KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 11, 2004

Ordinance 15043

Proposed No. 2004-0377.2 **Sponsors** Gossett

AN ORDINANCE approving ground leases of two sites from the county to Goat Hill Properties and a lease by Goat Hill Properties back to the county of a new parking garage and office building to be constructed on such sites; authorizing the county executive to execute final forms of the ground leases and project lease; approving certain provisions of the development and financing plan of Goat Hill Properties; agreeing to take unencumbered title to the parking garage and office building when bonds issued by Goat Hill Properties are discharged; and approving certain other provisions of the lease-lease back transaction.

PREAMBLE:

Pursuant to RCW 36.34.205 and K.C.C. 4.56.160, which incorporate by reference RCW 35.42.070 through 35.42.080 ("the Municipal Leasing Act"), the county has heretofore sought proposals for lease financing of the construction of a new parking garage and office building on privately

owned land or on land owned by the county in downtown Seattle and has chosen Goat Hill Properties ("GHP"), a nonprofit corporation, and Wright Runstad Associates Limited Partnership ("Wright Runstad") to develop the project on two sites owned by the county by means of a lease-lease back transaction.

Terms of the ground leases, project lease and development agreement have been negotiated, and the county wishes to approve the ground leases and project lease and to approve GHP's plan for developing and financing the project, including the issuance of tax-exempt bonds to be secured by a pledge of the county's payments under the project lease.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. **Findings.**

A. The council hereby finds that the public interest, welfare and benefit require the county to acquire a new parking garage and office building ("the project") to be built on sites owned by the county in downtown Seattle by means of a lease-lease back transaction, authorized by the Municipal Leasing Act and in accordance with the procurement process heretofore authorized by the council. As a result of this process, Wright Runstad and GHP have been chosen to develop and manage construction of the project. Unless otherwise defined in this ordinance, capitalized terms used in this ordinance have the meanings given such terms in the Project Lease (as hereinafter defined).

B. The council further finds that so long as the average amount of Monthly Rent payable under the Project Lease does not exceed an average monthly rental rate of $27.00

41 per square foot, such Monthly Rent payable under the Project Lease does not exceed
42 prevailing rental rates for space and terms comparable to the Project.

43 SECTION 2. **Approval of Ground Leases and Project Lease.** The council
44 hereby approves the Garage Ground Lease Agreement by and between the county, as
45 lessor, and GHP, as lessee, in substantially the form of Attachment A to this ordinance
46 ("the Garage Ground Lease"), the Building Ground Lease Agreement by and between the
47 county, as lessor, and GHP, as lessee, in substantially the form of Attachment B to this
48 ordinance ("the Building Ground Lease"), and the Project Lease Agreement by and
49 between GHP, as lessor, and the county, as lessee, in substantially the form of
50 Attachment C to this ordinance ("the Project Lease"). The county executive is hereby
51 authorized to sign the Garage Ground Lease and Building Ground Lease ("the Ground
52 Leases") and the Project Lease in substantially the forms of Attachments A, B and C to
53 this ordinance, subject to such changes as may be requested by the underwriter or trustee
54 for lease revenue bonds to be issued by GHP, as described in section 5 of this ordinance
55 or the insurer (if any) of such bonds, and subject to those changes that are approved by
56 counsel to the county; provided, however, that (i) the term of each Ground Lease shall
57 commence no earlier than the effective date of this ordinance and shall expire no later
58 than December 31, 2044, (ii) the rent due under each Ground Lease shall not exceed
59 $100, (iii) the term of the Project Lease shall commence no earlier than the effective date
60 of this ordinance and shall expire no later than December 31, 2039; and (iv) the average
61 amount of Monthly Rent payable under the Project Lease shall not exceed an average
62 monthly rental rate of $27.00 per square foot. When fully executed, copies of the Ground
63 Leases and Project Lease shall be filed with the clerk of the council.

