



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 6, 2006

Ordinance 15383

Proposed No. 2006-0002.2

Sponsors Phillips, Lambert and Patterson

1 AN ORDINANCE authorizing the King County executive
2 to sell a portion of the downtown Redmond Park and Ride
3 lot, parcels A and B, for mixed use development including
4 affordable housing.

5

6

7 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

8 SECTION 1. Findings:

9 A. King County's growth management policies promote the creation of housing
10 in urban areas to minimize sprawl and encourage urban development, walking and other
11 benefits of downtown development.

12 B. Redevelopment of the Redmond surface park and ride into a structured park
13 and ride with a private four-hundred-unit housing complex will significantly enhance
14 downtown Redmond and promote transit ridership.

15 C. King County will gain significant sales tax and property tax revenues through
16 the redevelopment of the surplus Redmond county-owned properties.

17 SECTION 2. The Metro transit division is hereby declaring a portion of the
18 downtown Redmond Park and Ride lot, parcels A and B, surplus to its needs as the
19 proceeds from the sale will provide revenue to pay for developing a three-hundred-
20 eighty-six-stall park and ride garage adjacent to the surplus portion on parcel C as shown
21 on the attached parcel map. This surplus agreement is subject to sale at the price
22 identified in the real estate purchase and sale agreement.

23 SECTION 3. The King County executive is hereby authorized on behalf of the
24 county to execute a real estate purchase and sale agreement with Trammel Crow
25 Residential Northwest Acquisitions Limited Partnership, for sale of a portion of the
26 downtown Redmond Park and Ride lot, parcels A and B, substantially in the form of
27 Attachment A to this ordinance.

28 SECTION 4. The appropriate county officials, agents and employees are hereby
29 authorized to take all actions necessary to implement the sale and all actions up to now
30 taken by county officials, agents and employees consistent with the terms and purposes of
31 the real estate purchase and sale agreement are hereby ratified, confirmed and approved.

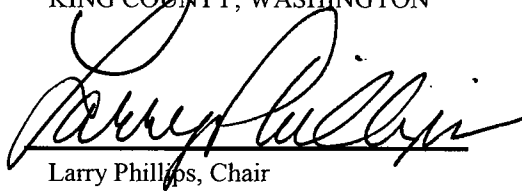
32 SECTION 5. If any one or more of the covenants or agreements provided in this
33 ordinance to be performed on the part of the county is declared by any court of competent
34 jurisdiction to be contrary to law, then such covenant or covenants, agreement or
35 agreements, are null and void, and shall be deemed separable from the remaining

36 covenants and agreements of this ordinance and shall in no way affect the validity of the
37 other provisions of this ordinance or of the real estate purchase and sale agreement.
38

Ordinance 15383 was introduced on 1/17/2006 and passed by the Metropolitan King County Council on 3/6/2006, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. Ferguson, Mr. Gossett, Ms. Hague, Ms. Patterson and Mr. Constantine
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



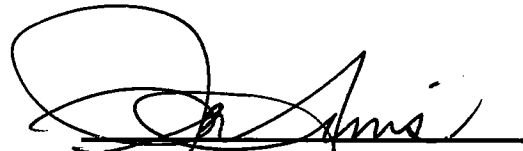
Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 14 day of MARCH, 2006.



Ron Sims, County Executive

Attachments A. Real Estate Purchase and Sale Agreement, dated 2-22-06

RECEIVED
2006 MAR 16 PM 2:54
CLERK
KING COUNTY COUNCIL

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“**Agreement**”) is made and entered into as of _____, 2006, by and between **KING COUNTY**, a municipal corporation and political subdivision of the State of Washington (the “**Seller**”) and **TCR PACIFIC NORTHWEST ACQUISITIONS LIMITED PARTNERSHIP**, a Texas limited partnership (the “**Buyer**”).

RECITALS

A. **Seller** owns that certain real property located in the City of Redmond, County of King, State of Washington, which consists of approximately 133,833 square feet of land, commonly identified as a portion of the Redmond Park and Ride Lot, Parcels A&B, located at 8178 161st Ave NE, the legal description of which is attached hereto as **EXHIBIT A** (the “**Land**”). **Seller** also owns the improvement and structures, if any, located on the Land and all tenements, hereditaments, easements and rights appurtenant to the Land (collectively with the Land, hereinafter referred to as the “**Property**”).

B. **Seller** is desirous of selling the Property and **Buyer** is desirous of purchasing the Property.

C. **Buyer** is the awarded Proposer (as defined in the RFP) to a Request for Proposal (the “**RFP**”) issued by the **Seller** on March 24, 2005, for the sale of the Property, a copy of which is attached hereto as **EXHIBIT B-1**. A copy of **Buyer’s** RFP proposal (“**Buyer’s Proposal**”) is attached hereto as **EXHIBIT B-2**. The terms and conditions of this Agreement shall be interpreted in such manner as is reasonably necessary to preserve the validity of the RFP and **Buyer’s** Proposal under the laws of the State of Washington, provided, however, if there is any inconsistency between the RFP, **Buyer’s** Proposal, and this Agreement, the terms and conditions of this Agreement shall prevail.

D. **Seller** will retain ownership of the remainder of the Redmond Park and Ride lot, commonly known as Parcel C, consisting of approximately 61,166 square feet of land to build a park and ride garage, as described and attached hereto as **Exhibit C** (the “**Garage Project**”), to replace the parking spaces currently located on the Property.

E. **Seller** also is developing a new transit center mainly to the north of the Property and the Garage Project. The transit center project will include improvements to NE 83rd Street and sidewalk improvements to the northern portion of the Property as well (the “**Redmond Transit Center**”).

F. The **Seller** and **Buyer** desire to enter into a development agreement (**the "Development Agreement"**), for the purpose of defining the parties rights and obligations during construction of the Garage Project and **Buyer's** development of the Property.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1 PURCHASE AND TRANSFER OF ASSETS

1.1 Property to be Sold. Subject to and upon the terms and conditions set forth in this Agreement, **Seller** shall sell, convey, assign, transfer and deliver to **Buyer** on the Closing Date (as hereinafter defined in Section 10.1 of this Agreement), and **Buyer** shall buy and accept from **Seller** on the Closing Date, the **Property**.

