement shall specify the procedures for the City's removing excess acreage to achieve the 173.93 acres to be subject to the conservation easement.

4.1.1.2 Active Area. Within the 275.72 acres owned or to be owned by the City after the conveyances described in Section 4.1.1, 101.79 acres may be used for active recreation and related facilities, except that up to nine (9) acres within this remaining area may be used for governmental services, utilities and facilities as determined by the City. Active recreation uses may include parks, play fields, community gardens, tot lots, focal landscape areas, ponds, lakes, swales, infiltration areas which enhance the community and protect the natural surface and subsurface hydrology, access roads, utilities, pump stations and transmission facilities, power transformers and small scale structures and associated parking. The City's active recreational and institutional uses shall be developed, maintained or used in a manner consistent with the Grand Ridge design guidelines. The intent is that the City's uses will not adversely affect residential uses due to traffic, noise, odor, safety or other impacts. The City will adopt a plan to carry out this intent including screening, lighting of fields, and controlling sound amplification, parking and other impacts which may be associated with the City's development of the Urban Open Space. The City obligations shall be included in recorded covenants or deed provisions when the open space is conveyed to the City.

4.1.2 County Open Space. The County shall receive an interest in 1,418.22 acres of open space as follows:

4.1.2.1 Conservation Easements for County UGA Open Space and Rural Open Space, Including Conservation Area. Upon the effective date of annexation, provided that said date is within twenty years of the effective date of this Agreement, the Partnership shall grant separate conservation easements to the County covering (a) 43.56 acres within the County UGA Open Space and 1020.73 acres within the Rural Open Space and (b) 180

Ms. Sullivan moved the first amendment in the shaded area. The motion passed 12 to 0, Ms. Hague excused.

Ms. Sullivan moved the second amendment in the shaded area. The motion passed 12 to 0, Ms. Hague excused.

acres of the Conservation Area in accordance with the conservation easements attached hereto as Appendices H and G, respectively.

For the 180-acre Conservation Area only, the Partnership shall grant the conservation easement to the County upon the earlier of either issuance of the first building permit or approval of any final plat or short plat within the Rural Residential Area or annexation.

NOTE: The following language would amend a related section in Appendix G:

14.2 Failure to Approve Plat or Permit: This Term Deed shall be terminated and extinguished in its entirety if no final plat, final short plat or building permit is approved by the City of Issaquah or King County within the Rural Residential Area or the Grand Ridge Urban Growth Area within twenty (20) years of the effective date of the Grand Ridge Joint Agreement. Such termination and extinguishment shall occur automatically and without action by any party, but the County, upon the Partnership's written request, shall execute and deliver to the Partnership, in recordable form, a release of all rights to confirm this termination and extinguishment.

4.1.2.2 Fee Title Conveyance for Rural Open Space, Excluding Conservation Area. Upon approval by the City of the Project's first final plat or commercial, retail, or residential building permit, if said approval occurs within 20 years of the effective date of this Agreement, the Partnership shall convey to the County fee title to the 43.56 acres of the County UGA Open Space and the 1020.73 acres of the Rural Open Space which excludes the Conservation Area, as each is shown on Exhibit 3. The use limitations as defined in Appendix H shall continue to apply to these areas following fee title conveyance, and shall be enforceable by the Partnership or its successors and assigns, and shall be included in recorded covenants and deed provisions when the open space is conveyed to the County.

4.1.2.3 Fee Title Conveyance for Conservation Area. For each residential Unit within the Rural Residential Area in excess of fifteen (15), the Partnership shall convey to the County fee title to 7.2 acres of the Conservation Area. This conveyance shall occur at the time the County issues a building permit for any unit in excess of 15. The parties agree that such conveyance is reasonably necessary to mitigate direct impacts of associated development. In conveying fee title to the County, the Partnership shall reserve for itself and successors easements for the Western Access and Eastern Access to serve the Rural Residential Area and the conveyance shall be subject also to existing utility easements and other exceptions approved by the parties as set forth hereinafter, except the Partnership shall pay and discharge any mortgages, liens, or other encumbrances which reflect an obligation to pay money; provided, the reservation of easements for Western Access and Eastern Access shall be conditioned upon the Partnership's conveying fee title to the County an area within the Conservation Area which is contiguous to and integrates with the Rural Open Space and is equal in size to the paved surface and shoulder of the Western Access. The portions of the Conservation Area conveyed to the County under this Section 4.1.2.3 shall be selected by the Partnership, subject to the condition that such area(s) be contiguous to and integrate with the Rural Open Space owned by or granted

Mr. Derdowski withdrew his amendment to 4.1.2.3. through 4.3.5.

Grand Ridge Joint Agreement
Amendment - December 18, 1995

Sponsored by:
Brian Derdowski

4.1.2.3 Fee Title Conveyance for Conservation Area. ~~For each~~ At the time a building permit is issued for any residential unit within the SE Rural Residential Area in excess of ~~fifteen (15)~~ three (3), the Partnership shall convey to the County fee title ~~to 7.2 acres of~~ to the Conservation Area. ~~This conveyance shall occur at the time the County issues a building permit for any unit in excess of 15.~~ The parties agree that such conveyance is reasonably necessary to mitigate direct impacts of associated development. In conveying fee title to the County, the Partnership shall reserve for itself and successors easements for the Western Access and Eastern Access to serve the Rural Residential Area and the conveyance shall be subject also to existing utility easements and other exceptions approved by the parties as set forth hereinafter, except the Partnership shall pay and discharge any mortgages, liens, or other encumbrances which reflect an obligation to pay money; ~~provided, the reservation of easements for Western Access and Eastern Access shall be conditioned upon the Partnership's conveying fee title to the County an area within the Conservation Area which is contiguous to and integrates with the Rural Open Space and is equal in size to the paved surface and shoulder of the Western Access. The portions of the Conservation Area conveyed to the County under this Section 4.1.2.3 shall be selected in the discretion of the Partnership, subject to the condition that such area(s) be contiguous to and integrate with the Rural Open Space owned by the County. The County shall cooperate with the Partnership in creating legally conveyable parcels within the Conservation Area, including but not limited to not unreasonably withholding approval for any required lot line adjustments, short plats, plats, or other approvals.~~ The use limitations defined in Appendix G shall continue to apply to this area following fee title conveyance, and shall be enforceable by the Partnership or its successors and assigns, and shall be included in recorded covenants and deed provisions when the open space is conveyed to King County, except that the Partnership shall have no right to exclude or limit public access; or to post signs, monitor or conduct surveillance; or to install fencing or other barriers on the conveyed property.

4.3.3 Maximum 40-Unit Development. The Partnership shall have the right to develop up to forty (40) residential units within the SE Rural Parcel pursuant to the terms of this Agreement. So long as the Partnership constructs no more than ~~15~~ three (3) residential units within the Rural Residential Area, the Partnership shall continue to own fee title to the Conservation Area, subject to the County's beneficial interest in the Conservation Easement.

4.3.4 Dedication of Open Space if More Than ~~Fifteen (15)~~ Three (3) Residential Units. ~~For each~~ At the time a building permit is issued for any residential unit

in excess of ~~fifteen (15)~~three (3), the Partnership shall convey to the County fee title to ~~7.2~~
~~acres~~ of the Conservation Area as provided for in Section 4.1.2.3. The conveyance
obligation shall be expressly stated as a condition of short plat approval. Development
rights attributable to the Conservation Area conveyed to the County shall be retained by the
Partnership and transferred to the Rural Residential Area consistent with Section 4.3.3.

~~**4.3.5 Credit for Excess Dedication.** If the Partnership conveys to the County
portions of the Conservation Area in excess of the 7 acre per residential unit ratio under
Section 4.3.4, then such excess area shall be credited against the Partnership's future
obligation to convey to the County portions of the Conservation Area in connection with
development of additional residential units. However, should the Partnership elect to
convey in excess of the 7 acre ratio, the County shall neither be compelled to grant
development in excess of the units allowed under Section 4.3, nor shall the County be
required to convey any excess back to the Partnership should no additional units be
allowed.~~

Rationale: This amendment would provide the County with fee title to the full 180-acre
conservation easement in a more predictable manner

Mr. Laing moved this amendment to 4.1.3.1, 4.1.3.2 and 4.1.3.3 as proposed by the Executive. Mr. Vance moved an amendment to the amendment (see attached). The clerk was directed to transpose **Grand Ridge Joint Agreement** the adjacent "to" and "sufficient" in line 2. **Amendment**

Proposed by the Executive

Voting on Mr. Laing's motion as amended by Mr. Vance's amendment, the motion passed 12 to 0, Mr. von Reichbauer excused.

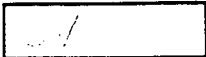
4.1.3 Trail Corridors and Duthie Hill Park Access

4.1.3.1 East-West Klahanie Trail Linkage. The Partnership shall convey a conservation easement to the County to property sufficient provide a 35-foot trail corridor along the north margin of the Issaquah-Fall City Road, as measured perpendicular to the north right-of-way margin of the road. The corridor shall run from the intersection of Issaquah-Fall City Road and Duthie Hill Road and easterly to the trail and vehicular access to Duthie Hill Park as described in Section 4.1.3.2. In addition, if necessary to provide an uninterrupted east-west linkage of the regional trail corridors, the Partnership shall also convey fee title to the County to property sufficient to provide a 15-foot trail corridor along the south margin of the Issaquah-Fall City Road linking the north/south trail segment in the Rural Open Space to the alignment of the trail easement and road access to Duthie Hill Park. This corridor shall be measured perpendicular to the south right-of-way margin of the road and align with the fee title trail and vehicular access to Duthie Hill Park as described in Section 4.1.3.2. and connect to the east with the soft-surface regional trail in the Rural Open Space south of Issaquah-Fall City Road.

4.1.3.2 Access to Duthie Hill Park and Regional Trail Corridor. The Partnership shall convey fee title to the County to property sufficient to provide a 210-foot corridor to provide for development of a road for vehicular access to Duthie Hill Park, the multi-purpose regional trail corridor and buffers from the residential lots. The corridor will be in the area described by an expired easement originally conveyed to King County August 16, 1989 for access to Duthie Hill Park. The County will use its best efforts to locate and screen the trail corridor in a manner that minimizes the impact on the adjacent residential lots. The Partnership may retain an easement for ingress, egress and utilities to serve ~~two~~ three proposed residential units east of adjacent to the property conveyed to the County. Development of the Park access road shall be at the County's expense. Development of additional road required access to the residential units shall be at the Partnership's expense. Development for utilities to serve the residential units shall be at the Partnership's expense.

4.1.3.3 Locations, modifications and schedule. The properties to be conveyed under Sections 4.1.3.1 and 4.1.3.2 are shown on Exhibit 3 (c). The parties acknowledge that, based on more detailed site information, locations of the corridors and access may require some modification, provided that the residential lots in the NE Rural Parcel may not encroach into the Rural Open Space more than an equivalent area of Duthie Hill Park Access Corridor as a result of the conveying of fee title to the County. The Partnership shall obtain the County's approval for any modifications. The properties shall be conveyed no later than 30 days after approval of lot-line adjustments

Mr. Vance moved amendments to amend 4.1.3.2 and 4.1.3.3. At the request of Mr Derdowski, the amendment was split into two. Voting on the first amendment to 4.1.3.2, the amendment on line 2, after 'a' and before '-foot' to delete "210" and insert "310" the motion passed unanimously. Voting on the second amendment to 4.1.3.3, the motion passed 10 to 3, Mr. Derdowski, Mr. Laing and Mr. Phillips voting "no".



December 18, 1995

Introduced By: _____

Grand Ridge Joint Agreement

AMENDMENT TO PROPOSED ORDINANCE 95-758, APPENDIX A -GRAND RIDGE JOINT AGREEMENT

Amend proposed Ordinance 95-758, Appendix A, Sections 4.1.3.2 and 4.1.3.3 to read as follows:

4.1.3.2 Access to Duthie Hill Park and Regional Trail Corridor. The Partnership shall convey fee title to the County to property sufficient to provide a ~~210~~ 310-foot corridor to provide for development of a road for vehicular access to Duthie Hill Park, the multi-purpose regional trail corridor and buffers from the residential lots. The corridor will be in the area described by an expired easement originally conveyed to King County August 16, 1989 for access to Duthie Hill Park. The Partnership may retain an easement for ingress, egress and utilities to serve two proposed residential units east of the property conveyed to the County. Development of the Park access road shall be at the County's expense. Development of additional road required access to the residential units shall be at the Partnership's expense. Development for utilities to serve the residential units shall be at the Partnership's expense.

4.1.3.3 Locations, modifications and schedule. The properties to be conveyed under Sections 4.1.3.1 and 4.1.3.2 are shown on Exhibit 3(c). The parties acknowledge that, based upon more detailed site information, locations of the corridors and access may require some modification, provided that the residential lots in the NE Rural Parcel may not encroach into the Rural Open Space more than an equivalent area of Duthie Hill Park Access Corridor as a result of the conveying of fee title to the County. The Partnership shall obtain the County's approval for any modifications. ~~The properties shall be conveyed no later than 30 days after approval of lot line adjustments.~~ The properties shall be conveyed if and when a contract is let for construction of the full Sunset Interchange during the term of this Agreement.

Rationale: The amendment connects the Trail Corridor to construction of the Sunset Interchange, giving added incentives to all interested parties to ensure that the actual construction of the interchange takes place.

Mr. Derdowski did not offer this amendment.

**Grand Ridge Joint Agreement
Amendment - December 18, 1995**

Sponsored by:
Brian Derdowski

4.1.3 Trail Corridors and Duthie Hill Park Access

4.1.3.1 East-West Klahanie Trail Linkage. The Partnership shall convey a conservation easement to the County to property to sufficient provide a 35-foot trail corridor along the north margin of the Issaquah-Fall City Road, as measured perpendicular to the north right-of-way margin of the road. The corridor shall run from the intersection of Issaquah-Fall City Road and Duthie Hill Road and easterly to the trail and vehicular access to Duthie Hill Park as described in Section 4.1.3.2. In addition, if necessary to provide an uninterrupted east-west linkage of the regional trail corridors, the Partnership shall also convey fee title to the County to property sufficient to provide a 15-foot trail corridor along the south margin of the Issaquah-Fall City Road. This corridor shall be measured perpendicular to the south right-of-way margin of the road and align with the fee title trail and vehicular access to Duthie Hill Park as described in Section 4.1.3.2, and connect to the east with the soft-surface regional trail in the Rural Open Space south of Issaquah-Fall City Road.

4.1.3.2 Access to Duthie Hill Park and Regional Trail Corridor. The Partnership shall convey fee title to the County to property sufficient to provide a ~~210~~ 110-foot corridor to provide for development of a road for vehicular access to Duthie Hill Park, the multi-purpose regional trail corridor and buffers from the residential lots. The corridor will be in the area described by an expired easement originally conveyed to King County August 16, 1989 for access to Duthie Hill Park. The Partnership may retain an easement for ingress, egress and utilities to serve two proposed residential units east of the property conveyed to the County. Development of the Park access road shall be at the County's expense. Development of additional road required access to the residential units shall be at the Partnership's expense. Development for utilities to serve the residential units shall be at the Partnership's expense.