64 SECTION 3. **Pledge of Taxation and Credit**. The county's obligation to pay
65 rent under the Project Lease constitutes a limited tax general obligation of the county.
66 The county hereby irrevocably covenants and agrees that it will include in its annual
67 budget and levy taxes annually on all taxable property within the county, within and as a
68 part of the tax levy permitted to the county without a vote of the electors, in amounts
69 sufficient, together with all other money legally available and to be used therefore, to pay
70 the Monthly Rent and any Additional Rent due under the Project Lease as the same shall
71 become due. The full faith, credit and resources of the county are irrevocably pledged for
72 the annual levy and collection of such taxes and the prompt payment of such amounts.
73 SECTION 4. **Approval of GHP.** For the sole purpose of complying with the
74 requirements of Revenue Ruling 63-20 of the United States Department of Treasury (as
75 compiled and supplemented by Revenue Procedure 82-26 of the United States
76 Department of Treasury) (together, "the Ruling"), the county hereby approves GHP and
77 the purposes and activities of GHP as described in its articles of incorporation, a copy of
78 which is Attachment D to this ordinance, subject to the following terms and conditions:
79 A. GHP shall remain a Washington nonprofit corporation and shall at all times
80 operate on a nonprofit basis;
81 B. None of the income of GHP shall inure to the benefit of any private person;
82 and
83 C. Upon discharge of the Bonds, GHP shall convey legal and unencumbered title
84 and exclusive possession and use of the Project to the county.
85 SECTION 5. **Approval of Plan for Development and Financing**. The council
86 hereby acknowledges the intent of GHP to enter into a development agreement for the

87 Project with Wright Runstad in substantially the form of Attachment E to this ordinance.
88 For the purpose of complying with requirements of the Ruling, the county hereby
89 acknowledges and approves the plan of GHP to develop the Project by entering into such
90 development agreement with Wright Runstad and approves the tax-exempt lease revenue
91 bonds in the aggregate principal amount of not to exceed $104,000,000 that GHP
92 proposes to issue to finance the Project ("the Bonds"). The county hereby acknowledges
93 and approves the pledge to be made by GHP of revenues it will receive from the county
94 under the Project Lease to secure payment of the Bonds in accordance with an indenture
95 of trust to be entered into by GHP with a trustee for the Bonds. The county agrees that
96 upon discharge of the Bonds, the county shall accept delivery of full legal and
97 unencumbered title to the Project and exclusive possession and use of the Project for no
98 additional consideration.

99 The county further acknowledges that, as lessee under the Project Lease, it will be
100 an "obligated person" with respect to the Bonds under Rule 15c2-12 of the Securities and
101 Exchange Commission ("the Rule"). To permit the underwriter of the Bonds to comply
102 with the Rule, the council hereby approves the Undertaking for Ongoing Disclosure,
103 relating to information about the county, the Ground Leases, the Project Lease and the
104 leased premises, in substantially the form of Attachment F to this ordinance ("the
105 Undertaking"). The county's manager of the finance and business operations division
106 ("the Finance Director") is hereby authorized to sign the Undertaking in substantially the
107 form of Attachment F to this ordinance, with such additions or deletions as are necessary
108 or desirable to sell the Bonds. The Finance Director or his designee is also hereby
109 authorized to "deem final" pursuant to the Rule information in any preliminary official

110 statement for the Bonds about the county, the Ground Leases, the Project Lease and the
111 leased premises.

112 SECTION 6. **General Authorization**. The appropriate county officials, agents,
113 attorneys and representatives are hereby authorized and directed to do everything
114 necessary and desirable to accomplish the lease-lease back plan of acquiring a new
115 parking garage and office building authorized by this ordinance and to do all things
116 necessary or desirable to permit GHP to issue, sell and deliver the Bonds, including but
117 not limited to the execution and delivery of such certificates and opinions relating thereto
118 and to the Ground Leases and Project Lease as may be approved by counsel to the
119 county.

120 SECTION 7. **Severability**. If any one or more of the provisions of this ordinance
121 shall be declared by any court of competent jurisdiction to be contrary to law, then such
122 provision or provisions shall be null and void and shall be deemed separable from the
123 remaining provisions of this ordinance and shall in no way affect the validity of the other
124 provisions of this ordinance, the Ground Leases, the Project Lease or the Undertaking.