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price and Payment. In consideration of the sale, transfer, conveyance, assignment and delivery of the **Property**, **Buyer** shall pay to **Seller** on the Closing Date a total cash purchase price of TEN MILLION FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$ 10,500,000.00) (the "Purchase Price").

2.2 Earnest Money. Not later than five (5) days following the Effective Date of this Agreement, **Buyer** shall deposit with the Escrow Agent (hereinafter defined in Section 10.1) a promissory note in the sum of **TWO HUNDRED THOUSAND DOLLARS (\$200,000.00)** as the earnest money deposit (**the "Earnest Money Note"**). If the Agreement is not terminated as provided in Section 5.1.3 before the expiration of the First Contingency Period (as hereafter defined), **Buyer** shall convert the Earnest Money Note to cash with the Escrow Agent (the "Earnest Money"). The Earnest Money will be deposited into an interest bearing account by the Escrow Agent at a financial institution approved by **Buyer**, and all interest accruing thereon shall become a part of the Earnest Money. The Earnest Money shall become non-refundable (except as provided in Sections 5.2.1, 11.1 and 12.2) after **Buyer's** Contingency contained in Section 5.1.1 is satisfied or waived by **Buyer**. On the Closing Date of this transaction, the Earnest Money shall be credited against the Cash Purchase Price. As used herein, the "Effective Date" is the later of the date of the execution of this Agreement by **Buyer** or **Seller**.

2.3 Allocation of Purchase Price. **Seller** and **Buyer** agree that the entire Purchase Price is allocable to real property and that the value of the **Seller's** Personal Property, if any, is *de minimus*.

ARTICLE 3

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTIES

3.1 **WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER.** Seller represents, warrants and covenants as follows:

3.1.1 Definition of Seller. The Seller is a municipal corporation and subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.1.2 Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a municipal corporation, (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party to or which is presently in effect and applicable to Seller. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.

3.1.3 Litigation. There is no pending, or to the best of Seller's knowledge, threatened lawsuit or material claim against or relating to Seller with respect to the Property which shall impede or materially affect Seller's ability to perform the terms of this Agreement. There is no pending or, to the best of Seller's knowledge, contemplated condemnation or similar proceeding with respect to the Property or any part thereof.

3.1.4 Assessments. There is no pending, or to the best of Seller's knowledge, contemplated local improvement district or other special assessment or charge with respect to the Property, except as may be disclosed in the Title Commitment (as herein defined in Section 4.1.1. of this Agreement).

3.1.5 Full Disclosure. No representation or warranty by Seller in this Agreement or in any instrument, certificate or statement furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or fail to state a material fact which is necessary to make the statements set forth therein not false or misleading.

3.1.6 No Broker. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Seller or any action taken by Seller.

3.1.7 Contracts. There are no contracts or other obligations outstanding for the sale, exchange, transfer, lease, rental or use of the Property or any portion thereof.

3.1.8 Future Agreements. From and after the date hereof, unless this Agreement is terminated in accordance with its terms, **Seller** shall not without the prior written consent of **Buyer**:

- (i) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
- (ii) sell, dispose of or encumber any portion of the Property.

3.1.9 Maintenance of the Property. **Seller** shall continue to maintain the Property in compliance with all applicable laws and pay all costs of the Property with respect to the period prior to the Closing Date.

3.1.10 Condition of the Property. **Seller** has not intentionally withheld any material information concerning environmental matters with respect to the Property. To the best of **Seller's** knowledge (i) there has been no generation, treatment, storage, transfer, disposal or release of Hazardous Substances on the Property at any time during **Seller's** ownership or use thereof; (ii) there are no underground storage tanks on the Property nor have underground storage tanks been removed from the Property; and (iii) **Seller** is not aware of any facts which would lead it to believe that there are any Hazardous Substances on the Property. For purposes of this Agreement, the term Hazardous Substances shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials, chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

3.1.11 Assistance with Due Diligence. **Seller** shall have delivered to **Buyer** all documents in **Seller's** possession or control pertaining to the Property within ten (10) business days after the mutual execution of this Agreement, and thereafter **Seller** shall fully and promptly cooperate with **Buyer's** due diligence activities, including **Buyer's** application for Project Approvals (as defined in Section 5.1.2 of this Agreement); provided that such cooperation is at no material additional expense or liability to **Seller**. **Seller** shall promptly deliver to **Buyer** all documents and materials concerning the Property which **Buyer** may request during the Contingency Periods (as defined in Section 5.1.3 of this Agreement) that are in **Seller's** possession or control.

3.1.12 Risk of Loss. Until the Closing Date, the risk of loss relating to the Property shall rest with the **Seller**. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

3.1.13 Foreign Person. **Seller** is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to **Buyer** prior to the Closing Date, an affidavit, as set forth in **EXHIBIT D (Certificate of Non-Foreign Status)**, evidencing such fact, and such other documents as may be required under the Code.

3.2 **REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER**. **Buyer** represents, warrants and covenants as follows:

3.2.1 Organization. **Buyer** is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Texas. **Buyer** has all requisite power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.2.2 Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by **Buyer** (i) is within the powers of **Buyer** as a Limited Partnership, (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the **Buyer**, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the **Buyer** is a party to or which is presently in effect and applicable to **Buyer**. This Agreement constitutes the legal, valid and binding obligation of **Buyer** enforceable against **Buyer** in accordance with the terms hereof.

3.2.3 Litigation. There is no pending or, to the best of **Buyer's** knowledge, threatened lawsuit or material claim against or relating to **Buyer** that shall impede or materially affect **Buyer's** ability to perform the terms of this Agreement.

3.2.4 Full Disclosure. No representation or warranty by **Buyer** in this Agreement or in any instrument, document, certificate or statement furnished to **Seller** pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or fail to state a material fact which is necessary to make the statements set forth therein not false or misleading.

3.2.5 Condition of Property. **Buyer** acknowledges that, within the First Contingency Period described in Article 5 herein, it will conduct a physical inspection and make all investigations **Buyer** deems necessary in connection with its purchase of the Property. Upon waiver or satisfaction by **Buyer** of its contingencies pursuant to Article 5, **Buyer** will be deemed to have approved the physical condition of the Property and agrees, subject to **Seller's** representations and warranties in this Agreement and in the Deed, to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any

pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or non-compliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations. **Buyer** acknowledges and agrees that, except to the extent of **Seller's** representations and warranties set forth in Section 3.1 of this Agreement and in the Deed, and to the extent of any fraud or deliberate misrepresentation by **Seller**, **Seller** shall have no liability for, and that **Buyer** shall have no recourse against the **Seller** for, any defect or deficiency of any kind whatsoever in the Property, without regard to whether such defect or deficiency was discovered or discoverable by the **Buyer** or **Seller**.