4.1.3.3 Locations, modifications and schedule. The properties to be conveyed under Sections 4.1.3.1 and 4.1.3.2 are shown on Exhibit 3 (c). The parties acknowledge that, based on more detailed site information, locations of the corridors and access may require some modification, ~~provided that the residential lots in the NE Rural Parcel may not encroach into the Rural Open Space more than an equivalent area of Duthie Hill Park Access Corridor as a result of the conveying of fee title to the County.~~ The Partnership shall obtain the County's approval for any modifications. The properties shall be conveyed no later than 30 days after approval of lot-line adjustments

4.1.3.4. No encroachment. The NE Rural Parcel may not encroach into the County's Rural Open Space as a result of the conveyance of the conservation easement for the East-West Klahanie Trail Linkage as provided for Section 4.1.3.1 or the conveyance of

fee title property for the access to Duthie Hill Park and the regional trail corridor as provided for in Section 4.1.3.2.

Rationale: The amendment would minimize the impact on the NE Rural Parcel lots by reducing the corridor width from 210 feet to 110 feet, which is the amount required by the County for road and trail. The amendment also prohibits encroachment of the NE Rural Parcel lots so there is no net loss of County Rural Open Space.

The amendment in the shaded area was not offered.

by easement to the County. The County shall cooperate with the Partnership in creating legally conveyable parcels within the Conservation Area, including but not limited to not unreasonably withholding approval for any required lot line adjustments, short plats, plats, or other approvals. The use limitations defined in Appendix G shall continue to apply to this area following fee title conveyance, and shall be enforceable by the Partnership or its successors and assigns, and shall be included in recorded covenants and deed provisions when the open space is conveyed to King County, except that the Partnership shall have no right to exclude or limit public access; or to post signs, monitor or conduct surveillance; or to install fencing or other barriers on the conveyed property.

4.1.2.4 UGA Delineation. The boundary between the two County open space areas (i.e., the County UGA Open Space and Rural Open Space) and the Urban Open Space shall be clearly marked and verified in the field by the Partnership prior to any clearing or grading of areas in the vicinity of the boundary between those open space areas.

4.1.2.5 Maintenance of Open Space Status. Except for those permitted uses set forth in Appendices G and H, the Partnership agrees not to undertake changes within the County UGA Open Space or the Rural Open Space, including the Conservation Area, between the execution of this agreement and the effective date of annexation or development within the Rural Residential Area.

4.1.3 Trail Corridors and Duthie Hill Park Access

4.1.3.1 East-West Klahanie Trail Linkage. The Partnership shall convey a conservation easement to the County to property to sufficient provide a 35-foot trail corridor along the north margin of the Issaquah-Fall City Road, as measured perpendicular to the north right-of-way margin of the road. The corridor shall run from the intersection of Issaquah-Fall City Road and Duthie Hill Road and easterly to the trail and vehicular access to Duthie Hill Park as described in Section 4.1.3.2. In addition, if necessary to provide an uninterrupted east-west linkage of the regional trail corridors, the Partnership shall also convey fee title to the County to property sufficient to provide a 15-foot trail corridor along the south margin of the Issaquah-Fall City Road. This corridor shall be measured perpendicular to the south right-of-way margin of the road and align with the fee title trail and vehicular access to Duthie Hill Park as described in Section 4.1.3.2, and connect to the east with the soft-surface regional trail in the Rural Open Space south of Issaquah-Fall City Road.

4.1.3.2 Access to Duthie Hill Park and Regional Trail Corridor. The Partnership shall convey fee title to the County to property sufficient to provide a 210-foot corridor to provide for development of a road for vehicular access to Duthie Hill Park, the multi-purpose regional trail corridor and buffers from the residential lots. The corridor will be in the area described by an expired easement originally conveyed to King County August 16, 1989 for access to Duthie Hill Park. The Partnership may retain an easement for ingress, egress and utilities to serve two proposed residential units east of the property conveyed to the County. Development of the Park access road shall be at the County's expense. Development of

Ms. Sullivan and Ms. Miller both moved the last two shaded amendments on this page. The motion passed 12 to 0, Mr. von Reichbauer excused.

Continuation from previous page, this amendment was not offered.

additional road required access to the residential units shall be at the Partnership's expense. Development for utilities to serve the residential units shall be at the Partnership's expense.

4.1.3.3 Locations, modifications and schedule. The properties to be conveyed under Sections 4.1.3.1 and 4.1.3.2 are shown on Exhibit 3 (c). The parties acknowledge that, based on more detailed site information, locations of the corridors and access may require some modification, provided that the residential lots in the NE Rural Parcel may not encroach into the Rural Open Space more than an equivalent area of Duthie Hill Park Access Corridor as a result of the conveying of fee title to the County. The Partnership shall obtain the County's approval for any modifications. The properties shall be conveyed no later than 30 days after approval of lot-line adjustments

NOTE: The following language was requested by Issaquah to be added to Appendix H Recitals:

Whereas the County and the City will agree to cooperatively plan the regional trails system to ensure the public's ability to access that system while also protecting the eco-system and wildlife corridors, and

4.1.4 General Conditions of Conveyance.

4.1.4.1 Conditions to Conveyances. The County and City each hereby agree to accept title to the conservation easement and fee title consistent with the terms of this Agreement. The conveyances shall include appropriate restrictions so the County UGA Open Space, Rural Open Space, the Conservation Area, and that portion of the Urban Open Space limited to Rural Open Space uses are maintained as permanent open space, consistent with the use provisions of this Agreement and enforceable by each of the parties to this Agreement.

The conveyance for the trail corridors and park access corridor shall include appropriate restrictions so their uses as trails and park access, respectively, are maintained.

4.1.4.2 Method of Conveyance. The parties acknowledge portions of the Property are currently taxed as forest lands under RCW Ch. 84.33, and portions which are to remain as permanent open space under this Agreement may be eligible for exemption from tax recapture. The parties shall cooperate in the form and method of conveyance and/or reclassification under RCW 84.34 as open space to qualify for appropriate exemptions from tax recapture for the land to be permanently conveyed and held by the County and City, as open space, subject to compliance with state or other laws applicable to exemptions.

4.1.4.3 Matters of Record. The open space, trail corridors and the park access corridor to be owned by the County and the open space to be owned by the City shall be conveyed subject to covenants, easements and reservations contemplated by this Agreement, including deed restrictions enforceable by the grantor to limit those area to the uses or other use restrictions set forth in this Agreement, and subject also to existing utility easements and other exceptions approved both the parties as set forth hereinafter based upon the title report, except

the Partnership shall pay and discharge any mortgages, liens or other encumbrances which reflect an obligation to pay money prior to conveyance of conservation easements.

NOTE: Staff is drafting language that could have the conveyance documents executed concurrent with this agreement and effective consistent with the terms of this Agreement.

4.2 RURAL RESIDENTIAL DEVELOPMENT FOR NORTHEAST RURAL PARCEL

The NE Rural Parcel as shown on Exhibit 3 of the Agreement consists of approximately thirty-five (35) acres and seven (7) proposed residential lots. These seven lots may be created through revisions to pending short plat applications for Grand Ridge Estates I which include the 35 acres for the NE Rural Parcel as follows: King County short plat nos. S90S0247 and S90S249 through 52 (short plat nos. 37, 39, 40, 41 and 42 of Grand Ridge Estates I). Applications for the seven lots are vested under the development standards applicable on the Vested Date. Development of seven lots within the NE Rural Parcel is included within the scope and analyzed in the Grand Ridge EIS.

To implement the County planning goals expressed by the environmental protection, open space provisions and design and development goals provided in this Agreement, the County hereby requests the Partnership revise the pending short plat applications for the NE Rural Parcel to provide for clustering of the lots within that area and to limit the number of proposed residential lots within this area to a maximum of seven (7). The revised short plat application shall be reviewed pursuant to applicable code and appeal procedures. In addition the revised short plat applications shall comply with the development standards in effect on the Vested Date, except that the "Stormwater Management and Ground Water Protection Development Standards," "Sensitive Areas Development Standards" and "Land Use Development Standards" shall apply to and govern development, as set forth respectively in Appendices D, J and K to this Agreement. Water service may be provided by the East Sammamish Sewer and Water District or by private wells.

Notwithstanding this or any other provision of this Agreement, King County reserves the authority to impose new or different regulations to the extent required by a serious threat to public health or safety.

4.3 RURAL RESIDENTIAL DEVELOPMENT FOR SOUTHEAST RURAL PARCEL

The SE Rural Parcel as shown on Exhibit 3 of the Agreement consists of approximately 330 acres. Within the SE Rural Parcel, the 150 acres shown in Exhibit 3 is defined as the "Rural Residential Area" and designated for construction and development of up to 40 single family units subject to the procedures and development standards set forth herein. The 180 acre Conservation Area shown on Exhibit 3 is designated for uses as set forth in Appendix G.

4.3.1 Development Within SE Rural Parcel. The Partnership has submitted short plat applications on the Vested Date for Grand Ridge I (File Nos. S90050231-S90050246) and Grand Ridge II (File Nos. S90050298, S90050300-319), along with other parts of the

Partnership's Property, at the density of one unit per five acres. To implement the County planning goals expressed by the environmental protections, open space provisions and design and development goals provided for in this Agreement, the County hereby requests the Partnership revise the pending short plat applications for the SE Rural Parcel.

The Partnership shall have the right to have pending revised short plat applications reviewed under the applicable King County Codes in effect on the Vested Date; provided, that (a) lots within the Rural Residential Area are clustered; (b) the potential maximum number of units is reduced from 66 to 40 (330 acres at 1 unit/5 acres); (c) the conservation easement and applicable fee title conveyance requirements are satisfied for the 180-acre Conservation Area; and (d) development complies with Rural Development Standards set forth in Section 4.3.6.

As an alternative to proceeding under vested short plat applications, the Partnership may seek to develop the SE Rural Area under the terms set forth in this Agreement through submittal of new development applications. The Partnership shall have the right to have such new development applications reviewed under the applicable King County Codes in effect on the effective date of this Agreement; provided that any such new development applications are submitted to the County within ten (10) years from the effective date of this Agreement; and provided that (a) the potential maximum number of units is reduced from 66 to 40 (330 acres at 1 unit/5 acres); (b) the conservation easement and applicable fee title conveyance requirements are satisfied for the 180-acre Conservation Area ; and (c) development complies with Rural Development Standards set forth in Section 4.3.6.

Notwithstanding this or any other provision of this Agreement, King County reserves the authority to impose new or different regulations to the extent required by a serious threat to public health or safety.

The agreements in Section 4.3. are based upon the Partnership's agreement to establish more stringent development standards than otherwise would be applicable under regulations in effect, and upon the Partnership's conveyance of (a) conservation easements and fee title to the 1245.5 acres of Rural Open Space as provided in Section 4.1.2, and (b) the conservation easement to the County for the 173.93 acre Urban Open Space area as provided in Section 4.1.1.

4.3.2 Timing of Application Revision and Review. When the Partnership determines to proceed with revised short plat applications or new development applications for development of the Rural Residential Area in accordance with this Agreement, it shall notify the Director of King County's Department of Development and Environmental Services or its successor not less than one (1) month prior to the Partnership's submittal of the short plats covering the Rural Residential Area. Upon receiving such advance notice, representatives of the Department and the Partnership shall meet to discuss processing such applications. The schedule for approvals shall meet the timelines of Chapter 347, 1995 Wash. Laws (generally 120 days), but the County and applicant may negotiate priority processing through appropriate payment of overtime or other special processing fees.

4.3.3 Maximum 40-Unit Development. The Partnership shall have the right to develop up to forty (40) residential units within the Rural Residential Area pursuant to the terms of this Agreement. So long as the Partnership constructs no more than 15 residential units within the Rural Residential Area, the Partnership shall continue to own fee title to the Conservation Area, subject to the County's beneficial interest in the Conservation Easement.

4.3.4 Dedication of Open Space if More Than Fifteen (15) Residential Units. For each residential unit in excess of fifteen (15), the Partnership shall convey to the County fee title to 7.2 acres of the Conservation Area as provided for in Section 4.1.2.3. The conveyance obligation shall be expressly stated as a condition of short plat approval. Development rights attributable to the Conservation Area conveyed to the County shall be retained by the Partnership and transferred to the Rural Residential Area consistent with Section 4.3.3.

4.3.5 Credit for Excess Dedication. If the Partnership conveys to the County portions of the Conservation Area in excess of the 7.2 acres per residential unit ratio under Section 4.3.4, then such excess area shall be credited against the Partnership's future obligation to convey to the County portions of the Conservation Area in connection with development of additional residential units. However, should the Partnership elect to convey in excess of the 7.2-acre ratio, the County shall neither be compelled to grant development in excess of the units allowed under Section 4.3.3, nor shall the County be required to convey any excess back to the Partnership should no additional units be allowed.

4.3.6 Development Standards. The Rural Development Standards applicable to the SE Rural Parcel are defined and established in the following sections. These standards have been reviewed by the County and have been determined to be consistent with applicable development regulations in effect on the effective date of this Agreement.

4.3.6.1 Land Uses and Density. The rural land uses and density standards are set forth in Appendix K.

4.3.6.2 Surface and Ground Water. The surface and groundwater regulations are set forth in the Stormwater Management and Ground Water Protection Development Standards as set forth in Appendix D.

NOTE: See draft amendments to Appendix D.

4.3.6.3 Sensitive Area Boundaries and Standards. The sensitive area standards, uses and boundaries within the Rural Residential Area are set forth in Appendix J.

4.3.6.4 Clearing Standards. For purposes of applying the clearing restrictions of the Issaquah Basin Plan in Ordinance 11886, the 35% clearing limitation shall apply to and be measured against the 150 acre Rural Residential Area.

4.3.6.5 On-site Sewage Systems and Water Standards The on-site sewerage service for the Rural Residential Area shall be as set forth in The Code of King County

Mr. Derdowski moved this amendment. Mr. Derdowski withdrew his amendment.

Mr. Derdowski moved this amendment. The motion FAILED 2 to 11, Mr. Derdowski and Mr. Gossett voting "yes".

Board of Health, Title 13, Rules and Regulations No. 3, King County Sewage Regulations, in effect for rural short plats on the effective date of this Agreement. Water shall be provided by the City of Issaquah when there are more than five residential units, and may be provided from wells or other sources or by the City for less than five residential units upon mutual agreement by the City and Partnership. City responsibility for extension and operation of the rural water line terminates at the Annexation Area. The water line shall be limited to the 40 residential units within the Rural Residential Area and shall not be used to serve any properties outside of the SE Rural Parcel even if the full 40 units are not built within the Rural Residential Area. No public sewer shall be extended from the SE Rural Parcel or UGA to serve properties east of Grand Ridge.

4.3.6.6 Police and Fire Service. Before completion of the Western Access, King County shall provide police service to the SE Rural Parcel. After completion of the Western Access, the City may negotiate with the County for City provision of police service to the Rural Residential Area. The City may also seek to negotiate with Fire District 10 to provide fire and emergency service to the Rural Residential Area. The City will not provide police services for the Conservation Area. Compensation for police and/or fire services will be determined at the time of negotiation.

4.3.7 Property Boundary Controls. The County and Partnership have established control mechanisms for the boundary between the SE Rural Parcel and the adjoining County-controlled Rural Open Space. These control mechanisms are set forth in the Appendix G Conservation Easement and operate as a reserved right of the Partnership to control access to the SE Rural Parcel during the period that the Conservation Area is subject to said Conservation Easement. Upon conveyance to King County of fee title to portions of the Conservation Area in accordance with the provisions of this Agreement, no such reservation of right concerning boundary controls shall be applicable to the portions where fee title is conveyed to the County. These control mechanisms are to be located only in unincorporated King County and the City has not reviewed or approved them. The City shall have no responsibility for these mechanisms or their implementation.