125 SECTION 8. **Effective Date**. This ordinance takes effect ten days after its

126 enactment, in accordance with Article II of the county charter.

127

RECEIVED
2004 OCT 22 PM 1:17
CLERK
KING COUNTY COUNCIL

Ordinance 15043 was introduced on 8/16/2004 and passed by the Metropolitan King County Council on 10/11/2004, by the following vote:

Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, 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 22 day of October 2004.

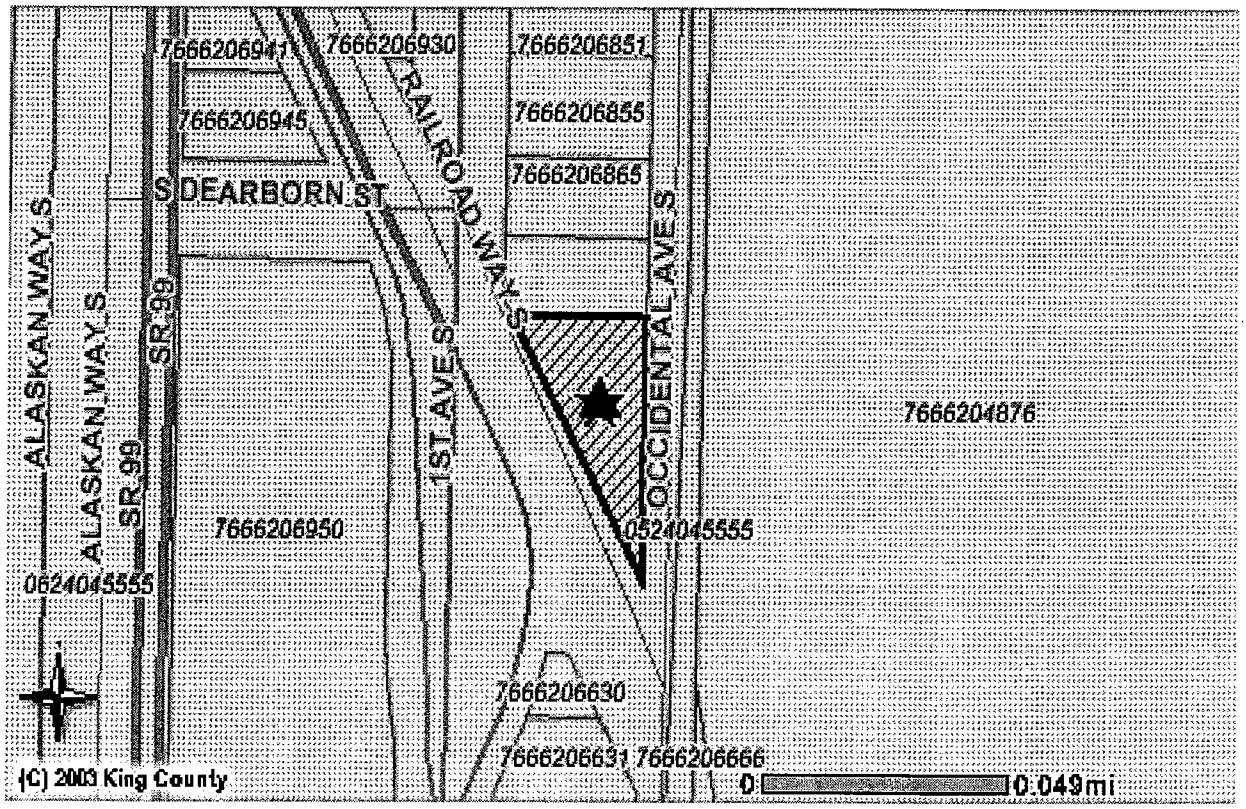
Ron Sims, County Executive

Attachments A. Garage Ground Lease Agreement between King County, a political subdivision of the State of Washington as Lessor and Goat Hill Properties, a Washington nonprofit corporation as Lessee dated 9-27-04, B. Building Ground Lease Agreement between King County, a political subdivision of the State of Washington as Lessor and Goat Hill Properties, a Washington nonprofit corporation as Lessee dated 9-27-04, C. Project Lease Agreement between Goat Hill Properties, a Washington nonprofit corporation as Landlord and King County, a political subdivision of the State of Washington as Tenant dated 9-27-04, D. Exhibit D United Statesof America The State of Washington Secretary of State Certificate of Incorporation to Goat Hill Properties dated 9-27-04, E. King County Office Building Development Agreement Between Goat Hill Properties a Washington nonprofit corporation ("Owner") and Wright Runstad Associates Limited Partnership a Washington limited partnership ("Developer") dated 9-27-04, F. Exhibit F King County, Washington Undertaking For Ongoing Disclosure dated 9-27-04

ORDINANCE 15044

Attachment A

Parcel Map



Attachment B

LEGAL DESCRIPTION

LOTS 13, 14 AND 15, BLOCK 326 SEATTLE TIDELANDS, KING COUNTY, WASHINGTON

SUBJECT TO: AN AGREEMENT BETWEEN PACIFIC COAST COMPANY, A CORPORATION, AND PROVIDENT BUILDING COMPANY RECORDED UNDER KING COUNTY AUDITOR'S FILING #684338; AGREEMENT BETWEEN J.W. CLISE AND SEATTLE PLUMBING & SUPPLY COMPANY, A CORPORATION, RECORDED UNDER KING COUNTY AUDITOR'S FILING #3467248; AND INSTRUMENT EXECUTED BY CHICAGO, MILWAUKEE, ST. PAUL PACIFIC RAILRAOD RECORDED UNDER KING COUNTY AUDITOR'S FILING # 668339.

ATTACHMENT A

GARAGE GROUND LEASE AGREEMENT