3.2.6 Property Acquisition and Development. No costs of any nature associated with the purchase of the Property or development of the Property will ever be or become an obligation of the **Seller**, and the **Buyer** shall be solely responsible for all on-site (except as provided in the Development Agreement) costs associated with the acquisition of the Property and development of the Property. This is a stand-alone sale, no rights to any other property owned by the **Seller** are included in this Agreement.

3.2.6.1 The **Buyer's** development of the Property (the "**Project**") shall adhere to the following criteria established by the **Seller**.

(i) Project scope and timing. The Project shall consist of the design, construction, operation and maintenance of approximately 400 hundred dwelling units and approximately 11,000 square feet of commercial space built in one or more phases as determined by the **Buyer**; provided, that if **Buyer** is unable to obtain permits for approximately 400 dwelling units from the City of Redmond, **Buyer** shall only be required to build such lesser number of dwelling units for which **Buyer** is able to obtain permits. Construction of the Project shall commence no later than six (6) months after the Closing Date and shall be completed no later than three (3) years after construction is commenced. The foregoing deadlines are subject to extension upon prior written approval by **Seller**; such approval not to be unreasonably withheld, conditioned, or delayed. **Seller** must receive requests for extension from **Buyer** at least ten (10) business days prior to the applicable deadline. **Seller's** failure to respond to **Buyer's** request prior to the applicable deadline shall not be deemed approval of the request.

(ii) Affordable Housing. **Buyer** shall provide affordable housing units in the Project to satisfy requirements under the City of Redmond's land use code and **Seller's** additional affordability requirements set forth in this Agreement. **Buyer** may satisfy such housing affordability requirements by constructing "for sale" units, "for rent" units or a combination of "for sale" and "for rent" units. To satisfy the **Seller's** additional affordability requirements, the **Buyer** shall either build an additional fifteen (15) ownership units (i.e. up to 15 of 400 units) affordable to households earning up to one hundred and fifteen percent (115%) of the countywide median income, or an additional ten percent (10%) of rental units affordable to households earning up to eighty percent (80%) of the countywide median income or a combination of the two types of units reasonably acceptable to **Seller**; provided, the maximum percentage of total units that must be dedicated to affordable housing as a result of **Seller's**

affordable housing requirements and the City of Redmond's affordable housing requirement need not exceed twenty percent (20%). If the combined requirements of the City of Redmond's land use code and the additional units required by this Agreement result in the percentage of affordable housing units to exceed 20%, the **Buyer** may reduce the number of additional affordable units required under this Agreement until the percentage of affordable units for the project is 20% or one unit less than the number of units that would cause the ratio of affordable units to exceed 20%. The Project affordability mix (i.e., number and types of units) shall be consistent with the affordability mix requirements for the City of Redmond with respect to those affordable housing units required by the City of Redmond and shall thereafter be determined by **Buyer** in **Buyer's** business judgment with respect to any remaining affordable housing units. The remainder of the units in the Project shall be market rate. The affordable requirements set forth in this Section 3.2.6.1(ii) will be contained in a covenant (the "Covenant for Affordable Housing") and shall run with the land.

(iii) **TDM Program.** The **Buyer** shall submit a detailed Transportation Demand Management (TDM) Plan drafted in consultation with King County Metro Transit Market Development and the Greater Redmond Transportation Management Association. The TDM package may include shared parking in the Garage Project during off-peak hours.

(iv) **Lateral Support.** The **Buyer** shall provide adequate lateral support for the Garage Project as set forth in covenant contained in the Deed (as defined in Section 4.2 herein).

3.2.7 **Easement.** **Buyer** shall grant to **Seller** an easement at the Closing Date over, through and across a portion of the Property for a pedestrian walkway and fire lane access, utilities and sidewalks (the "Easement").

3.2.8 **No Broker.** No broker, finder, agent or similar intermediary has acted for or on behalf of **Buyer** in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the **Buyer** or any action taken by the **Buyer**.

3.3 **Development Agreement, Deed, Easement and Covenant for Affordable Housing.** **Buyer** and **Seller** shall use commercially reasonable efforts to agree on the form of each of the Development Agreement, the Deed, the Easement and the Covenant for Affordable Housing on or before April 30, 2006. If **Buyer** and **Seller** have not mutually executed the Development Agreement and agreed upon the forms of each of the other documents by April 30, 2006, either party may thereafter terminate this Agreement by written notice to the other.

ARTICLE 4
TITLE MATTERS

4.1 **Title.** **Seller** shall deliver to **Buyer** good and marketable title, free and clear of all liens, defects and encumbrances except for the Permitted Exceptions (as defined in Section 4.1.3 of this Agreement).

4.1.1 **Title Commitment.** Within the First Contingency Period (as defined in Section 5.1.3 of this Agreement), **Buyer** shall obtain a current ALTA form of commitment for an owner's policy of title insurance (**the "Title Commitment"**) issued by Chicago Title Insurance Company (**the "Title Company"**), describing the Property, listing **Buyer** as the prospective named insured and showing as the policy amount the total Purchase Price for the Property, and including legible copies of all exceptions shown in the Title Commitment.

4.1.2 **Survey.** Prior to the expiration of the First Contingency Period, **Buyer** shall have the option, at its expense, to have prepared and furnished to the Title Company, **Buyer** and **Seller** a survey (the "Survey") of the Property prepared by a licensed surveyor.

4.1.3 **Review of Title Commitment and Survey.** **Buyer** shall have until fourteen (14) days after receipt of the last dated Title Commitment and Survey, if any has been obtained, but no later than 30 days before the Closing Date, (the "Review Period") in which to notify **Seller** of any objections **Buyer** has to any matters shown or referred to in the Title Commitment or Survey. Any exceptions or other items that are set forth in the Title Commitment or the Survey and to which **Buyer** does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which **Buyer** does object within the Review Period, **Seller** shall notify **Buyer** within ten (10) days after **Seller** receives **Buyer's** notice of objections of any exceptions to the title or items on the Survey which **Seller** is not willing or able to remove or otherwise resolve, and **Buyer** may, at **Buyer's** option, either waive the objections not cured or **Buyer** may terminate this Agreement by written notice to **Seller**. Notwithstanding the foregoing, all monetary liens or encumbrances shall be paid by **Seller** on the Closing Date.