NOTE: *The following language would amend a related section in Appendices G & L:*

4.3.1 Boundary Control Mechanisms. The Partnership reserves the right to establish control mechanisms for the boundary between the Protected Property and the County Land, provided that such control mechanisms shall not include either electrified fences or the use of guard dogs.

4.3.8 Access and Construction. Access to the SE Rural Parcel through the Conservation Area shall be established and continuously provided as follows:

4.3.8.1 Western Access Easement and Road. Upon the Partnership's conveyance of the Rural Open Space to the County under Section 4.1.2.2 of the Agreement, the Partnership shall reserve for the benefit of itself, its successors and assigns, a forty foot perpetual easement for vehicular and pedestrian access (i.e. Western Access) and utility service to up to 40 residential units (and temporary construction easement). The location of these easements is

Mr. Derdowski moved this amendment to 4.3.8.2. The motion FAILED
1 to 10, Mr. Derdowski voting "yes", Mr. Nickels and Ms. Hague excused.

Grand Ridge

Amendment to Grand Ridge Joint Agreement

Sponsored by:

Brian Derdowski 12/18/95

4.3.8.2 Eastern Access Easement and Drive - Single Buyer Option. If the Partnership conveys to the County portions of the Conservation Area under Section 4.1.2.3, and if the Partnership sells the SE Rural Parcel to a single buyer who at least initially has the intention to develop no more than three residential units, then the Partnership shall reserve for the benefit of itself, its successors and assigns, a twenty three foot perpetual easement for vehicular and pedestrian access (i.e. Eastern Access) and utilities to no more than these three residential units (and temporary construction easement). The location of these easements is generally depicted in Appendix M, and the precise location of these easements shall be determined as part of the County's clearing and grading permit review for construction of the Eastern Access. If four or more residential units are built within the Rural Residential Area, then the Partnership shall install a gate or other barrier to limit permanent access through the Eastern Access to no more than three residential units. The easement rights shall include the right to construct, maintain, reconstruct, repair and operate a driveway, trail, path and utilities to serve no more than three residential units in the Rural Residential Area. Following completion of Eastern Access construction, the Partnership shall restore the construction easement area to its preconstruction condition to the extent feasible. The Partnership has submitted an application for and the County is processing a road standard variance consistent with the road standards identified in Appendix N. As further mitigation for the Eastern Access, the Partnership and County shall implement the following:

(a) **Covenant relating to Access and Utility Extensions.** The owner of the SE Rural Parcel shall record a covenant to be approved by the County and enforceable by the County and the Grand Ridge Community Association, a nonprofit corporation representing the interested residents using 280th Avenue SE containing the limitation that (i) no more than three residences are permitted to use 280th Avenue SE for access, (ii) construction traffic using 280th Avenue SE shall be limited to the construction of the Eastern Access and construction related to the three residences, and (iii) construction of the Western Access and construction of and access to any lots or homes developed in the Rural Residential Area in excess of the three residences shall use the Western Access, and (iv) no public sewer or water service shall be extended from the SE Rural Parcel or UGA to serve properties east of Grand Ridge. The covenant shall designate a method(s) of verification that these limitations are being met. The covenant shall also provide that the County shall not approve more than three residences until the property owner proposes, and the County approves, methods to limit access from the Eastern Access to SE 280th, which may include electronic controls. The covenant shall be recorded prior to any clearing or construction of the Eastern Access or the three residences.

(b) Construction Traffic Mitigation Plan. Prior to any clearing or construction of the Eastern Access or issuance of a building permit for the three residences, and as a condition for issuance of a building permit, the owner of the SE Rural Parcel shall obtain County approval for a construction traffic mitigation plan after consultation with the Grand Ridge Community Association. . The plan may include hours of operation, best management practices, traffic controls or personnel, signage or other measures determined necessary for safe and efficient use by existing residents using 280th SE

Rationale: The Eastern Access provision was drafted specifically for a single buyer who is reportedly proposing to build no more than three residences. Under the Agreement the single buyer would still retain the option of developing up to 40 lots.

In the event the purchase with the single buyer does not go through, the Partnership can proceed with development of 40 lots and, under the Agreement, could build the Eastern Access for three out of the 40 lots. The amendment eliminates this possibility.

generally depicted in Appendix M, and the precise location of these easements shall be determined as part of the County's clearing and grading permit review for construction of the Western Access. The easement rights shall include the right to construct, maintain, reconstruct, repair and operate a driveway or road, trails, paths, and utility lines and facilities to serve the Rural Residential Area within those areas specifically delineated through the County's clearing and grading permit approval if the location of the easement and road bisects the County's regional trail at any point the partnership shall grant the County a crossing easement or exemption prior to and as a condition of such approval. The Partnership and County may mutually agree to establish the Western Access as a public County road. Following completion of Western Access construction, the Partnership shall restore the construction easement area to its preconstruction condition to the extent feasible. The Partnership has submitted an application for and the County is processing a road standard variance consistent with the road standards identified in Appendix N.

4.3.8.2 Eastern Access Easement and Drive. If the Partnership conveys to the County portions of the Conservation Area under Section 4.1.2.3, then the Partnership shall reserve for the benefit of itself, its successors and assigns, a twenty three foot perpetual easement for vehicular and pedestrian access (i.e. Eastern Access) and utilities to no more than three residential units (and temporary construction easement). The location of these easements is generally depicted in Appendix M, and the precise location of these easements shall be determined as part of the County's clearing and grading permit review for construction of the Eastern Access. If four or more residential units are built within the Rural Residential Area, then the Partnership shall install a gate or other barrier to limit permanent access through the Eastern Access to no more than three residential units. The easement rights shall include the right to construct, maintain, reconstruct, repair and operate a driveway, trail, path and utilities to serve no more than three residential units in the Rural Residential Area. Following completion of Eastern Access construction, the Partnership shall restore the construction easement area to its preconstruction condition to the extent feasible. The Partnership has submitted an application for and the County is processing a road standard variance consistent with the road standards identified in Appendix N. As further mitigation for the Eastern Access, the Partnership and County shall implement the following:

(a) **Covenant relating to Access and Utility Extensions.** The owner of the SE Rural Parcel shall record a covenant to be approved by the County and enforceable by the County and the Grand Ridge Community Association, a nonprofit corporation representing the interested residents using 280th Avenue SE containing the limitation that (i) no more than three residences are permitted to use 280th Avenue SE for access, (ii) construction traffic using 280th Avenue SE shall be limited to the construction of the Eastern Access and construction related to the three residences, and (iii) construction of the Western Access and construction of and access to any lots or homes developed in the Rural Residential Area in excess of the three residences shall use the Western Access, and (iv) no public sewer or water service shall be extended from the SE Rural Parcel or UGA to serve properties east of Grand Ridge. The covenant shall designate a method(s) of verification that these limitations are being met. The covenant shall also provide that the County shall not approve more than three residences until the property owner proposes, and the County approves, methods to limit access from the Eastern Access to SE 280th, which

Mr. Sims moved this amendment to 4.3.8.2.(c). The motion passed 12 to 0. Ms. Hague excused.

Amend Agreement: Add to Section 4.3.8.2 (a)

No Eastern Access shall be allowed until a covenant is approved by the Partnership and the Grand Ridge Community Association in substantially the same form as the parties' Settlement Agreement dated 12/15/95, subject to resolution of two issues: (a) the dispute resolution and remedies for any violations and (b) use of the Eastern Access by more than 3 residences if 280th Ave SE is upgraded. If the parties have not resolved these two issues by January 12, 1996, then these issues shall be determined by the Council.


KK
GRCA Representative
12/18/95

Mr. Sims moved this amendment to 4.3.8.2.(c). The motion passed 12 to 0, Ms. Hague excused.

Amend ~~4.3.8.2~~ Agreement: Add to Section 4.3.8.2 (a)

No Eastern Access shall be allowed until a covenant is approved by the Bishop & the Grand Ridge Community Association in substantially the same form ^{of the parties' settlement} ~~as the~~ Agreement dated 12/15/95, subject to ~~negotiation~~ resolution of 2 issues: (a) dispute resolution and remedies for any violations and (b) use of the Eastern Access by more than 3 residences if 280^B Ave SE is upgraded. If the parties have not resolved these 2 issues by January 12, 1996, then these issues shall be determined by the Council.

RK
GRCA Representative
12/18/95

 12/15/95

Ms. Sullivan moved this amendment to 4.3.8.2. The motion passed 12 to 0, Ms. Hague excused. The clerk was directed to correct the amendment on line 9, to add "s" to the last word "improvement."
Grand Ridge Joint Agreement

Section 4.3.8.2

Amend subsection (b) as follows:

(b) **Construction Traffic Mitigation Plan.** Prior to any clearing or construction of the Eastern Access or issuance of a building permit for the three residences, and as a condition for issuance of a building permit, the owner of the SE Rural Parcel shall obtain County approval for a construction traffic mitigation plan after consultation with the Grand Ridge Community Association. The plan may include hours of operation, best management practices, traffic controls or personnel, signage or other measures determined necessary for safe and efficient use by existing residents using 280th SE. In the event the construction traffic mitigation plan identifies physical improvements necessary for 280th SE, the owner shall participate in providing those improvement.

Mr. Derdowski moved this amendment to 4.3.9. The motion passed 12 to 0, Ms. Hague excused.

may include electronic controls. The covenant shall be recorded prior to any clearing or construction of the Eastern Access or the three residences.

NOTE: Staff is preparing an amendment stating that the Partnership is responsible for off-site mitigation (improvement to 280th SE, expected to be required to handle construction traffic)

(b) **Construction Traffic Mitigation Plan.** Prior to any clearing or construction of the Eastern Access or issuance of a building permit for the three residences, and as a condition for issuance of a building permit, the owner of the SE Rural Parcel shall obtain County approval for a construction traffic mitigation plan after consultation with the Grand Ridge Community Association. The plan may include hours of operation, best management practices, traffic controls or personnel, signage or other measures determined necessary for safe and efficient use by existing residents using 280th SE.

4.3.8.3 Internal Drive/Rural Road. The road design standards for internal access within the 150-acre Rural Residential Area are set forth in Appendix N, but the road location and layout shown in Appendices J and M are conceptual only. Final road location and layout will be established through the County's clearing and grading permit review or through the plat/short plat or other permit process.

4.3.8.4 Road Design Standards. The road design standards for the Western Access and Eastern Access are shown in Appendix N. The Western Access has an initial design standard to serve up to three (3) residential units, and for service to more than three (3) residential units either the County can require or the Partnership may elect to widen the installed Western Access as shown in Appendix N. The Partnership shall implement the control measures and mitigations as described in Appendix L for the intersection of the proposed County trail with the Western Access. The road standards, including the paved surface requirements, have been established to minimize impacts on the Rural Open Space by maintaining narrow crossings.

4.3.8.5 Road Vacation. The Partnership and the County acknowledge that a portion of the Eastern Access may be located on an existing County right-of-way known as the "High Point Refuse Access Road" and shown on Appendix M. If so located, the Partnership will submit a petition for vacation of this portion of the right-of-way, and the County agrees to process this petition expeditiously.

4.3.9 SEPA Compliance. Environmental review for the development of the SE Rural Parcel as described in this Section 4.3 is included within the Grand Ridge EIS prepared in conjunction with this Agreement. Upon receiving an application for a permit associated with development of the Western Access, Eastern Access or the Rural Residential Area, the County's responsible SEPA official shall determine whether supplemental environmental review for the application is required pursuant to WAC 197-11-600 either due to any substantial change from the proposal which was considered in the EIS or in light of new information regarding probable significant impacts of the proposal which were not covered in the existing environmental

documents. Absent any such change or new information, permit applications for development shall not require further environmental review.

5. JOINT TRANSPORTATION IMPROVEMENTS

5.1 TRANSPORTATION IMPROVEMENTS AND PHASING

The UGA portion of the Project development shall be phased with transportation improvements in accordance with the following phases. The number of residential units and square footage of retail and commercial development allowable within each phase includes, and is not in addition to, that specified in prior phases.

5.1.1 Phase I. Phase I shall consist of: (a) one hundred single-family residential units without improvements to Black Nugget Road or other roads; or (b) final plat approval for 540 single-family residential units upon the Partnership's completing construction, or posting with the County a two-year financial guarantee instrument in an amount and form acceptable to the County which guarantees construction, of the following Phase I road improvements, provided that no occupancy shall be allowed for such single family residential units until the Partnership completes construction of the following Phase I road improvements; and issuance of a certificate of occupancy for commercial or multifamily development for up to 250,000 square feet of commercial uses, and 50,000 square feet of retail uses upon the Partnership's completing construction of the following Phase I road improvements:

(i) Black Nugget Road improved to neighborhood collector standards, per King County Road Standards, with the County to decide whether to apply rural or urban neighborhood collector standards after a joint community process to be conducted by the County, the City and the Partnership to be completed within 45 days of the effective date of this Agreement.

(ii) Construction access (for construction vehicles, delivery and related construction activities) through Urban Development Area 4 through **the Lakeside Quarry area** or through alternative routes, not to include Black Nugget Road.

(iii) Improved and signalized Black Nugget/Vaughn Hill intersection, with left and right turn lanes as determined by the County.

(iv) Additional safety improvements to Black Nugget Road, such as residential driveway improvements and necessary lighting improvements.

(v) Screening or landscaping buffer improvements along Black Nugget Road.

5.1.2 Phase II. Phase II shall consist of final plat approval for 3,250 single-family residential units upon completion of construction of the following Phase II road improvements, and issuance of a certificate of occupancy for up to 1,500,000 square feet of commercial uses, and 425,000 square feet of retail uses upon completion of construction of the following Phase II road improvements:

(a) Sunset Interchange improvements as defined in Appendix F at Section 2.4.

(b) Minimum four lane South SPAR connection from the north boundary of Urban Development Area 4 to the Sunset Interchange.

5.1.3 Phase III. Phase III shall consist of full Project buildout, consisting of Phases I and II with issuance of certificates of occupancy for a total of up to 2,950,000 square feet of commercial uses, upon completion of the North SPAR connection, with a minimum of four lanes.

5.2 COMBINED PHASES

The road improvements for the Phases described above may be combined or constructed concurrently, in which event Project buildout will be allowed at the combined level of the completed Phases. Phase II and III development shall not, however, proceed until requirements for development of all prior phases have been satisfied.

5.3 EQUIVALENCY TO CONVERT STANDARD SINGLE FAMILY TO OTHER RESIDENTIAL USES

The residential uses stated in Phases I and II are stated in terms of standard single family units (non-age restricted). The Partnership may allocate the equivalent single-family dwelling unit trips (i.e., 10 trips per day per hour) to either single-family units, multi-family units, or active senior housing in accordance with the following conversion factors:

100 Standard Single-Family Detached Dwelling Units Will Convert to:	
RESIDENTIAL USES	
Single-family detached	100 dwelling units
Single-family attached	116 dwelling units
Multi family	151 dwelling units
Age-restricted (Active senior housing, over 55 yrs)	
- Single-family	217 dwelling units
- Multi-family	270 dwelling units
- 60% single/40% multi-family	238 dwelling units

The conversions based upon transportation equivalency allow the Partnership to elect the specific types of residential units within the Phases defined herein. However, notwithstanding that transportation equivalency, the maximum development allowed within the UGA shall be

3,250 residential units, 2.95 million square feet of commercial uses, and 425,000 square feet of retail uses. Further, after Phase I, the Partnership may elect to convert up to 840,000 commercial square feet into residential uses at the ratio of 1 residential unit (of any type) for each 1,200 square feet of authorized commercial space, in which event the full Project buildout would include 3,950 residential units, 2.11 million square feet of commercial uses, and 425,000 square feet of retail uses.