4.2 **Conveyance of Title for Property.** **Seller** shall convey to **Buyer** the title to the Property by statutory warranty deed (the "Deed"), subject only to the Permitted Exceptions, the Easement, and the Covenant for Affordable Housing.

ARTICLE 5
CONTINGENCIES

5.1 **Buyer's Contingencies.**

5.1.1 **Due Diligence Inspection and Feasibility for the Property.** **Buyer** shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for **Buyer's** contemplated use meets with its

approval. The **Buyer**, its designated representatives or agents shall have the right, at **Buyer's** expense to: (i) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the **Buyer** (subject to the limitations set forth below in Section 5.1.4); (ii) obtain a Phase I or Phase II Environmental Assessment on the Property; (iii) examine due diligence materials that **Buyer** may reasonably request from **Seller** that are not subject to attorney-client privilege or that the **Seller** is not otherwise prohibited from disclosing by law; (iv) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for **Buyer's** proposed development of the Property; and (v) determine whether **Buyer's** proposed development of the Property is economically feasible.

5.1.2 Project Approvals. The **Buyer**, at its sole cost, shall obtain the approvals and permits for **Buyer's** development project on the Property, including the issuance of all land use approvals/permits, site plan approvals, environmental approvals, and any other governmental approvals necessary for the **Buyer** to develop and construct the proposed Project. The permits and approvals referred to in this Section 5.1.2 shall be referred to herein collectively as "**Project Approvals**". For the purposes of this Section, the Project Approvals shall not be deemed to have been "obtained" until each of the same has become final and non-appealable, and any periods for challenge to the same (or other conditions to final effectiveness) shall have expired. Any conditions, requirements for on-site and off-site improvements or services, in-lieu fees or payments, dedication or reservation requirements, water rights acquisition costs, local improvement district costs, connection charges, assessments, mitigation fees, impact fees, permit fees and any other similar fees and charges imposed on the Project by any governmental entity or utility service provider shall be acceptable to **Buyer** and shall be subject to **Buyer's** approval in its sole and absolute discretion.

5.1.3 Contingency Periods and Extensions.

(a) The period for the contingencies described in Section 5.1.1 to be waived and/or satisfied, shall be three (3) months from the Effective Date (**the "First Contingency Period"**). The period for the contingency described in Section 5.1.2, to be waived and/or satisfied, shall be six (6) months from the date **Seller** waives or satisfies its condition in Section 5.2.1 (**the "Second Contingency Period"**). In the event one or more of the contingencies is not satisfied or waived within the applicable period, **Buyer** may terminate this Agreement upon written notice to **Seller** on or before the expiration of the applicable period, in which event the Earnest Note or Earnest Money shall be returned to **Buyer** only with respect to a termination of this Agreement by **Buyer** during the First Contingency Period but the Earnest Money shall be released to **Seller** pursuant to Section 5.3.2 if this Agreement is terminated by **Buyer** during the Second Contingency Period, and neither party shall have any further rights or obligations to the other hereunder. **In the event Buyer fails to timely deliver notice of termination, the contingency shall be deemed satisfied or waived.**

(b) **Buyer** has the right to extend the Second Contingency Period for one (1) period of six (6) month by giving written notice of the exercise of such extension on or before the end of the Second Contingency Period. Upon the exercise of the extension of the Second Contingency

Period, the **Buyer** will deposit with the Escrow Agent an additional Fifty Thousand Dollars (\$50,000) of Earnest Money. The additional Earnest Money deposit made hereunder shall be added to and become part of the Earnest Money.

5.1.4 Right of Entry. **Buyer** and **Buyer's** designated representatives or agents shall have the right to enter the Property pursuant to a King County right of entry permit in the form of Exhibit E, which shall not be unreasonably withheld, delayed or conditioned and conduct the tests, investigations and studies set forth in this Article 5 upon three (3) days advance written notice. Invasive tests of the Property, such as drilling or excavation shall be subject to **Seller's** prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. The **Buyer** will not be permitted to undertake activities that materially and permanently damage the Property.

5.2 Seller Contingencies.

5.2.1 Garage Project Approvals. The **Seller**, at its sole cost, (except for those costs identified in the Development Agreement), shall obtain the approvals and permits for **Seller's** development of the Garage Project, including the issuance of all land use approvals/permits, site plan approvals, environmental approvals, and any other governmental approvals necessary for the **Seller** to develop and construct the proposed Garage Project. The permits and approvals referred to in this Section 5.2.1 shall be referred to herein collectively as "**Garage Project Approvals**". For the purposes of this Section, the Garage Project Approvals shall not be deemed to have been "obtained" until each of the same has become final and non-appealable, and any periods for challenge to the same (or other conditions to final effectiveness) shall have expired. **Seller** shall notify **Buyer** at the time it applies for and at the time it receives its Site Entitlement Permit for the Garage Project from the City of Redmond. **Seller** shall also notify **Buyer** of its threshold determination under the State Environmental Protection Act ("SEPA") and of the issuance of subsequent SEPA documents, if any. Any conditions, requirements for on-site and off-site improvements or services, in-lieu fees or payments, dedication or reservation requirements, water rights acquisition costs, local improvement district costs, connection charges, assessments, mitigation fees, impact fees, permit fees and any other similar fees and charges imposed on the Garage Project by any governmental entity or utility service provider shall be acceptable to **Seller** and shall be subject to **Seller's** approval in its sole and absolute discretion. If **Seller** terminates this Agreement under this Section 5.2.1, the Earnest Money shall be returned to **Buyer**.

5.2.2 Contingency Period. The period for the contingency described in Sections 5.2.1 to be waived and/or satisfied shall be six (6) months from the Effective Date. **Seller** has the right to extend this period for one (1) period of six (6) months by giving written notice of the exercise of such extension on or before the end of the initial period.

5.3 Payments Upon Termination

5.3.1 If **Seller** terminates this Agreement pursuant to Section 5.2.2, **Seller** shall reimburse **Buyer** for **Buyer's** reasonable third party out-of-pocket costs incurred by **Buyer** after

the date of this Agreement for **Buyer's** due diligence review of the Property, **Buyer's** legal fees, and **Buyer's** design and development of the Project, including, without limitation, architectural and engineering costs; provided that: (i) in no event shall **Buyer** be reimbursed for expenses incurred in connection with financial planning, the preparation of pro formas, market analysis or marketing expenses, and (ii) in no event shall **Buyer** be reimbursed for an amount in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) **Seller** shall have the right to review **Buyer's** records with respect to any amounts for which reimbursement is sought prior to making such reimbursement to **Buyer** and **Buyer** shall provide evidence of all such payments to such third party promptly upon written request by **Seller**. Upon payment of all such reimbursement amounts, **Buyer** shall deliver to **Seller** copies of all plans and specifications of the Project pertaining to the engineering and structural relationship between the Project and the Garage Project. Such plans and specifications shall be provided without any representation or warranty whatsoever with respect to such plans and specifications and **Seller** releases and indemnifies **Buyer** from any and all claims, damages and liability in any way related to or arising out of such plans and specifications.

5.3.2 If this Agreement is terminated by **Buyer** for a failure of the contingency in Section 5.1.2, the Earnest Money, as may be increased under Section 5.1.3(b), shall be non-refundable (except as otherwise specifically provided in this Agreement).

ARTICLE 6 COVENANTS OF SELLER PENDING CLOSING

6.1 Conduct, Notice of Change. **Seller** covenants that between the date hereof and the Closing Date, **Seller** shall take all such actions as may be necessary to assure that the representations and warranties set forth in Section 3.1 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and all covenants of **Seller** set forth in this Agreement which are required to be performed by it at or prior to the Closing Date shall have been performed at or prior to the Closing Date as provided for in this Agreement. **Seller** shall give **Buyer** prompt written notice of any material change in any of the information contained in the representations and warranties made in Section 3.1 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 7 COVENANTS OF BUYER PENDING CLOSING

7.1 Conduct, Notice of Change. **Buyer** covenants that between the date hereof and the Closing Date, **Buyer** shall take all such actions as may be necessary to assure that the representations and warranties set forth in Section 3.2 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of **Buyer** set forth in this Agreement which are required to be performed by it at or prior to the Closing Date shall have been performed at or prior to the Closing Date as provided for in this Agreement. **Buyer** shall give **Seller** prompt written notice

of any material change in any of the information contained in the representations and warranties made in Section 3.2 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 8 CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of **Buyer** hereunder are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, and **Seller** shall exert its best efforts to cause each such condition to be fulfilled:

8.1 Delivery of Documents. **Seller** shall have delivered to **Buyer** at or prior to Closing all closing documents required by the terms of this Agreement to be delivered to **Buyer**.

8.2 Representations and Warranties. All representations and warranties of **Seller** contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

8.3 Obligations. All obligations required by the terms of this Agreement to be performed by **Seller** at or before the Closing Date shall have been properly performed in all material respects.

8.4 Title. Any and all matters shown or referred to in the Title Commitment to which **Buyer** has objected within the time specified in Section 4.1, shall have been cured by **Seller**, unless such objections have been waived by **Buyer**. The Title Company shall provide an ALTA owner's extended coverage policy of title insurance, Form B 1970 (revised 10/17/70), insuring that fee title to the Property (together with any access easements) is vested in **Buyer**, subject to no defects or encumbrances except for the lien of real property taxes for the current year and such matters as approved or waived by **Buyer** as set forth in Section 5.1. The policy of title insurance shall be written in the amount of the Purchase Price or such other amount as **Buyer** may reasonably request, including provision for increases in such amount for **Buyer's** improvements to the Property.

8.5 Condemnation. No portion of the Property shall have been taken or damaged by any public or quasi-public body and **Seller** shall not have transferred any portion of the **Property** to any such body in lieu of condemnation; provided, that **Buyer** may waive this condition and close the purchase of the Property (in which event **Buyer** shall receive all applicable condemnation proceeds).

ARTICLE 9 CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of **Seller** to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, and **Buyer** shall exert its best efforts to cause each such condition to be so fulfilled:

9.1 Representations and Warranties. All representations and warranties of **Buyer** contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

9.2 Obligations. All obligations required by the terms of this Agreement to be performed by **Buyer** at or before the Closing Date shall have been properly performed in all material respects.

9.3 Approval of Counsel. **Seller's** counsel shall have approved this document as to form as evidenced by such counsel's signature on this Agreement, (which approval shall be deemed granted unless **Seller** notifies **Buyer** in writing within ten (10) days after the date of this Agreement that such approval has not been granted).

9.4 Delivery of Documents. **Buyer** shall have delivered to **Seller** at or prior to Closing Date all closing documents required by the terms of this Agreement to be delivered to **Seller**.

ARTICLE 10 CLOSING

10.1 Closing Date. The closing of this transaction shall take place within thirty (30) days after both the **Buyer's** contingencies have been waived or satisfied and the **Seller's** Contingency has been waived or satisfied. In no event shall closing take place later than thirty (30) days after the expiration of **Buyer's** Second Contingency Period and all applicable extensions or December 31, 2006, whichever occurs later (the "Closing Date"). Upon execution of this Agreement, the parties agree to set up an escrow account with Chicago Title Insurance Company of Washington (the "Escrow Agent"). The Escrow Agent shall serve as a closing agent for the transaction contemplated herein and the closing shall occur in the offices of Escrow Agent in Seattle, Washington. The title, right of possession and interest to the Property shall pass to **Buyer** upon the Closing Date and thereafter the risk of loss thereof shall be the responsibility of **Buyer**.

10.2 Prorations. All prorations, unless otherwise specifically provided for herein, shall be made as of the Closing Date.

10.2.1 Closing Costs. **Seller** shall pay the cost of the standard portion of Title Insurance policies associated with this Agreement, the cost of recording the Easement and the Affordable Housing Covenant, one-half of the escrow fee charged by the Escrow Agent, and its own attorneys' fees. To the extent any excise taxes are payable at Closing, **Seller** shall pay such excise taxes. **Buyer** shall pay the cost of the extended coverage portion of the Title Insurance policy if required by **Buyer**, one-half of the escrow fees charged by the Escrow Agent, the recording fees for the Deed and its own attorneys' fees. Except as otherwise provided in Section 10.2 of this Agreement, all other expenses hereunder shall be paid by the party incurring such expenses.