5.4 ROAD DESIGN STANDARDS.

The Project's road standards within the UGA and any modification of road standards for roads within the UGA shall be determined by the City. The road standards for access to the SE Rural Parcel are set forth in Appendix N. Any modification of road standards for access to the SE Rural Parcel or roads outside the UGA shall be determined by the County.

5.5 MASTER TRANSPORTATION FINANCING AGREEMENT

Appendix F is a separate Master Transportation Financing Agreement (MTFA), which describes transportation improvements necessary for the Project, including the SPAR Road (North and South segments of the South Plateau Access Road), Sunset Interchange and Issaquah Bypass, along with other transportation improvements, and assigns responsibility for the construction and financing of these improvements among the parties and the Sunset Interchange Foundation.

5.6 TRANSIT

The parties agree to plan for a Metro Park And Ride Facility at or near the UGA as set forth in Appendix E.

5.7 BUDGET PROVISOS

This Agreement satisfies budget provisos for County expenditures set forth in King County Ordinance 11130 at Section 117 and King County Ordinance 11578 at Section 117.

6. IMPLEMENTATION, ALTERNATIVES AND OTHER MATTERS

6.1 ZONING

The current County zoning for the Property is as follows: the UGA portion is zoned Urban Reserve subject to a UGA overlay ("UR/P/SO"), and the portions outside of the UGA are zoned rural, five acre subject to a P suffix (RA-5P). Upon annexation, the UGA portion of the Property will be zoned by the City as "Urban Village" or other comparable zone by the City to allow the urban Project.

Ms. Sullivan moved this amendment in the shaded area. The motion passed 11 to 0, Ms. Hague and Mr. Sims excused.

6.2 EXISTING FIVE-ACRE SHORT PLAT APPLICATION

Nothing in this Agreement modifies or limits the Partnership's right to pursue approval of or implement the existing five-acre short plat applications under King County Short Plat Nos. S90S0218-265 (Grand Ridge Estates I), and S90S0298 and S90S90300-324 (Grand Ridge Estates II). However, the Partnership shall withdraw the Short Plat Applications upon recording of the first final plat or issuance of a commercial, retail or residential building permit within the UGA, except the Partnership may continue processing those short plats within the NE Rural Parcel the Rural Residential Area as shown on Exhibit 3 consistent with the procedures and Rural Development Standards in Section 4. Nothing herein shall be deemed to limit or affect the County's or City's right to review, process, comment or decide upon such existing five-acre short plat applications consistent with adopted laws, ordinances and regulations. If, after annexation into the City, the Partnership elects to pursue approval of or implement the existing short plat applications within the area annexed into the City as described in this Section 6.2, the Partnership shall

(a) record a covenant on the annexed portion of Grand Ridge Property which precludes in perpetuity any further subdivision, condominium declaration or other method of increasing density of the lots created through these pending short plat applications,

(b) pay to the County, via the mechanism of the reciprocal impact fee agreement described in Section 4.2 of Appendix F, all County MPS fees authorized under RCW Chapter 82.02 and King County Code Chapter 14.75 for the traffic impacts on County roads resulting from the development of said short plats.

6.3 COUNTY ANNEXATION SUPPORT

So long as the Partnership is not in default under this Agreement, the County shall support annexation of the UGA portion of the Property, in accordance with the provisions of this Agreement, before the Boundary Review Board or other appropriate body or proceeding.

If annexation to the City does not occur as provided in the Annexation Agreement and if the Partnership elects to apply for urban development within the UGA portion of the Property within King County, then the Partnership shall submit an application to the County for an Urban Planned Development Permit under KCC Ch. 21A.39. As part of the UPD Permit proceedings, the County shall review the UPD Permit application in accordance with the standards and procedures set forth in KCC Ch. 21A.39. In such review, the County Department reviewing such an application shall utilize the project elements and development standards set forth in this Agreement as a starting point and framework for project review, but the County shall retain the discretion under KCC Ch. 21A.39 to establish standards or service levels different from those set forth in this Agreement.

6.4 DEVELOPMENT STANDARD CHANGES REQUIRING COUNTY APPROVAL.

If the City or the Partnership requests amendment of the (a) affordable housing provisions set forth in Section 3.2, (b) the Urban Open Space provisions set forth in Section 4.2.2, or (c)

Mr. Laing moved this amendment to 7.13. The motion passed 12 to 0, Ms. Hague excused.

Grand Ridge Joint Agreement

Technical Amendment - December 18, 1995

7.13 TERM

The term of this Agreement shall continue for a period of twenty (20) years and one month unless mutually extended or terminated by the parties. The Agreement shall also be terminated upon written notice that the Partnership elects to pursue rural development under vested short plat applications or an urban planned development under King County Code 21A.39 and, therefore, abandons its rights to pursue the pProject under this Agreement.

Rationale: This technical amendment adds back the termination language inadvertently edited out.

stormwater or ground water standards under Appendix D , then the parties shall consult and review the proposed amendments as set forth in this Section 6.4. The City or Partnership shall notify King County of any such requested amendment and reason therefor. . The County shall have a total of one hundred twenty (120) days to respond. If the County disapproves , then the requested amendment shall be disapproved. Failure of the County to respond in writing by the end of the 120 day period shall constitute the County's approval of the requested amendment. In addition to this Section 6.4, the County's right to approve or consult on certain unresolved issues regarding the affordable housing standards shall be governed as provided in Section 3.2.3. The road phasing provisions set forth in Section 5.1.1 shall be amended as provided in the MTFA. This Section 6.4 applies to County review; the City shall review all changes pursuant to the Annexation Agreement.

6.5 COOPERATION

The parties shall not unreasonably withhold approvals or consents provided for in this Agreement. The parties agree to take further actions and execute further documents, either jointly or within their respective powers and authority, to implement the terms of this Agreement. Where appropriate, the City shall become or provide lead agency assistance or otherwise assist the Partnership in obtaining other permits or approvals reasonably necessary to implement this Agreement for the UGA portion of the Project. The City and County shall use their eminent domain powers to facilitate implementation of this Agreement, subject to the City's and County's independent exercise of judgment following all applicable procedures necessary to use eminent domain power.

7. GENERAL PROVISIONS

7.1 GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

7.2 BINDING ON SUCCESSORS; ASSIGNMENT

7.2.1 Binding. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each Partnership and upon the County and City.

7.2.2 Assignment. The parties acknowledge that development of the Project likely will involve sale and assignment of portions of the Property to other persons who will own, develop and/or occupy portions of the Property and buildings thereon. The Partnership shall have the right to assign or transfer all or any portion of the respective interests, rights or obligations under this Agreement or in the Project to other parties acquiring an interest or estate in all or any portion of the Property, including transfer of all interests through foreclosure (judicial or nonjudicial) or by deed in lieu of foreclosure. Consent by the County or City shall not be required for any transfer of rights pursuant to this Agreement, except Partnership must obtain County approval to assign its obligations to pay for the Black Nugget Road

improvements, described in Section 5.1 (unless County-approved bonds or other security in a form and amount acceptable to the County for that road work is provided), and the Partnership must obtain County and City approval to assign its obligation to pay for the transportation improvements described under the Master Transportation Financing Agreement set forth in Appendix F.

Upon the transfer or assignment under this Section 7.2.2, where the transferee agrees to assume obligations hereunder pertaining to the property transferred or assigned, the transferee shall be entitled to all interests and rights and be subject to all obligations under this Agreement pertaining to the property transferred or assigned, and the Partnership shall be released of liability under this Agreement for the property transferred or assigned, but shall retain liability for any breach which occurred prior to the transfer of rights to another party and for those portions of the Property still owned by the Partnership.

7.3 RECORDING

A memorandum of this Agreement, in a form to be mutually approved by the parties, shall be recorded against the Partnership Property as a covenant running with the land and shall be binding on the Partnership, their successors and assigns. There shall be a release from this covenant upon approval of a binding site plan, a final plat, a condominium declaration or other land division.

7.4 INTERPRETATION; SEVERABILITY

7.4.1 Interpretation. The parties intend this Agreement to be interpreted to the full extent authorized by law as an exercise of the County's and City's authority to enter into such agreements, and this Agreement shall be construed to reserve to the County and City only that police power authority which is prohibited by law from being subject to a mutual agreement with consideration. The parties acknowledge the County and City have police powers, contracting authority and other powers granted by the Washington State Constitution and by general law, including without limitation home rule charter authority, authority to enter into interlocal agreements (see RCW Ch. 39.34), statutory enabling legislation and authority to adopt development regulations as part of annexations (see RCW 35A.14.330), and the Development Agreement Statute (see Ch. 347, 1995 Wash. Laws, Part V, § 501-06).

7.4.2 Severability. If any Material Provision of this Agreement is determined by a court of law to be unenforceable or invalid, then the parties shall confer and agree to amend the Agreement to implement the mutual intent of the parties to the maximum allowed by law. If the parties are unable to reach agreement, then the court shall decide if the invalid provisions require termination of this Agreement.

7.5 AUTHORITY

The County, City and the Partnership each represent it has the respective power and authority to execute this Agreement.

7.6 AMENDMENT

This Agreement shall not be amended without the express written approval of the County, City and the Partnership (or its successors and assigns with respect to the property in which they have an interest). All amendments to this Agreement must be approved by the County Council or City Council, as applicable. Notwithstanding the foregoing, after annexation, the City may modify Appendix B pursuant to the Annexation Agreement, except for modifications that affect the provisions of Section 6.4.

7.7 EXHIBITS AND APPENDICES

Exhibits 1 through 3 and Appendices A through N are incorporated herein by this reference as if fully set forth. In the event of any conflict or inconsistency between the Exhibits and Appendices and the main body of this Agreement, the main body of this Agreement shall control; except the provisions of Appendices F, G and H shall control in the event of any conflict with the main body of this Agreement.

7.8 HEADINGS

The headings in this Agreement are inserted for reference only and shall not be construed to expand, limit or otherwise modify the terms and conditions of this Agreement.

7.9 TIME OF ESSENCE

Time is of the essence of this Agreement in every provision hereof. Unless otherwise set forth in this Agreement, the reference to "days" shall mean calendar days. If any time for action occurs on a weekend or legal holiday, then the time period shall be extended automatically to the next business day.

7.10 INTEGRATION

This Agreement represents the entire agreement of the parties with respect to the subject matter hereof. There are no other agreements, oral or written, except as expressly set forth herein.

7.11 DISPUTE RESOLUTIONS

In the event of any dispute relating to this Agreement, all parties upon the request of any other party shall meet within the seven (7) days to seek in good faith to resolve the dispute. The City and County shall send a department director or an authorized representative thereof and persons with information relating to the dispute, and the Partnership shall send an owner's representative and any consultant or other person with technical information or expertise related to the dispute.

7.12 AUTHORIZED AGENT

The Partnership hereby designates Port Blakely Communities, Inc. ("PBC") as its agent with authority to give notices, approvals and otherwise act pursuant to this Agreement. Unless otherwise stated in writing by the Partnership, representations and actions by PBC shall represent and bind each Partnership as to its respective ownership within the Property.

7.13 TERM

The term of this Agreement shall continue for a period of twenty (20) years and one month unless mutually extended or terminated by the parties. The Partnership elects to pursue rural development under vested short plat applications or an urban planned development under King County Code 21A.39 and therefore abandons its rights to pursue the project under this Agreement.

7.14 DEFAULT AND REMEDIES

No party shall be in default under this Agreement unless it has failed to perform a material provision under this Agreement for a period of thirty (30) days after written notice of default from any other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured within the thirty (30) day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure. Any party not in default under this Agreement shall have all rights and remedies provided by law including without limitation damages, specific performance or writs to compel performance or require action consistent with this Agreement. In recognition of the likely assignment and sale of portions of the Property (see Section 7.2.2), any claimed default shall relate as specifically as possible to the portion of the Property involved and any remedy against any party shall be limited to the extent possible to the owners of such portion of the Property. To the extent possible, the County and City shall seek those remedies which do not adversely affect the rights, duties or obligations of any other nondefaulting owner of portions of the Property under this Agreement. The prevailing party (or the substantially prevailing party if no one party prevails entirely) shall be entitled to reasonable attorneys fees and costs.

7.15 NO THIRD PARTY

This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement, except that Lakeside Industries and any successor mineral resource operator shall have rights to enforce Appendix C in accordance with its terms. Additionally, the beneficiaries of the covenant described in Section 4.3.8.2 shall have rights to enforce that covenant in accordance with its terms

7.16 CONSTRUCTION

This Agreement has been reviewed and revised by legal counsel for all parties and no presumption or rule that ambiguity shall be construed against the party drafting the document shall apply to the interpretation or enforcement of this Agreement.

7.17 NOTICE

All communications, notices and demands of any kind which a party under this Agreement requires or desires to give to any other party shall be in writing deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

If to the County:

King County
King County Courthouse
Third and James Street
Seattle, Washington 98104
Attn: King County Executive

with copy to:

King County Prosecuting Attorney's
Office (Civil Division)
E-550 Fifth Floor
King County Courthouse
516 Third Ave.
Seattle, Washington 98104
Attn: Chief of Civil Division

with copy to:

Clerk of the Council
King County Courthouse
516 Third Ave.
Seattle, Washington 98104

If to the City:

City of Issaquah
P.O. Box 1307
Issaquah, Washington 98027
Attn: Office of the Mayor

with copy to:

Ogden, Murphy and Wallace
2100 Westlake Center Tower
1601 Fifth Avenue
Seattle, Washington 98101
Attn: Wayne D. Tanaka

If to the Partnership:

Grand Ridge/Glacier Ridge Limited
Partnerships
c/o Port Blakely Communities
830 Logan Building
Seattle, Washington 98104
Attn: James E. Warjone and
Judd Kirk

with a copy to:

Davis Wright Tremaine
2600 Century Square
1501 Fourth Avenue
Seattle, Washington 98101-1688
Attn: Thomas A. Goeltz

Notice by mail shall be deemed delivered 48 hours after deposited. Any party at any time by notice to the other party may designate a different address or person to which such notice or communication shall be given. Notices required or to be provided under this Agreement are not intended for individual lot purchasers and shall only be required if the Partnership has assigned its interest to a portion of the Property and notified the City and County of the successor's name and address.

7.18 NO WAIVER

No waiver by any party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, or a waiver of any subsequent breach, whether of the of the same or a different provision of this Agreement.

7.19 INDEMNIFICATION, HOLD HARMLESS AND DUTY TO DEFEND

Except as otherwise specifically provided elsewhere in this Agreement and any exhibits hereto, each party shall protect, defend indemnify and hold harmless the other parties and their officers, agents, and employees, or any of them, from and against any and all claims, actions, suits liability, loss, costs, expenses, and damages of any nature whatsoever, which are caused by or result from any negligent act or omission of the party's own officers, agents, and employees in performing services pursuant to this agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against a party or parties, the party or parties whose negligent action or omissions gave rise to the claim shall defend all parties at the party's or parties' sole cost and expense; and if final judgment be rendered against the other parties and their officers, agents, and employees or jointly the parties and their respective officers, agents, and employees, the parties whose actions or omissions gave rise to the claim shall satisfy the same; provided that, in the event of concurrent negligence, each party shall indemnify and hold the other parties harmless only to the extent of that party's negligence. The indemnification hereunder shall be for the benefit of the City and County as an entity, and not for members of the general public.