10.2.2 Taxes. **Seller** is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments ("**Taxes**") on the Property.

10.3 Monetary Liens.

10.3.1 Property. Except as otherwise expressly provided to the contrary in this Agreement, **Seller** shall pay or cause to be satisfied at or before the Closing Date all monetary liens on or with respect to all or any portion of the Property. If **Seller** fails to satisfy said liens, the Purchase Price shall be reduced by the amounts due to satisfy and discharge the liens.

10.4 **Seller's** Delivery of Documents at Closing. At the Closing, **Seller** will deliver to **Buyer** the following properly executed documents (and acknowledged where appropriate):

(a) **Seller's** Certificate of Non-Foreign Status substantially in the form of **EXHIBIT D**, attached hereto; and

(b) The Deed conveying the Property to **Buyer**.

10.5 **Buyer's** Delivery of Documents and Purchase Price at Closing. At the Closing, **Buyer** will deliver to **Seller** the following properly executed documents (and acknowledged where appropriate):

a) Cash in the amount of the Purchase Price less any applicable Earnest Money already deposited into with the Escrow Agent

b) The Easement (which will be countersigned by **Seller** at Closing); and

c) The Affordable Housing Covenant.

10.6 Other Documents. **Buyer** and **Seller** shall execute and deliver all other documents or instruments that may be necessary or desirable to render this Agreement and the transaction contemplated herein legally and practically effective.

ARTICLE 11 TERMINATION

11.1 Termination by Either Party. Subject to the cure rights set forth below, a party may terminate this Agreement if a condition to such party's obligation to consummate the transactions contemplated by this Agreement as set forth in Articles 8 and 9 has not been satisfied by the Closing Date. If this Agreement is so terminated by a party and if neither party is in default under this Agreement, the parties shall have no further obligations or liabilities to one another, the Earnest Money shall be returned to the **Buyer** and all documents delivered to the Escrow Agent shall be returned to the appropriate party.

ARTICLE 12
MISCELLANEOUS PROVISIONS

12.1 Nature and Survival of Representations, Warranties and Covenants. Each statement, representation, warranty, indemnity, covenant, and agreement made by **Seller** and **Buyer** in this Agreement or in any document, certificate or other instrument delivered by or on behalf of **Seller** or **Buyer** pursuant to this Agreement or in connection herewith shall be deemed the representation, warranty, indemnity, covenant and agreement of **Seller** or **Buyer**, as applicable, and shall survive the Closing Date unless a different time period is expressly provided for in this Agreement, and all such statements are made only to and for the benefit of the parties hereto and shall not create any rights in other persons.

12.2 **Seller** Default. In the event of default by **Seller**, **Buyer** shall have the right to bring an action for specific performance, damages and any other remedies available to such party at law or in equity, including, without limitation, the return of the Earnest Money. Additionally, in the event of such default and without waiving any other rights or remedies, **Buyer** shall have the right to terminate this Agreement by notice to **Seller**. Each remedy available to the **Buyer** shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have the exclusive jurisdiction and venue.

12.3 BUYER DEFAULT. In the event of a failure by **Buyer** to perform an obligation of Buyer under this Agreement that is not cured within thirty (30) days of written notice of such failure from Seller to **Buyer** (provided that if such failure is not capable of being cured within such thirty (30) day period, **Buyer** shall not be in default of this Agreement so long as **Buyer**: (i) provides to **Seller**, within ten (10) business days of notice of such failure, a written plan for curing the default, (ii) commences to cure such failure within thirty (30) days after each notice, and (iii) thereafter diligently pursues such cure to completion and in all events completes such cure prior to Closing), **Seller** may terminate this Agreement by written notice to **Buyer**. **Buyer** and **Seller** agree that it would be impractical and extremely difficult to estimate the damages suffered by **Seller** as a result of **Buyer's** default, and that under the circumstances existing as of the date of this Agreement, the liquidated damages provided for in this Section represent a reasonable estimate of the damages which **Seller** will incur as a result of such failure. Therefore, **Buyer** and **Seller** hereby agree that a reasonable estimate of the total damages that **Seller** would suffer in the event that **Buyer** defaults is an amount equal to the all of the Earnest Money. In addition to retaining the Earnest Money, **Seller** may elect to pursue an action for damages in an amount not to exceed Five Hundred Thousand Dollars (\$500,000.00) for a potential total recovery of Seven Hundred Fifty Thousand Dollars (\$750,000.00) if **Buyer** has exercised **Buyer's** extension right under Section 5.1.3(b).

12.4 Time Is of the Essence. Time is of the essence in the performance of this Agreement.

12.5 Notices. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to

have been duly given upon receipt when personally delivered or sent by overnight courier or two (2) days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested or by fax when given if thereafter confirmed by deposit in the United States mail. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as any parties may specify by notice to all other parties and given as provided herein:

If to Buyer: TCR Pacific Northwest Acquisitions Limited Partnership

Attn: Brian Fritz
4010 Lake Washington Blvd., NE
Kirkland, WA 98033
Fax No.: (425) 828-0904

With a copy to:

Ball Janik LLP
Attn: Bradley S. Miller
101 SW Main St., Suite 1100
Portland, OR 97204
Fax No.: (503) 295-1058

If to Seller:

King County Real Estate Services
Attn: Calvin Hoggard
500 Fourth Avenue
ADM-ES-0500
Seattle, WA 98104-3856
Fax No.: (206) ____ - _____

With a copy to:

King County Prosecuting Attorney
Attn: Scott Johnson
900 King County Administration Building
500 Fourth Avenue
Seattle, WA 98104
Fax No.: (206) 296-0420

King County Transit Division

King County TOD

12.6 Entire Agreement and Amendment. This writing (including the exhibits attached hereto) constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all parties hereto.

12.7 Severability. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

12.8 Waiver. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

12.9 Binding Effect. Subject to Section 12.15 below, this Agreement shall be binding upon and inure to the benefit of each party hereto, its successors and assigns.

12.10 Legal Relationship. The parties to this Agreement execute and implement this Agreement solely as **Seller** and **Buyer**. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

12.11 Captions. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

12.12 Cooperation. Prior to and after the Closing Date the parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement.

12.13 Governing Law. This Agreement and all amendments thereof shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law provisions.

12.14 Non-merger. The terms and provisions of this Agreement will not merge in, but will survive, the Closing of the transaction contemplated under this Agreement.

12.15 Assignment. This Agreement may not be assigned by **Seller** without the prior written consent of **Buyer** which consent shall not be unreasonably withheld. This Agreement may not be assigned by **Buyer** to an unaffiliated third party without the prior written consent of the **Seller** which consent may not be unreasonably withheld. **Buyer** may assign, by giving ten (10) days written notice to **Seller**, its rights under this Agreement to an affiliate entity in which **Buyer** and/or its principals have an ownership interest of not less than fifty-one percent (51%) without seeking or obtaining **Seller's** consent. The **Buyer** shall include in notice evidence of the percentage of its ownership interest in a form reasonably acceptable to Seller. Failure to maintain at least a fifty-one percent (51%) ownership interest shall be deemed an assignment of this Agreement requiring prior written approval by Seller. Such assignment shall not become effective until the assignee executes an instrument whereby such assignee expressly assumes

each of the obligations of **Buyer** under this Agreement. No assignment shall release or otherwise relieve **Buyer** from any obligations hereunder through the date of such assignment by Buyer.

12.16 Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party. All parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement, although each party must determine if they wish to obtain and pay for such legal review. Each party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of the terms found in this Agreement.

12.17 Exhibits. The following Exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

REVISED February 22, 2006

**Attachment A
Ordinance 15383**

**EXHIBIT A
EXHIBIT B-1
EXHIBIT B-2
EXHIBIT C
EXHIBIT D
EXHIBIT E**

Legal Description of Property
Request for Proposal
Buyer's Proposal
The Garage Project
Seller's Certificate of Non-Foreign Status
Entry Permit

EXECUTED as of the date and year first above written:

SELLER:

KING COUNTY,
a municipal corporation and political
subdivision of the State of Washington

By: _____
Name: _____
Title: _____
Date _____

Cal Hoggard
Manager, Real Estate Services

APPROVED AS TO FORM:

By _____
Deputy Prosecuting Attorney
Date: _____

BUYER:

**TCR PACIFIC NORTHWEST
ACQUISITIONS LIMITED
PARTNERSHIP**
a Texas Limited Partnership

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Property Legal Description

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 25 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT SOUTHEAST CORNER THEREOF, THENCE NORTH 1°09'02" EAST, DISTANCE OF 253.78 FEET ALONG THE EAST LINE OF SAID SUBDIVISION TO THE INTERSECTION WITH THE NORTH MARGIN EXTENDED OF NORTHEAST 81ST STREET;

THENCE NORTH 88°05'54" WEST, A DISTANCE OF 563.27 FEET ALONG THE NORTH MARGIN OF NORTHEAST 81ST STREET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID NORTH MARGIN NORTH 88°05'54" WEST, A DISTANCE OF 50.76 FEET TO THE WEST MARGIN OF 162ND AVENUE NORTHEAST;

THENCE SOUTH 1°09'02" WEST, A DISTANCE OF 15.12 FEET ALONG THE WEST MARGIN OF CEDAR STREET;

THENCE NORTH 88°01'04" WEST, A DISTANCE OF 94.20 FEET;

THENCE NORTH 1°09'02" EAST, A DISTANCE OF 32.00 FEET;

THENCE NORTH 88°22'56" WEST, A DISTANCE OF 30.00 FEET;

THENCE SOUTH 1°09'02" WEST, A DISTANCE OF 0.54 FEET;

THENCE NORTH 88°05'54" WEST, A DISTANCE OF 199.64 FEET TO THE EAST MARGIN OF 161ST AVENUE NORTHEAST;

THENCE NORTH 1°09'08" EAST, A DISTANCE OF 347.13 FEET ALONG SAID EAST MARGIN TO THE INTERSECTION WITH THE SOUTH MARGIN OF NORTHEAST 83RD STREET AS CONVEYED TO THE CITY OF REDMOND BY DEED RECORDED UNDER RECORDING NUMBER 8007010782;

THENCE SOUTH 88°10'37" EAST, A DISTANCE OF 374.59 FEET ALONG SAID SOUTH MARGIN;

THENCE SOUTH 1°09'02" WEST, A DISTANCE OF 363.96 FEET TO THE TRUE POINT OF BEGINNING;

THE ABOVE DESCRIBED CONTAINING 133,883 SQUARE FEET OR 3.0735 ACRES, MORE OF LESS.

REVISED February 22, 2006

**Attachment A
Ordinance 15383**

EXHIBIT B-1

Request for Proposal

REVISED February 22, 2006

**Attachment A
Ordinance 15383**

EXHIBIT B-2

Buyer's Proposal

EXHIBIT C

The Garage Project

The \$10 million Redmond Park and Ride garage includes planning, engineering design, and construction of a 386 stall parking structure on a 1.4 acre parcel at the existing Redmond Park and Ride lot. The existing park and ride lot is located in the urban core of Redmond and approximately 133,000 square feet of this facility will be sold with the proceeds being used to construct the parking structure.

Metro Transit's project team is working cooperatively with Trammel Crow Residential and the City of Redmond to develop the appearance and function of the garage to integrate into the surrounding area and with the planned residential development. During construction of the Park and Ride garage, alternative parking in the nearby area and new transit facilities will be provided to Metro Transit customers.

The garage will occupy the eastern most parcel on the south side of 83rd. The parcel size is 61,164 square feet. Design is currently underway for the garage with 30% design expected to be complete by March 2006. Sixty percent design is expected by August 2006. Construction of the garage is projected to commence in Summer 2007 with completion by Spring 2008.

The garage will be a three story facility with the first floor partially underground. It will feature a single entry way from 83rd, and be abutted by a forested buffer on the east and south faces. Architectural treatments will be used to blend with the surrounding area. To the west, there will be pedestrian walkway running north-south which will connect the street grid and provide a pedestrian friendly feel to the project. Emergency panic alarm stations and security cameras will be located on each floor.