Ms. Sullivan moved Amendment 7.20. The motion passed 12 to 0, Ms. Hague excused.

7.20 PROJECT STATUS STATEMENTS

Upon the request by any party, the other party(ies) within 20 days shall provide a written statement giving reasonable information on the status and compliance with this Agreement, but any such statement shall not give rise to any special duty or liability to the requesting party or to any third party.

7.21 EXECUTION OF CONSERVATION EASEMENTS

The parties agree that the conservation easements described in Appendices G and H shall be executed simultaneously with the executive of this Agreement and will be placed in an escrow account by the County with instructions for recording in accordance with the provisions of this Agreement.

Mr. Laing moved this amendment to Appendix G 4.3.1.(d), 4.3.2.(c) Appendix H 4.3.(e). The motion passed 11 to 0, Mr. von Reichbauer and Mr. Vance excused.

Grand Ridge Joint Agreement

Amendments - December 18, 1995

The following amendments to Appendices G & H needed to be added by the Council.

Appendix G

Section 4.3.1 (d) Installation and Maintenance. The Partnership shall be responsible and liable for the installation and maintenance of any property boundary controls. Should the Partnership fail to maintain any installed property boundary control, the County may give no less than fourteen (14) days written notice to the Partnership specifying the failure and a time within which the Partnership may correct the failure (except no notice or cure period is required if an emergency exists). Thereafter, the County at its sole election may remove said boundary control and/or maintain said boundary controls and be entitled to full compensation from the Partnership for the reasonable costs of removal or maintenance by the County. Nothing herein shall require the Partnership to install or maintain a boundary control mechanism that would constitute a hazard to public safety.

Section 4.3.2 (c) The Partnership specifically reserves the right to exclude and prohibit the public from access to and use of the Protected Property (including installation of security cameras or other similar security measures, and utility/telecommunications therefor and including the right to install property boundary control mechanisms as provided in Section 4.3.1 above) except this right to exclude and prohibit the public shall terminate as to any portion of the Protected Property which is conveyed in fee title to the County pursuant to Section 4.4.

Appendix H

Section 4.3. (e) Natural appearing surface water facilities (such as detention tracts, recharge tracts and water quality/detention tracts) including two ponds totaling approximately three acres in the County UGA Open Space as described in the drainage plan for the Project, provided, however, that in the Rural Open Space such uses are allowed only if there is no feasible alternative and written approval is provided by the County;

NOTE: This document reflects both technical and substantive amendments. Some amendments have not been agreed to by the Partnership. Substantive amendments drafted at the request of Councilmembers or in response to Councilmember concerns are shaded and need to be voted upon by the Committee-of-the-Whole.

Revised December 15, 1995

MASTER TRANSPORTATION FINANCING AGREEMENT

(SUNSET INTERCHANGE, SPAR AND ISSAQUAH BYPASS)

THIS MASTER TRANSPORTATION FINANCING AGREEMENT ("MTFA") is entered into effective the ____ day of _____, 1995, by THE CITY OF ISSAQUAH, a Washington municipal corporation ("City"), KING COUNTY, a Washington home rule charter county ("County"), SUNSET INTERCHANGE FOUNDATION, a Washington nonprofit corporation ("Corporation"), and THE GRAND RIDGE PARTNERSHIP (LIMITED PARTNERSHIP) and THE GLACIER RIDGE PARTNERSHIP (LIMITED PARTNERSHIP) both Washington limited partnerships (collectively the "Partnership") to finance and construct transportation improvements on the terms set forth herein.

RECITALS

A. The parties wish to cooperatively plan and construct transportation improvements which implement the respective county and city comprehensive plans and provide substantial public benefits for both existing and future populations and commerce.

B. The parties have undertaken preliminary review of traffic improvements at the existing Sunset Way Interchange on I-90 and related access to both the City and unincorporated King County. Ongoing studies include review of the feasibility report for the East Sammamish Plateau access road and expansion of the existing interchange at I-90 and Sunset Way, which consists of a partial diamond interchange with accessibility limited to one exit ramp for westbound I-90 traffic and one exit ramp for traffic from Sunset Way to eastbound I-90.

C. The City, County and the Partnership are executing other agreements concurrent with this MTFA regarding real property owned by the Partnership: the "Grand Ridge Joint Agreement" and the "Grand Ridge Annexation and Development Agreement" ("Grand Ridge Agreements"). The Grand Ridge Agreements set forth the urban, rural and open space uses and annexation provisions for the Grand Ridge project ("Grand Ridge Project"). In addition, the City, County, Partnership, and the Corporation will enter into a separate agreement with the

Washington State Department of Transportation (WSDOT) related to the WSDOT's participation in the improvements to the Sunset Interchange.

F. The Corporation is a nonprofit entity created to meet federal, state and local requirements to issue tax-exempt bonds, commonly known as Section 63-20 financing. The Corporation has been created for the sole and specific purpose to construct the South SPAR and to construct and/or contribute funds for the Sunset Interchange Segments, through contracts and agreements implementing this MTFA.

E. The parties have undertaken a "fair share" traffic impact analysis and assessed present and future traffic needs related to the four-core Transportation Improvements described in Section 2 below. As used in this MTFA, "MPS", or Mitigation Payment System, means the system for collection of impact fees imposed on development activity under the authority of RCW 82.02.050 et seq. The County's MPS program is described in King County Code Chapter 14.75. The Partnership's fair share calculation using the County's preliminary 1995/1996 MPS project list is set forth in Section 5.

F. Except as provided in this MTFA, the Corporation's agreement to construct and/or contribute funds for the South SPAR and Sunset Interchange, and the Partnership's agreement to contribute or guaranty payment, in a manner acceptable to the County and the City, of a portion of the project costs for the South SPAR and Sunset Interchange, are not in discharge of specific or existing obligations of the Corporation or the Partnership. The parties have agreed to implement solutions to their respective fair share traffic impacts by segmenting and allocating to individual parties different portions of the transportation improvements. The segmenting decision reflects the fact that the fair share amounts roughly correspond to various segments with federal, state or other funding needed for a portion of the Sunset Interchange costs.

G. This segmented implementation assumes federal and state contributions to the Sunset Interchange Segment. If this assumption is not correct and insufficient federal and state funding is provided, the parties agree to reconvene and discuss how to provide any shortfall consistent with the principle of fair share allocation.

H. The parties desire to cooperate in this public/private effort to provide needed transportation facilities.

I. The parties recognize that the construction of the Bypass is integral to resolution of an existing transportation problem within the City created by regional traffic. Such problem would be further exacerbated by any additional development on the Sammamish Plateau or south of the City limits. It is the parties' intention that construction of the Bypass proceed concurrently with the construction of the Sunset Interchange in order to minimize further impacts to the City.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **PURPOSE.** This MTFAs to coordinate, finance and construct the Transportation Improvements described in Section 2 so that they can be conveyed, owned and operated by the appropriate governmental entities upon completion of construction.

2. **DESCRIPTION OF IMPROVEMENTS.** The capacity improvements to be constructed under this MTFAs are collectively known as the "Transportation Improvements" consisting of four "segments" described in Section 2.1 through 2.4 below:

2.1 **Issaquah Bypass ("Bypass")** is a principal arterial extending south from the southerly limit of the controlled access established for the Sunset Interchange (i.e., approximately 300 feet south of the eastbound off-ramp signal) to a connection with Front Street South between approximately Second Avenue South and 500 feet south of the south City limits of Issaquah.

2.2 **South Plateau Access Road - North Segment ("North SPAR")** is a principal arterial located between Vaughn Hill Road or the Issaquah-Fall City Road/Issaquah-Pine Lake Road intersection (and including related intersection improvements) and the northern boundary of Urban Development 4 of the Partnership Property (as described in the Grand Ridge Agreements).

2.3 **South Plateau Access Road - South Segment ("South SPAR")** is a principal arterial extending south from the northern boundary of Urban Development 4 (i.e., the southern terminus of the North SPAR) through the Grand Ridge Project and other parcels to the northerly limit of the controlled access established for the Sunset Interchange on I-90 (approximately 300 feet north of the westbound on-ramp signal).

2.4 **Revised I-90 Sunset Interchange ("Sunset Interchange")** is the revision to the existing East Sunset Interchange to provide full access to I-90 in a diamond or modified diamond configuration consisting of new westbound on-ramps, new eastbound off-ramps, a new two-way traffic overpass over I-90, and a principal arterial undercrossing. Other elements include necessary structures over Issaquah Creek, stormwater management facilities, HOV treatments and environmental mitigation. Road and signal improvements within the WSDOT limited access (approximately 300 feet north and 300 feet south of the ramp signals) are considered part of the Sunset Interchange.

The general location and description of these facilities are set forth on Attachment A.

2.5 Black Nugget Road. In addition to the foregoing Transportation Improvements, certain non-capacity traffic and safety improvements to Black Nugget Road, as described in Attachment B, will be constructed by the Partnership. Following a public process with residents to be completed within 45 days after the effective date of this MTFAs, the County will determine whether rural or urban neighborhood collector standards will be used for those Black Nugget Road Improvements required after the first 100 dwelling units, as described in Attachment B. Subject to these standards (with any variances approved by the County Road Engineer), the Partnership will construct these improvements with no credit against the MPS "fair share" calculations for capacity improvements (now estimated at \$35.5 million). Prior to commencement of construction on Black Nugget Road, the Partnership will provide the County with security satisfactory to the County to cover any potential lien claims arising out of the Partnership's construction activities on Black Nugget Road. The Partnership shall be responsible to obtain and pay for all property necessary to construct the improvements to Black Nugget Road described in Attachment B. If eminent domain is required to obtain any property necessary for said Black Nugget Road improvements, the County shall exercise its eminent domain powers and will be reimbursed by the Partnership for all costs related to such exercise of eminent domain, including just compensation and costs of litigation and expert witness fees. After the construction of the required improvements to Black Nugget Road, the Partnership shall convey and dedicate such improvements to the County free from all liens and encumbrances.

3. COORDINATION AND COOPERATION. The parties shall cooperate to design, secure funding for and construct all of the Transportation Improvements and to implement this MTFAs. If for any reason, the Sunset Interchange Foundation does not execute this MTFAs or is in default thereof, the Partnership shall assume all obligations of the Foundation which are set forth herein. Nothing in this agreement shall require the City or the County to issue bonds or to pledge its full faith and credit to perform the obligations under this agreement, but failure to issue such bond or pledge shall not affect the obligation of the City or County to pay or contribute funds as provided herein.

3.1 Environmental Review for the Transportation Improvements. The parties agree that environmental review and preliminary engineering work for the Sunset Interchange and South SPAR shall be completed and shall include preparation of the following: (i) draft and final environmental impact statement meeting federal, state, county and city requirements; and (ii) the following appendices: preliminary engineering plans; design report; added access study/report; channelization and hydraulics plan; right-of-way plan; and the I-90 system study. At the discretion of the party responsible for each segment, environmental work completed under this agreement may also include study of the North SPAR and Issaquah Bypass to a programmatic level of detail. The consultant shall allocate its overall charges between the four segments and separately bill for each segment. The City shall pay the charges allocated to the Bypass. The County shall pay the charges allocated to the North SPAR. The charges allocated to the Sunset Interchange and the South SPAR shall be paid as described in Section 3.1.2.

3.1.1 Scoping and Lead Agents. The parties shall review the EIS scope and may suggest changes and additions determined necessary to comply with federal and state requirements. The scope shall include project level (or Tier 2) analysis for the Sunset Interchange and South SPAR and alternatives and corridor analysis (programmatic or Tier 1) for the North SPAR and Bypass. The City, County and State should be co-lead agencies, and the City shall be the administrative lead agency for purposes of SEPA. As administrative lead agency, the City shall make and implement decisions to complete EIS preparation, but shall refer any major decisions to the co-lead agencies for mutual approval. The Federal Highway Administration ("FHWA") shall be the federal lead agency for purposes of NEPA. Each co-lead agency shall review, recommend modifications and approve the EIS once it determines it is adequate. The parties to this MTFAs shall enter into an agreement with Washington State Department of Transportation (WSDOT) regarding WSDOT participation in the environmental review and preliminary engineering work for the Sunset Interchange and South SPAR.

3.1.2 Costs of Environmental Review and Design Work for Sunset Interchange and South Spar. The Partnership is responsible for all costs incurred to the date of this MTFAs for environmental review and preparation of plans, specifications and estimates for the Sunset Interchange and the South Spar. Any of these costs attributable to the Sunset Interchange, upon approval by the County and the City, shall be a credit against the Partnership's contribution to the Sunset Interchange. Upon approval of this MTFAs by the legislative authorities of the County and the City, the County will be responsible for the next \$2.8 million of such costs, and the City will be responsible for the next \$1.4 million of such costs after the County's \$2.8 million, for a maximum total responsibility of the County and the City of \$4.2 million, provided that the County shall contribute that portion of the said \$2.8 million applicable to the Sunset Interchange only after (1) the parties to this MTFAs have entered into an agreement with WSDOT

authorizing such expenditure for the Sunset Interchange pursuant to RCW 36.75.030, and (2) to the extent the County's contribution consists of MPS funds, the Sunset Interchange is added to the County's MPS Project List pursuant to RCW Chapter 82.02 and King County Code Chapter 14.75. The County shall pay its \$2.8 million following receipt of progress billings from the City. To the extent the Partnership provides funding for environmental review and preparation of plans, specifications and estimates for the Sunset Interchange after the effective date of this MTFAs but before the aforesaid agreement with WSDOT is executed, the Partnership shall be reimbursed by the County for such funding out of the County's \$2.8 million obligation after the parties execute said agreement with WSDOT. To the extent the City's \$1.4 million is not needed for environmental review and preparation of plans, specifications, and estimates for the Sunset Interchange and the South Spar, the City shall contribute the balance to the construction of the Sunset Interchange. The Partnership shall contribute or guaranty payment to the Corporation, in a manner acceptable to the County and to the City, and the Corporation shall pay the City for all costs of environmental review and design work for the Sunset Interchange and the South Spar in excess of the above described \$4.2 million. Such excess costs that are attributable to the Sunset Interchange, upon approval by the County and the City, shall be a credit against the Partnership contribution to the Sunset Interchange.

3.1.3 Executive Committee. To provide coordination and direction for the work to be performed under this MTFAs, an Executive Committee is established consisting of the following persons, their successors or designees:

Mr. Jesse Krail, Manager,
Road Services Division
King County Department of Transportation;

Mr. Robert Aye, Acting Regional Administrator
WSDOT Northwest Region (provided WSDOT enters into an agreement
with the parties related to the Sunset Interchange);

Mr. Greg Wilder, Director
Department of Public Works
City of Issaquah

Mr. James E. Warjone,
Partnership representative;

A representative to be appointed by the Corporation.

The Executive Committee shall provide direction and guidance for the environmental review work and for implementation of this MTFAs. Its direction

and guidance shall be advisory to the extent the City has legal obligations it must perform as administrative lead agency for purposes of SEPA. The Executive Committee shall adopt and ensure compliance with a schedule for completion of the environmental review work and implementation of this MFTA. .