EXHIBIT D

Seller's Certificate of Non-Foreign Status

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by **KING COUNTY** ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Transferor's United States employer identification number is 91-6001327; and
3. Transferor's office address is King County Facilities Management Division, Asset Development and Management Section, Room 500 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

DATED this _____ day of _____, 200_.

TRANSFEROR:

KING COUNTY

By _____
Title _____

EXHIBIT E

Entry Permit

TERMS AND CONDITIONS

1. **PERMIT REVOCATION:** This Permit is revocable at any time by King County. The right to revoke is expressly reserved to King County.

2. **INDEMNITY AND HOLD HARMLESS.** The Permittee agrees to indemnify and hold harmless King County as provided herein to the maximum extent possible under law. Accordingly, the Permittee agrees for itself, its successors and assigns to defend, indemnify, and hold harmless King County, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Permittee's exercise of rights and privileges granted by this Permit. The Permittee's obligation under this section shall include: a) Indemnification for such claims whether or not they arise from the sole negligence of either the County or the Permittee, the concurrent negligence of both parties, or the negligence of one or more third parties. b) The duty to promptly accept tender of defense and provide defense to the County at the Permittee's own expense. c) Indemnification of claims made by the Permittee's own employees or agents. d) Waiver of the Permittee's immunity under the industrial insurance provisions of Title 51 RCW, which waiver has been mutually negotiated by the parties.

In the event it is necessary for the County to incur attorney's fees, legal expenses, or other costs to enforce the provisions of this section, all such fees, expenses, and costs shall be recoverable from the Permittee.

In the event it is determined that RCW 4.24.115 applies to this agreement, the Permittee agrees to defend, hold harmless, and indemnify King County to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of King County to the full extent of Permittee's negligence. Permittee agrees to defend, indemnify, and hold harmless the County for claims by Permittee's employees and agrees to waiver of its immunity under Title 51 RCW, which waiver has been mutually negotiated by the parties.

3. **ANTI-DISCRIMINATION:** In all hiring or employment made possible or resulting from this Permit, there shall be no discrimination against any employee or applicant for employment because of race, color, ancestry, religion, national origin, age, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap in an otherwise qualified handicapped person unless based upon a bona fide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. No person shall be denied, or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Permit on the grounds of race, color, ancestry, religion, national origin, age (except minimum age and retirement provisions), sex, sexual orientation, marital status, parental status, the presence of any sensory, mental or physical handicap, or the use of a trained guide-dog by a blind or deaf person. Any violation of this provision shall be considered

a violation of a material provision of this Permit and shall be grounds for cancellation, termination or suspension in whole or in part of the Permit by the County, and may result in ineligibility for further County permits.

4. NON-EXCLUSIVE RIGHTS: This Permit shall not be deemed or construed to be an exclusive right. It does not prohibit the County from granting any other permits to other public or private entities, nor shall it prevent the County from using any public place for any and all public use or affect its jurisdiction over any part of them.

5. ASSESSMENTS: Permittee shall be required to pay any general or special assessments incurred by King County which are directly attributable to or arising from any actions, occupancy, or usage authorized herein.

6. TERMINATION: The Permittee may terminate the Permit by written notice to the Manager of Property Services Division. Upon revocation, termination, or abandonment, the Permittee shall remove at his expense all facilities placed on said property by the Permittee, and restore the premises to a condition, which is equivalent in all respects to the condition existing prior to installation of the facilities, or to a condition, which is satisfactory to the County. If the Permittee has not accomplished removal and restoration at the end of a ninety-day period following the effective date of revocation, termination, expiration, or abandonment, the County may accomplish all of the necessary work and charge all of the costs to the Permittee.

7. RESTORATION: After completion of work authorized by this Permit, the Permittee shall restore the property to a condition which is equivalent in all respects to the condition of the property prior to starting work, or a condition satisfactory to King County. If the Permittee delays the restoration beyond expiration of the Permit, the County may accomplish all the necessary work and charge all the costs to the Permittee.

8. REPAIRING DAMAGE BY PERMITTEE: In the event that damage of any kind is caused by the Permittee in the course of performing work authorized by this Permit, Permittee will repair said damage at its sole cost and expense. Repair work shall begin without delay and continue without interruption until completed. If damage is extensive, the time allowed for repair will be prescribed by the County agent. If the County determines it is necessary, the County may accomplish the work and charge all the costs to the Permittee.

9. ABATEMENT OF UNSAFE CONDITIONS: The County representative may at any time, do, order, or have done all work considered necessary to restore to a safe condition any area described in Permit left by the Permittee in a condition dangerous to life or property. The Permittee shall pay, upon demand, to the County all costs of such work, materials, etc. Nothing in this section shall relieve the Permittee of duties under Terms and Conditions No. 2 above.

10. RIGHTS RESERVED TO COUNTY - CONFORMANCE AND PAYMENT OF COST REQUIRED: The County reserves the right to use, occupy, and enjoy its property for such purposes as it shall desire including, but not limited to, constructing or installing structures and facilities on the property, or developing, improving, repairing or altering the property. The Permittee, upon written notice, will at his own cost and expense remove, repair, relocate, change or reconstruct such installations to conform with the plans of work contemplated or ordered by the County according to a time schedule contained in the written notice.

11. NOTICE: Permittee agrees to obtain information from other utility operators regarding the location and current status of their installations before starting work. Property owners adjoining, or in proximity to, the project as described herein shall be notified by Permittee when such property is exposed to the possibility of injury or damage through

performance of work on the project authorized by this Permit. Permittee shall make all advance arrangements necessary to protect such property or utility from injury or damage.

12. OTHER APPLICABLE LAWS: Issuance of this Permit does not in any way relieve the Permittee from complying with any other applicable laws in performing the work subject to this Permit.

13. RE-ENTRY: After completion of work authorized by this Permit, if the Permittee desires to re-enter upon the property described herein for any reconstruction, notice shall be provided in advance to King County together with the plans and specifications for the work proposed, and shall not be permitted without the County's consent.

14. TITLE: This Permit grants only the right to use King County's interest in the herein described property, and the granting of this Permit is not a warranty that good title to any specific property is vested in King County.

15. SPECIAL TERMS AND CONDITIONS: (To be determined by Seller upon review of Buyer's application for the right of entry permit.)

terms&con.frm 05/94