3.1.4 Technical Committee and Project Manager. The Executive Committee shall establish a technical committee consisting of representatives of the parties and other appropriate agencies with expertise. The technical committee shall advise the Executive Committee, the project manager and consultants in performing environmental review work. The City shall select, with the approval of the Executive Committee, a project manager who shall be responsible for overall project management, directing the environmental review work, and preparation of plans, specifications and engineering, public involvement program and maintaining coordination of all consultant contract efforts. The City shall comply with the applicable laws and regulations on non-discrimination and minority and women's business enterprises, as determined by the governmental entities. The County's minority and women's business enterprises program, as codified in King County Code Chapter 4.18 and incorporated herein by reference, shall apply to the extent practicable, and any adjustment to the County goals shall be agreed to by all parties.

The project manager shall report to the Executive Committee. The Executive Committee shall establish the scope and responsibilities of the project manager. The Executive Committee may revise the schedule for or defer the performance of any task where a party demonstrates good cause exists for delay or obtaining a firm commitment for the funding of costs of remaining tasks is not imminent.

3.1.5 Grand Ridge Studies. The Partnership shall make available at no cost to the City or other parties, all studies and data relating to the development of the Grand Ridge property which exist on the date of this MTFA and are relevant and appropriate for preparation of the Sunset EIS.

3.1.6 Applicable requirements. The Sunset EIS shall be accomplished in accordance with the requirements of WSDOT Environmental Procedures Manual (M31-11), the National Environmental Policy Act (NEPA) and the State Environmental Policy Act (SEPA), and the access report will be developed in accordance with WSDOT Design Manual, § 213.

3.1.7 Other Work. The Executive Committee may authorize the preparation or utilization of environmental studies or data prepared by any of the parties or their consultants.

3.1.8 Selection of Consultant. The City will select, with approval of the other parties, the consultant(s) to carry out the environmental review work and Sunset EIS and the engineering and design work for the South SPAR and the Sunset Interchange. In implementing the environmental review and design work for the

Sunset Interchange and the South Spar, the City shall comply with the applicable public works contracting statutes and regulations, including applicable laws and regulations on non-discrimination and minority and women's business enterprises, as determined by the governmental entities. The County's minority and women's business enterprises program, as codified in King County Code Chapter 4.18 and incorporated herein by reference, shall apply to the extent practicable, and any adjustment to the County goals shall be agreed to by all parties.

The parties further agree that any work undertaken as a result of this MTFAs shall comply with King County Code Chapters 12.16 and 12.18, incorporated herein by reference.

- 3.2 **North SPAR Environmental Work.** The County shall undertake appropriate environmental work as part of its responsibility to construct the North SPAR under Section 6. The County shall utilize to the maximum extent possible the environmental work prepared under Section 3.1.
- 3.3 **City Environmental Review.** The City shall undertake environmental review as part of its responsibility to construct the Issaquah Bypass under Section 7. The City shall utilize the environmental work prepared under Section 3.1 to the maximum extent possible. Nothing in this MTFAs shall prohibit the City from electing at any time to conduct a project level EIS.
- 3.4 **Adopted Plans; Budgets.** Each party shall include the Transportation Improvements in all appropriate comprehensive and land use plans and capital improvement programs and budgets.
- 3.5 **Funding Applications.** Each party shall be a lead or co-lead agency where requested by any other party or where required as part of any application or securing of federal or state funding, including but not limited to grants, ISTEA funds or federal highway funds, for any segment of the Transportation Improvements. If any funds are limited to a particular segment, such as the Sunset Interchange or Issaquah Bypass, the funding shall made available to the party responsible under this MTFAs for constructing that segment. If funds are not limited to a particular segment, then the parties shall determine how the funds shall be used.
- 3.6 **Road Alignment.** The parties shall mutually evaluate the alignment of the Transportation Improvements and the connections of each Segment, and the public agency which ultimately will hold title to each respective Segment shall formally approve the road alignment.
- 3.7 **Coordinated Engineering, Permitting and Construction.** The parties shall cooperate in developing the road plans and specifications, engineering, permitting and construction of the Transportation Improvements on the terms provided in this MTFAs. The public agency which will hold title to each respective Segment

shall timely establish the final road standards and specifications so that each party may timely carry out its preliminary engineering, design and construction work under this MTFAs.

4. PROJECT SEGMENTS, RESPONSIBLE PARTIES AND RECIPROCAL IMPACT FEE AGREEMENT.

4.1 Project Segments and Responsible Parties. The four "Segments" of the Transportation Improvements and responsibility for construction or contribution of funds are set forth as follows:

<u>Project Segment</u>	<u>Estimated Cost (millions)</u>	<u>Responsible Party</u>
Issaquah Bypass	\$16.7	City Construction (§7.2); Partnership contribution (§5.3.4)
North SPAR	\$13.4	County construction (§6.1); Partnership contribution (§5.3.3)
South SPAR	\$25.2	Corporation construction (§5.1); Partnership contribution of costs (§5.3.1); County contribution for EIS and design work (§3.1.2); City contribution for EIS and design work (§3.1.2)
Sunset Interchange	\$22.5	Corporation or WSDOT construction (§ 5.1); Partnership's Sunset Interchange Contribution (§ 5.3); County contribution for EIS and design work (§3.1.2); City contribution for EIS and design work (§3.1.2), and Remaining Balance from state, federal and other funding (§ 5.4.2)
Total Costs	<u>\$77.8</u>	

These estimates are stated in constant 1995 dollars and, for the South SPAR and Sunset Interchange, include non-grant eligible costs. The estimates will be revised and approved by the parties at the time of the MPS fee determination for each of the Transportation Improvements as described in Section 5.3.

4.2 Reciprocal Agreements Between County and City. The County and City shall develop a reciprocal impact fee agreement and a reciprocal concurrency review agreement.

4.2.1 Reciprocal Impact Fee Agreement. The reciprocal impact fee agreement shall provide that development projects within the City shall pay for their impacts on unincorporated King County roads and development projects in unincorporated King County shall pay for their impacts on City roads. At a minimum, the reciprocal impact fee agreement shall include the four Segments of the Transportation Improvements described in Section 4.1, at 100% of their estimated costs, subject to satisfying legal requirements for funding commitments for the public share of those projects, including, but not limited to, an agreement with WSDOT.

The reciprocal impact fee agreement and ordinances shall include authority to defer the Grand Ridge share of off-site MPS projects to the extent provided in Section 5.4.4. Upon addition of the Sunset Interchange Segment to the County and City reciprocal impact fee program, each shall contribute the collected impact fee portion which is allocable to the Sunset Interchange Segment to the Sunset Interchange Segment work. The County and City shall use all reasonable efforts to include the Segments in the County's next MPS fee update following adoption of this MTFAs and in the City's adoption of the County's or other interim impact fee program until a final program is adopted, but in any event the agreement shall be executed by June 1, 1996 (or such other time as necessary to include the Segments in the next MPS fee update following June). The City's MPS Ordinance shall be established to accomplish the latecomer reimbursement arrangement described in Section 7.3.

4.2.2 Reciprocal Concurrency Review Agreement. The reciprocal concurrency review agreement shall provide for joint County/City review of developments within each other's jurisdiction that have direct impacts on the other jurisdiction's roads. The reciprocal concurrency review agreement shall specify thresholds and standards to be used to determine concurrency. The County and the City agree that, unless specifically provided for in the reciprocal concurrency review agreement, approval or denial of proposed development permits shall remain the sole responsibility and at the sole discretion of the jurisdiction within which the development is proposed. One jurisdiction shall not have veto authority over the other jurisdiction's permit process. Such agreement shall be transmitted to the County Council and City Council by December 15, 1996.

4.3 Future Annexations. Prior to the City's holding any hearing or taking any formal action on any annexation other than the area covered by the Grand Ridge Annexation and Development Agreement, the City shall execute a pre-annexation agreement with King County to provide sharing of costs associated with County roadway capacity improvements which are critical for Grand Ridge concurrency that are included in the future annexation areas. The following County CIP projects are affected by this provision: North SPAR and East Lake Sammamish Parkway. King County shall not be obligated to award construction contracts for

the North SPAR or East Lake Sammamish Parkway until a cost sharing agreement under this Section 4.3 is executed. Pre-annexation agreements between the City and County will reflect a "mortgage financing" principle that provides for City reimbursement of County funds invested on these improvements based upon a depreciation schedule amortized over the expected life of the improvements and adjusted by a nominal interest rate. This commitment for pre-annexation agreements satisfies the County Council's (a) SPAR EIS budget proviso and (b) the 1995 budget proviso on roadway capacity projects in potential annexation areas with respect to the North SPAR and East Lake Sammamish Parkway.

5. SOUTH SPAR AND SUNSET INTERCHANGE

- 5.1 Corporation Construction of South SPAR and Sunset Interchange.** The Corporation shall undertake and pay for all permitting, right-of-way acquisition and construction of the South SPAR. If authorized by WSDOT, the Corporation shall undertake and pay for all permitting, right-of-way acquisition and construction of the Sunset Interchange segment. In the event WSDOT constructs the Sunset Interchange, the Corporation shall pay to WSDOT all Sunset Interchange funds received from the parties and any other source. The Corporation shall not be obligated to undertake any permitting or construction on the South SPAR until execution of construction contracts for the Sunset Interchange. Prior to the Corporation's receipt of any funds from the City, the County or the Partnership, the following conditions must be satisfied; (a) The EIS must be approved by the City, the County and the State as co-lead agencies in accordance with Section 3.1.1, and (b) the Corporation shall establish financial management controls acceptable to the City and the County, or the Corporation shall post a bond in a form and amount satisfactory to the City and the County. The Corporation shall maintain insurance to protect itself and any person the Corporation is required to indemnify or shall agree to indemnify, including any director, trustee, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust of other enterprise, against any expense, liability or loss.
- 5.2 Public Works Contracting Laws Apply.** The parties acknowledge that the work undertaken by the Corporation on the South Spar, if public funds are used in its construction, and the Interchange constitutes public works and, therefore, the Corporation shall comply with the public works contracting statutes and regulations that would apply if the work were being undertaken by a public agency, including, but not limited to, applicable laws and regulations on non-discrimination and minority and women's business enterprises, as determined by the governmental entities. The County's minority and women's business enterprises program, as codified in King County Code Chapter 4.18 and incorporated herein by reference, shall apply even to non-public works contracts to the extent practicable, and any adjustment to the County goals shall be agreed to by all parties.

The parties further agree that any work undertaken as a result of this MTFA shall comply with King County Code Chapters 12.16 and 12.18, incorporated herein by reference.

5.3 Partnership's Contribution. The Partnership's total fair share obligation for offsite roadway capacity improvements relating to the Grand Ridge Project, including its share of the Transportation Improvements described in this MTFA, shall be computed using the County's MPS model, subject to the same adjustments made for other similar projects, with the four Transportation Improvements included in the MPS model at 100 % of their estimated costs. The Partnership's contribution is now estimated at \$35.5 million and will be recomputed and fixed using the most up-to-date estimates available following Council approval of the next MPS fee update subsequent to execution of this MTFA. Once fixed, the unpaid balance of the Partnership's contribution shall be subject only to adjustment in accordance with the Engineering News Record Construction Cost Index for the Seattle area ("ENR Index") on an annual basis. In addition to the Partnership's contribution for roadway capacity improvements, the Partnership are obligated to undertake safety and operational improvements for Black Nugget Road as described in Attachment B. The Partnership shall have no obligations for off-site transportation facilities or improvements relating to the Grand Ridge project except as expressly set forth in this MTFA.

This total Partnership's Fair Share shall be contributed as follows: (a) the amount for off-site road MPS (i.e., roads other than the Transportation Improvements covered by this MTFA) is estimated at \$3.4 million and is defined as the "Variable Amount" to be paid as provided in Section 5.4.4; (b) \$2.8 million North Spar contribution under § 5.3.3; (c) \$1.4 million By-Pass contribution under § 5.3.4.; (d) a contribution or guaranty of payment to the Corporation, in a manner acceptable to the City and the County, for the review, design and construction of the South SPAR as provided in Section 5.1 over and above the amounts contributed by the City and the County for the costs of environmental review and preparation of plans, specifications and estimates for the South Spar (the Partnership's estimated contribution for the South SPAR is \$22.9 million, but the Partnership's obligation to contribute or guaranty payment shall be the actual costs of the South Spar whether over or under that estimated amount); and (e) the remaining estimated \$3.4 million (less credit for Partnership's unreimbursed actual contribution to the Sunset Interchange environmental review and preparation of plans, specifications, and estimates pursuant to §3.1.2) shall be contributed or a guaranty of payment, in a manner acceptable to the City and the County, made to the Corporation as the Partnership's contribution to the Sunset Interchange. ("Interchange Contribution"). Except for the Partnership's obligation for the review, design and construction of the South SPAR described in (d) above, and except for the Partnership's credit for its unreimbursed actual contribution to the Sunset Interchange environmental review and preparation of plans, specifications and estimates described in (e) above, the amounts constituting the

Partnership's total Fair Share as described herein shall be adjusted in accordance with the ENR Index on an annual basis.

The Partnership's obligations are further set forth as follows:

5.3.1 South SPAR. The Partnership shall contribute or guaranty payment, in a manner acceptable to the County and the City, to the Corporation for all costs related to the South SPAR segment which the Corporation undertakes under Section 5.1.

5.3.2 Sunset Interchange Contribution. The Partnership shall contribute or guaranty payment, in a manner acceptable to the City and the County, to the Corporation, an amount estimated at \$3.4 million, adjusted annually by the ENR Index, as its Interchange Contribution to the Project Costs of the Sunset Interchange Segment. To the extent the following costs were included in the "recomputed and fixed" fair share calculation as identified in Section 5.3, the Partnership's contribution towards "Project Costs" may include the following: all prior expenditures as approved by the Executive Committee through the date of this MTFAs relating to environmental, engineering or other work or financing costs and financial consultants related to the Sunset Interchange; the Partnership's unreimbursed actual costs of environmental review relating to the Sunset Interchange Segment incurred under Section 3.1.2 after the date of this MTFAs; engineering and design and permitting costs; site preparation (e.g., clearing and grading) costs; construction costs and any other costs related to the planning, engineering or construction of the Sunset Interchange; project management costs of the Corporation or interest or other carrying costs of the nonprofit corporation to the extent it borrows funds for completion of work related to the Sunset Interchange. The County will use best efforts to include the costs identified above in the MPS fee model. The Executive Committee may approve additional types of expenses as "Project Costs," but the Partnership's overhead or general administrative expenses for the Grand Ridge Project shall not be included in the Sunset Interchange Project Costs.

5.3.3 North Spar Contribution. The Partnership shall contribute \$2.8 million to the County for the costs of the North Spar upon award of construction contract for the North Spar. This dollar amount shall be adjusted in accordance with the ENR Index on an annual basis.

5.3.4 Issaquah By-Pass Contribution. The Partnership shall contribute \$1.4 million to the City for the costs of the Issaquah By-Pass upon award of construction contract for the Interchange. This dollar amount shall be adjusted in accordance with the ENR Index on an annual basis.

5.4 Additional Funding.

5.4.1 Remaining Balance. The parties shall cooperate in seeking federal, state and other sources of funding to pay the full Sunset Interchange costs in excess of the parties' Interchange contributions as stated in this MTFAs ("Remaining Balance"). Funding for the Remaining Balance shall include but is not limited to any MPS fees projected to be collected by the County and similar impact fees collected by the City for the Sunset Interchange. The parties shall report to the Executive Committee on the status and projections for outside funding. The Partnership shall contribute or guaranty payment, in a manner acceptable to the County and the City, to the Corporation or WSDOT, in the event WSDOT constructs the Sunset Interchange, in the amount of the Partnership's interchange contribution, for Project Costs including EIS work, plan and specification preparation, and construction amounts when needed for construction of the Sunset Interchange.

5.4.2 Excess Outside Funds. If outside funding in excess of the Remaining Balance of the Sunset Interchange Segment is secured, then the Partnership shall nonetheless contribute an estimated \$3.4 million (adjusted annually by the ENR Index) in Project Costs by transferring any portion of the \$3.4 million (as adjusted) Interchange Contribution not needed for the Sunset Interchange Segment to repay, prorated based on their respective contributions, the County and City for expenditures made under this MTFAs for the Transportation Improvements.

5.4.3 Funding Shortfall. If at final adjournment of the 1998 Washington State Legislative session (including any extraordinary sessions(s)), any secured outside funding, the parties' Interchange contributions as stated in this MTFAs, and MPS fees collected under the reciprocal MPS Agreement (or the collection of which is reasonably assured) do not meet or exceed the amount needed to construct the Sunset Interchange, then any of the parties can require that the parties meet to seek agreement on alternative funding strategies. The parties in good faith shall reexamine the financial obligations consistent with the underlying premise of each party paying a fair share allocation. The parties shall continue to seek full funding of the Sunset Interchange Segment until all of the parties mutually agree to cease funding efforts. Upon cessation of funding efforts, the Corporation shall return to the County and the City all unexpended funds the Corporation shall have received from the County and the City.

5.4.4 Payment of Variable Amount (Off-Site MPS). Through the reciprocal impact fee agreement described in this MTFAs, the Partnership will pay the County's "off-site MPS fees" due on Phase I (as described in Attachment B) at final plat approval or the time building permits are issued. The payment of these fees shall be a credit against the Partnership's fair share obligation described in Section 5.3. If the Remaining Balance of the Sunset Interchange Segment funding is obtained, then the Partnership shall pay the portion of the Variable Amount associated with Phases II and III at an agreed upon dollar amount per equivalent residential unit (ERU) as follows: the Partnership's obligation to pay

off-site MPS for Phases II and III (described in Attachment B) is deferred and the Partnership's contributions or guaranty for the cost of the Transportation Improvements are credited, at the agreed rate per ERU, against the Partnership's Fair Share amount of \$35.5 million (adjusted annually by the ENR Index); the remaining Variable Amount shall commence being paid on a per unit basis at the amount that is computed by dividing the Partnership's contribution or guaranty for costs of the Transportation Improvements (less the Variable Amount not yet paid) by the agreed rate per ERU. The per unit fee shall be adjusted by the annual increase or decrease in the Engineering News Record (ENR) Construction Cost Index for the Seattle area.

6. NORTH SPARKING COUNTY. King County shall construct the North SPAR as follows:

6.1 Obligation to Construct. As described in Section 5.3.3, the Partnership shall contribute \$2.8 million to the cost of the North Spar. The County shall undertake and pay for all remaining costs of environmental review and studies, engineering and design, permitting, right-of-way acquisition and construction of the North SPAR Segment. The County shall commence construction of the North SPAR as expeditiously as possible after construction contracts are executed for the Sunset Interchange Segment, subject to force majeure (as defined in Section 13.18).

6.2 Delay in North SPAR. The parties have determined that transportation concurrency for Phases I and II (as defined in Attachment B) does not require construction of the North SPAR. Upon completion of the South SPAR and the full movements of the Sunset Interchange, the County may work with the Partnership on methods to limit daily traffic volume to 3,000 ADT on Black Nugget Road or the County may elect to close the access of the Grand Ridge Project to Black Nugget Road.

7. BYPASS- CITY. The City shall have the following financial and construction obligations:

7.1 Obligation to Construct. As described in Section 5.3.4, the Partnership shall contribute \$1.4 million to the cost of the Bypass. The City shall undertake and pay for all remaining costs of environmental review and studies, engineering and design, permitting, right-of-way acquisition and construction of the Bypass Segment. While the City assumes responsibility for construction of the Bypass, the parties shall work together to ensure that construction occurs in a timely manner. A joint grant-writing team composed of City, County and Partnership representatives shall work on the development and submittal of grants for the Bypass. The Executive Committee, at the request of the City, shall provide assistance in resolving problems or handling other matters related to the Bypass. The City shall commence construction of the Bypass Segment as expeditiously as

Ms. Fimia moved this amendment to 8.1.1. Mr. Brewer, Legal Counsel suggested an amendment to line 4, after 'increased' and before 'at' to delete 'by' and insert "to".* Voting on Ms. Fimia's motion, possible after construction contracts are executed for the Sunset Interchange Segment, subject to *force majeure* (as defined in Section 13.18).

the motion passed 12 to 0, Mr. Vance excused, as amended.

7.2 Latecomer Reimbursement. At the Partnership's request, the City and Partnership shall mutually approve a latecomer reimbursement system whereby the City will collect (at the time building permits, site plans or plats are approved for development within the Grand Ridge Project), and remit those funds (less an administrative fee to the City) to the Partnership, a transportation improvement fee to reimburse the Partnership for the Partnership's contributions or guaranty payments made to the Corporation's payment of Project Costs for the Sunset Interchange Segment and the South SPAR. The reimbursement amount shall include all of the Partnership's actual expenditures plus interest thereon or other financing costs.

8. COST ESTIMATES AND OVERRUNS.

*The clerk was directed to make the change as suggested by Mr. Brewer.

8.1.1 Revised Cost Estimates. Upon completion of the FEIS, each party shall have the right to request renegotiation of the provisions of this Agreement based on a revised cost estimate demonstrating that the cost of its respective Segment has increased by at least 150% of the present cost estimate in Section 4.1. Renegotiation shall be initiated by a party by providing the other parties with written notice of a request to renegotiate within 30 days of the date the FEIS is final, including any appeal periods.

8.1.2 Cost Overruns. With the exception of the Sunset Interchange Segment, each party shall pay any cost overruns, or retain any cost savings, for its respective Segment.

9. RIGHT-OF-WAY DEDICATION AND ACQUISITION. Each party shall make available for the Transportation Improvements any land or existing right-of-way owned by that party. As part of its responsibility for each respective Segment, each party shall be responsible to obtain all right-of-way necessary for construction of that party's Segment. If eminent domain is required to obtain any property necessary for the Transportation Improvements, the governmental entity with jurisdiction shall exercise its eminent domain powers and will be reimbursed by the party responsible for that segment. Said reimbursement shall include all costs related to such exercise of eminent domain, including just compensation and costs of litigation and expert witness fees.

10. DEDICATION AFTER CONSTRUCTION. The Partnership shall convey and dedicate to the public entities all Segments of the Transportation Improvements constructed by the Corporation and any property owned by the Partnership related thereto as follows: (a) conveyance of the South SPAR to the City; and (b) conveyance of the Sunset Interchange improvements to WSDOT. The County and City each agree to accept the portion of the Transportation Improvements constructed and located within their respective jurisdictions so long as constructed in accordance with plans and

specifications approved by those agencies (including any written approved revisions or change orders) and free from all liens and encumbrances.

11. COUNTY/CITY MPS AND CONCURRENCY.

11.1 Partnership Payment In Lieu of Fees. The parties acknowledge the Grand Ridge Project will be annexed into and thereafter developed within the City. Although the County's MPS and concurrency program do not apply to projects within the City, the parties have established through this MTFa the Partnership's obligations to pay fees for any Grand Ridge project improvements related to the Transportation Improvement Segments. The amounts paid by the Partnership under Section 5 have taken into account County MPS fees which otherwise would be due and there are no other MPS or other transportation fees, mitigation fees relating to transportation improvements or similar payments relating to transportation improvements.

11.2 Grand Ridge Concurrency and Mitigation Compliance. The County and City have determined and established the transportation concurrency requirements for the Grand Ridge Project in the Grand Ridge Joint Agreement in the transportation phasing as set forth in Attachment B hereto. The Partnership compliance with the Joint Agreement Attachment B and this MTFa implements and satisfies all applicable County, City and State level of service standards and concurrency requirements. The MTFa and the Joint Agreement set forth the Partnership's full mitigation measures, fees and obligations for off-site transportation improvements related to the urban growth area of the Grand Ridge Project. The measures in this MTFa and in the Grand Ridge Development and Annexation Agreement satisfy and there are no other off-site transportation mitigation obligations or measures which otherwise would be required by the County or the City, except as set forth in the Joint Agreement. Notwithstanding the other provisions of this Section 11, the Grand Ridge Project is subject to revised development standards where required to avoid a serious threat to the public health or safety.

12. METRO PARK AND RIDE FACILITY. The parties shall cooperate in providing the land, permits and site preparation and implementation of a Metro Park and Ride Facility in the Grand Ridge vicinity, as provided in Attachment C to this MTFa (which is identical to Appendix E to the Grand Ridge Joint Agreement).

13. MISCELLANEOUS PROVISIONS.

13.1 Termination. This MTFa shall be terminated effective upon the mutual agreement of all the parties. The MTFa shall also be terminated upon written notice that the Partnership elects to pursue rural development under vested short plat applications or an urban planned development under King County Council 21A.39 and therefore abandons its rights to pursue the project under this

agreement. Any termination shall not relieve any party from its obligations to pay any previously incurred expenses consistent with this MTF A.

13.2 Authorization; Approval by Parties. The parties shall execute this MTF A upon approval of the King County Council and Issaquah City Council of the respective agreements described in Recital C above. All parties warrant to each other that they have the right, power and authority to enter into and execute this MTF A and perform in accordance with the terms and conditions herein. Any consent, approval or amendment required of the "parties" under this MTF A shall mean by an authorized representative of the party, and not through the Executive Committee.

13.3 Binding on Successors and Assignments. This MTF A shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, personal representatives and assigns. The Partnership may not assign its obligations to pay for the Black Nugget Road improvements, as described in this MTF A, without the consent of the County and the City (unless County-approved bonds or other security for that road work is provided). The Partnership may not assign its obligations to pay for the Transportation Improvements, as described in this MTF A, without the consent of the County and the City. Such consent shall not be unreasonably withheld.

13.4 Entire Agreement. This document and the Attachments thereto contain the entire agreement of the parties regarding the subject matter hereof.

13.5 Amendment. This MTF A shall not be amended without the express written approval of the parties (or its successors and assigns) and approval by the County Council and City Council, except future changes in the scope of the Sunset Interchange/South SPAR EIS can be made at the request of the City without amendment of the MTF A where such changes are made in accordance with Section 3.1.

13.6 Applicable Law. This MTF A shall be construed in accordance with the laws of the State of Washington.

13.7 Inspection of Cost Records. All parties shall keep available for inspection by representatives of the parties or the FHWA for a period of six years the cost records and accounts pertaining to this MTF A. If any litigation, claim, or audit arising out of, in connection with, or related to this MTF A is initiated before the expiration of the six year period, the cost records and accounts shall be retained until such litigation, claim, or audit involving the records is completed.

13.7.1 Audits and Inspection. The records and documents with respect to all matters covered by this MTF A shall be subject at all times to inspection, review or audit by the County and the City. The records and documents with respect to all matters covered by this MTF A shall be subject at all times to inspection,

review or audit by federal or state officials so authorized by law during the performance of this MTFAs and six (6) years after termination hereof, unless a longer retention period is required by law.

The Corporation and the Partnership shall provide right of access to its facilities, including those of any Contractor or Subcontractor, to the County, the City, the state and/or federal agencies or officials at all reasonable times in order to monitor and evaluate compliance with this MTFAs. The County and the City will give advance notice to the Corporation and the Partnership in the case of fiscal audits to be conducted by the County or the City.

Upon request from the City or the County, the Corporation shall have an independent audit conducted of its financial statement and condition, which shall comply with the requirements of GAAS (generally accepted auditing standards); GAO's Standards for Audits of Governmental organizations, Program, Activities and Functions; and OMB Circulars A-133 and A-128, as amended and as applicable.

- 13.8 Notices.** All communications, notices and demands of any kind which a party under this MTFAs requires or desires to give to any other party shall be in writing and deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

If to the County:

King County
King County Courthouse
Third and James Street
Seattle, Washington 98104
Attn.: King County Executive's Office

with copy to:

King County Prosecuting Attorney's Office
(Civil Division)
Fifth Floor - King County Courthouse
516 - Third Ave.
Seattle, Washington 98104
Attn.: Chief of Civil Division

with copy to:

Clerk of the Council
King County Courthouse
516 Third Avenue
Seattle, Washington 98104

If to the City:

City of Issaquah
P.O. Box 1307
Issaquah, Washington 98027
Attn.: Office of the Mayor

with copy to: Ogden, Murphy and Wallace
Westlake Center Tower
Fifth Avenue
Seattle, Washington 98101
Attn.: Wayne D. Tanaka

If to the Partnership: Grand Ridge/Glacier Ridge Limited
Partnerships
c/o Port Blakely Communities
Logan Building
Seattle, Washington 98104
Attn.: James E. Warjone and
Judd Kirk

with a copy to: Davis Wright Tremaine
Century Square
Fourth Avenue
Seattle, Washington 98101-1688
Attn.: Thomas A. Goeltz

If to the Corporation: Sunset Interchange Foundation
c/o Port Blakely Communities
Logan Building
Seattle, Washington 98104
Attn.: James E. Warjone and
Judd Kirk

with a copy to: Davis Wright Tremaine
Century Square
Fourth Avenue
Seattle, Washington 98101-1688
Attn.: Thomas A. Goeltz

Notice by mail shall be deemed delivered 48 hours after deposited. Any party at any time by notice to the other party may designate a different address or person to which such notice or communication shall be given. Notices required or to be provided under this Agreement are not intended for individual lot purchasers and shall only be required if the Partnership has assigned its interest to a portion of the Property and notified the City and County of the successor's name and address.

13.9 Time of Essence. Time is of the essence in this MTF. A waiver of any breach or default by any party hereto shall not be considered to be a waiver of any other breach or default.

13.10 Enforcement. The parties agree that unless this MTF A is amended or terminated pursuant to the provisions of this MTF A, this MTF A shall be enforceable by any party hereto notwithstanding any change hereafter in any applicable regulation or ordinance.

13.11 Severability. If any Material Provision of this MTF A is determined by a court of law to be unenforceable or invalid, then the parties shall confer and agree to amend this MTF A to implement the mutual intent of the parties to the maximum allowed by law. If the parties are unable to reach agreement, then the court shall decide if the invalid provisions require termination of this MTF A.

13.12 Implementing Documents. Each party shall execute and deliver to the other party all such further instruments and documents as may be reasonably necessary to carry out this MTF A in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

13.13 Liability.

Except as otherwise specifically provided elsewhere in this Agreement and any exhibits hereto, each party shall protect, defend indemnify and hold harmless the other parties and their officers, agents, and employees, or any of them, from and against any and all claims, actions, suits liability, loss, costs, expenses, and damages of any nature whatsoever, which are caused by or result from any negligent act or omission of the party's own officers, agents, and employees in performing services pursuant to this agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against a party or parties, the party or parties whose negligent action or omissions gave rise to the claim shall defend all parties at the party's or parties' sole cost and expense; and if final judgment be rendered against the other parties and their officers, agents, and employees or jointly the parties and their respective officers, agents, and employees, the parties whose actions or omissions gave rise to the claim shall satisfy the same; provided that, in the event of concurrent negligence, each party shall indemnify and hold the other parties harmless only to the extent of that party's negligence. The indemnification hereunder shall be for the benefit of the City and County as an entity, and not for members of the general public.

13.13.1 Insurance Requirements

13.13.1.1 General Requirements. By the date of execution of this MTF A, the parties shall procure and maintain for the duration of this MTF A insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this MTF A by the parties, their agents, representatives, employees, and/or contractors. The cost of such insurance shall be paid by the parties or their contractors. The parties may furnish separate certificates of insurance and policy endorsements for each contractor as evidence of compliance with the insurance requirements of this MTF A. If the County

and/or the City are self-insured for the insurance requirements contained in this Section 13.13.1, certifications of self-insurance shall constitute County and City compliance with this Section 13.13.1.

Each insurance policy shall be written on an "Occurrence" form; excepting that insurance for Professional Liability, Errors and Omissions when required may be acceptable on a "claims made" form.

If coverage is approved and purchased on a "claims made" basis, the party purchasing such coverage warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of completion of the work which is the subject of this MTF A.

13.13.1.2 Minimum Scope of Insurance. Coverage shall be at least as broad as:

- (a) General Liability: Insurance Services Office form number (CG 00 01 Ed. 11-88) covering COMMERCIAL GENERAL LIABILITY.
- (b) Professional Liability: Professional Liability, Errors and Omissions coverage. In the event that services delivered pursuant to this MTF A either directly or indirectly involve or require professional services, Professional Liability, Errors and Omissions coverage shall be provided. "Professional Services", for the purpose of this Section 13.13.1 shall mean any services provided by a licensed professional.
- (c) Automobile Liability: Insurance Services Office form number (CA 00 01 Ed. 12-90) covering BUSINESS AUTO COVERAGE, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9.
- (d) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington as well as any similar coverage required for this work by applicable Federal or "Other States" State Law.

13.13.1.3 Minimum Limits of Insurance. The parties shall maintain limits no less than, for:

- (a). General Liability: One million dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a two million dollar (\$2,000,000) aggregate limit.

- (b) Professional Liability, Errors and Omissions: One million dollars (\$1,000,000).
- (c) Automobile Liability: One million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- (d) Workers' Compensation: Statutory requirements of the State of residency.

13.13.1.4 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in the Partnership's coverage or the Corporation's coverage must be declared to, and approved by, the County and the City. The deductible and/or self-insured retention of the policies shall not limit or apply to the Partnership's or the Corporation's liability to the County and/or the City and shall be the sole responsibility of the Partnership or the Corporation.

13.13.1.5 Other Insurance Provisions. The insurance policies required in this MTFAs are to contain, or be endorsed to contain the following provisions:

- (a) General Liability Policy:
 - (i) On the Partnership's and the Corporation's policies, the County and the City, their 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 Partnership or the Corporation in connection with this MTFAs.
 - (ii). To the extent of the Partnership's or the Corporation's negligence, the Partnership's or the Corporation's insurance coverage shall be primary insurance as respects the County and the City, their officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the County and the City, their officers, officials, employees or agents shall not contribute with the Partnership's or the Corporation's insurance or benefit the Partnership or the Corporation in any way.
 - (iii) The Partnership's and the Corporation's insurance 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.

- (b) All Policies: 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 forty-five (45) days prior written notice has been given to the County and the City.

13.13.1.6 Acceptability of Insurers.

Insurance 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.

Professional Liability, Errors and Omissions insurance may be placed with insurers with a Bests' rating of B+: VII. Any exceptions must be approved by the County and the City.

If at any time any of the foregoing policies shall be or become unsatisfactory to the County or the City as to form or substance or if a company issuing any such policy shall be or become unsatisfactory to the County or the City, the Partnership or the Corporation shall, upon notice to that effect from the County or the City, promptly obtain a new policy and shall submit the same to the County and the City with the appropriate certificates and endorsements, for approval.

13.13.1.7 Verification of Coverage

The Partnership and the Corporation shall furnish the County and the City with certificates of insurance and endorsements required by this MTF A. 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 County and the City and are to be received and approved by the County and the City prior to the commencement of activities associated with this MTF A. The County and the City reserve the right to require complete, certified copies of all required insurance policies at any time.

13.13.1.8 Contractors

The Partnership and the Corporation shall include all contractors as insureds under their policies, or shall furnish separate certificates of insurance and policy endorsements for each contractor. Insurance coverages provided by contractors as evidence of compliance with the insurance requirements of this MTF A shall be subject to all of the requirements stated in this Section 13.13.1.

- 13.14 Term.** This MTFA shall remain in full force and effect until all of its obligations are performed or until it is terminated.
- 13.15 Counterparts.** This MTFA is executed in four duplicate originals, one for each party, each of which is deemed to be an original.
- 13.16 No Third Party Beneficiary.** This MTFA is made and entered into for the sole protection and benefit of the parties thereto and their successors and assigns. No other person shall have any right of action or interest in this MTFA based upon any provision of this MTFA.
- 13.17 Attachments.** This MTFA includes and incorporates by reference the Attachments A, B, and C.
- 13.18 Force Majeure.** The timing of performance by any party under this MTFA, including adherence to any schedule adopted by the Executive Committee under Section 3.1.3, shall be excused during any period of *force majeure*. "*Force majeure*" is defined as extraordinary natural events or weather conditions, war, riots, labor disputes or inability to procure required construction supplies and materials, delays in environmental review, permitting, or other environmental requirements or work, including environmental mitigation, delays as a result of legal or administrative challenges brought by parties other than signatories to this agreement, delays in acquisition of right of way, or other necessary property or interests in property, including the exercise of eminent domain, or any other delay resulting from any cause beyond the reasonable control of any of the parties.
- 13.19 Coordination with WSDOT.** The parties shall seek a written agreement with WSDOT regarding funding commitments for the public share of the Sunset Interchange. Until a WSDOT agreement is executed, the parties shall continue to perform their respective obligations under this MTFA so long as any required information or approval from WSDOT is obtained, such as use of SEPA rules for co-lead agencies or WSDOT's designation of applicable design standards for engineering and design work.
- 13.20 Authorized Agent.** The Partnership hereby designates Port Blakely Communities, Inc. ("PBC") as its agent with authority to give notices, approvals and otherwise act pursuant to this Agreement. Unless otherwise stated in writing by the Partnership, representations and actions by PBC shall represent and bind each Partnership.
- 13.21 Conflict or Inconsistency.** In the event of any conflict or inconsistency between this MTFA and either or both of the Grand Ridge Agreements, the terms of this MTFA shall control.

13.22 Partnership Obligations. The Grand Ridge and Glacier Ridge Limited Partnerships shall be jointly and severally liable for all Partnership obligations that arise under this MTFAs, except that the Grand Ridge and Glacier Ridge Limited Partnerships shall each be individually liable for the obligation described in Section 9 of this MTFAs to make available for the Transportation Improvements any land or existing right of way owned by that party if the Grand Ridge and Glacier Ridge Limited Partnerships do not jointly own the land or existing right of way that must be made available for the Transportation Improvements.

IN WITNESS WHEREOF, the County, the City, the Partnership and the Corporation have executed this MTFAs as of the last date signed below.

KING COUNTY, a Washington
home rule charter county

By _____
Its _____

Date: _____

Approved as to form:

CITY OF ISSAQUAH, a Washington municipal
code city

By _____
Rowan Hinds
Its Mayor

Date: _____

Approved as to form:

THE GRAND RIDGE PARTNERSHIP
(LIMITED PARTNERSHIP),
a Washington limited partnership

By Warjone Investments, Inc.,
its managing general partner

By _____
James E. Warjone
Its President

Date: _____

THE GLACIER RIDGE PARTNERSHIP
(LIMITED PARTNERSHIP), a
Washington limited partnership

By Warjone Investments, Inc.,
its managing general partner

By _____
James E. Warjone
Its President

Date: _____

SUNSET INTERCHANGE FOUNDATION, a
Washington nonprofit corporation

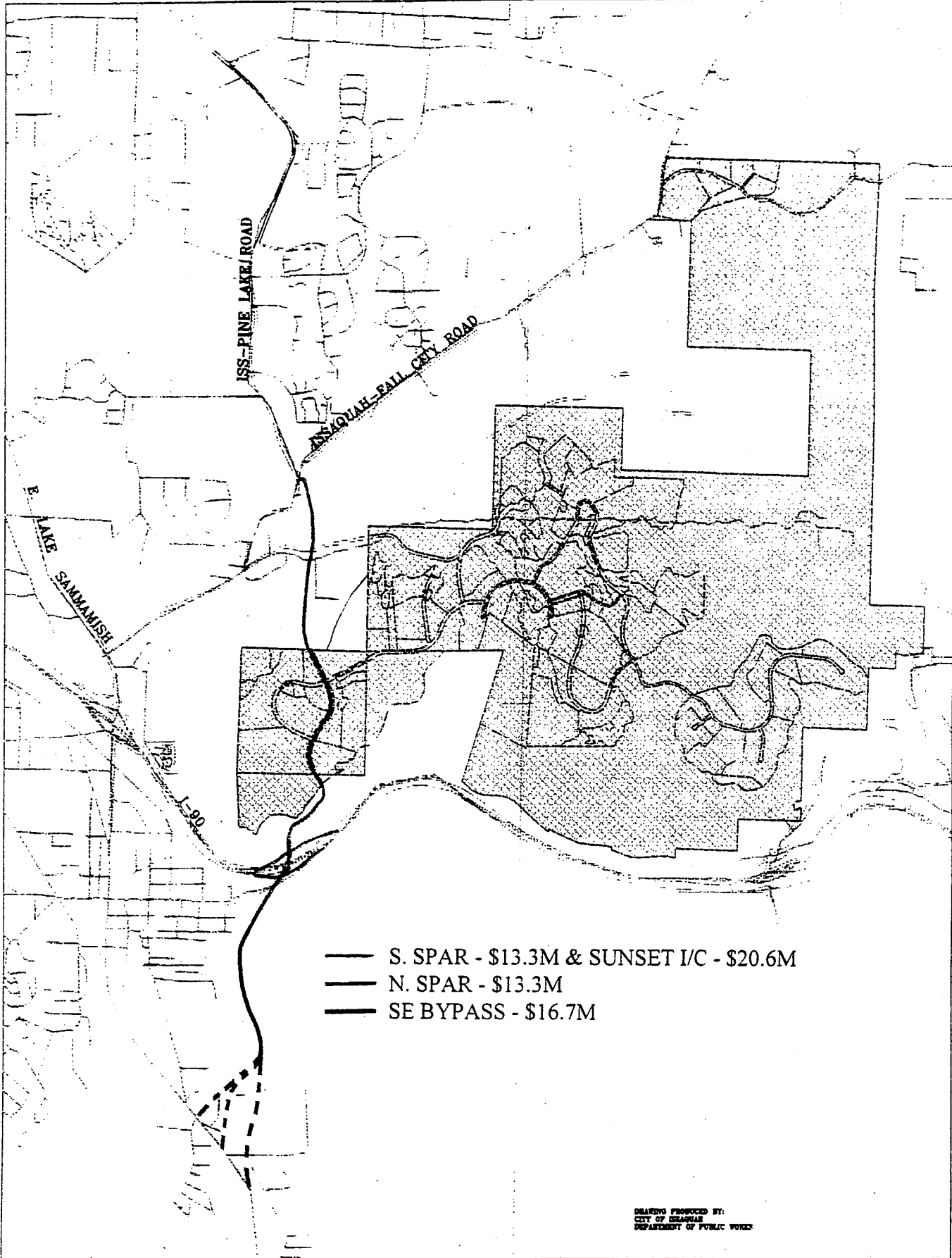
By _____

Its _____

Date: _____

ATTACHMENTS:

- A - Map showing location of Sunset Interchange, South SPAR, North SPAR and Bypass
- B - Road Phasing for Grand Ridge Urban Project
- C.- Metro Park and Ride Facility at Grand Ridge



- S. SPAR - \$13.3M & SUNSET I/C - \$20.6M
- N. SPAR - \$13.3M
- SE BYPASS - \$16.7M

DRAWING PRODUCED BY:
CITY OF ISSAQUAH
DEPARTMENT OF PUBLIC WORKS

ATTACHMENT C

METRO PARK & RIDE FACILITY AT GRAND RIDGE

The County, City and Partnership agree to work together on plans to provide a park & ride lot facility at or near the Grand Ridge Project and transit service within and to the Grand Ridge Project area. The County's obligation to provide such a facility and service, and the Partnership's obligation to contribute to the same, shall be contingent upon the County, Partnership and City agreeing to and executing a separate written agreement detailing the specific terms, conditions and contingencies of their respective obligations (hereinafter referred to as the "Transit Agreement").

The parties anticipate that the environmental review, financing mechanisms and schedule for construction of the Sunset Interchange and South SPAR shall be known and agreed to by all concerned persons and entities within three years. At a minimum, any Transit Agreement shall provide that construction of the park & ride lot facility and implementation of transit service shall be contingent upon execution of construction contracts for the Sunset Interchange and South SPAR improvements.

The parties shall endeavor to meet the following objectives in developing the Transit Agreement.

The parties should cooperate on planning, siting, construction, and financing of a park & ride lot facility which would be the connection point for regional transit service.

The County and the Partnership should seek an agreement with the Washington State Department of Transportation (WSDOT) whereby WSDOT would reserve for ten (10) years, and then enter into a long term agreement with the County for use as a park & ride lot, a site of up to ten (10) acres which is located adjacent to the planned urban core of the Grand Ridge Project. However, the County, the Partnership and the City should explore with WSDOT a trade of the aforementioned ten (10) acres of land should a more suitable site for the park & ride facility be identified in the future.

The Partnership should contribute toward the development of the park & ride lot facility, including but not limited to: preparing environmental analyses as defined in the scope of work for the SPAR Road EIS; including a the Metro park and ride facility as an authorized use within the Annexation Agreement for Development Area 4 and the expansion south and east of Area 4; and sizing and locating off-site storm drainage facilities, water, and other utilities so they are available to serve the site.

The County and City should cooperate with the Partnership in the design of the park & ride lot facility after the environmental review process is complete. The County shall assure that the park & ride lot facility adheres to established construction standards and procedures.

The County should reserve up to \$4,500,000 within its appropriated capital program to contribute toward the cost of developing the park & ride lot facility. Upon the Partnership's review and approval of the identified costs, the Partnership should pay a significant share of the construction costs of the

park & ride lot facility, taking into account the other non-monetary contributions made by the Partnership to the park & ride lot facility.

The Partnership and the County should explore a mutually beneficial financing mechanism for construction and maintenance of the park & ride lot facility. The options include, but are not be limited to, a long-term lease of the facility, a turnkey construction arrangement, a permanent easement, and exploration of other issues such as joint use of the facility and provision of maintenance and security services for the facility.

Any local transit service within the Grand Ridge Project should be operated by the County, subject to the County's usual process of determining service allocations, routes and schedules.

The Partnership should pay a significant portion of the cost of providing any such local transit service for a period of at least two years and not more than five years.

As ridership on such local service meets or exceeds productivity standards in use at the time, the County should reduce the Partnership's payment for local service and eventually absorb it as regular County service, subject to the County's usual productivity and service allocation standards.

The Partnership should consult with the County and the City on the design of the overall Grand Ridge Project to insure that the goal of providing a transit- and pedestrian-oriented community is met. The parties' collaboration in planning shall include such issues that may affect the success of the goals and commitments outlined by the partnership.