THIS GARAGE GROUND LEASE AGREEMENT ("Garage Ground Lease") is made as of the _____ day of _____, 2004, by and between **KING COUNTY**, a political subdivision of the State of Washington ("Lessor"), and **GOAT HILL PROPERTIES**, a Washington nonprofit corporation ("Lessee").

RECITALS

A. Lessor is the owner of the real estate described on **EXHIBIT A** attached hereto ("Garage Land") located in the City of Seattle, King County, Washington.

B. Lessor intends to lease the Garage Land to Lessee pursuant to this Garage Ground Lease, and Lessee intends to construct and equip thereon a garage to provide parking for King County containing approximately 829 parking spaces as more fully described in the Preliminary Plans and Outline Specifications, including all HVAC, electrical and other building systems, pursuant to the Preliminary Plans and Outline Specifications ("Project"). The design and construction of the Project shall be as more particularly described in that certain Project Lease Agreement between the parties ("Project Lease").

C. Lessee intends to lease the Premises, including the Garage, back to Lessor in accordance with the Municipal Leasing Act, RCW ch. 35.42, and pursuant to the Project Lease.

D. Lessee intends to pay the costs of the Project with the proceeds of tax-exempt obligations which satisfy the requirements of the Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service.

E. All capitalized terms used in this Garage Ground Lease but not otherwise defined herein (including these Recitals hereto) shall have the meanings given to such terms in the Project Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties hereto agree as follows:

1. The Demise{tc "1. The Demise"\l}.

1.1 Demise{tc "**1.1 Demise**"\l 2}. In consideration of the rents, covenants and agreements contained in this Garage Ground Lease, Lessor hereby leases the Garage Land to Lessee, and Lessee hereby leases the Garage Land from Lessor upon and subject to the conditions set forth in this Garage Ground Lease, and subject to all encumbrances and matters of record as of the date of this Garage Ground Lease.

1.2 Use of the Garage Land{tc "1.2 Use of the Garage Land"\l 2}. The Garage Land shall be used and occupied only for the purpose of the development, operation, use, repair and maintenance of the Project but, until Lessee commences such use and occupancy, Lessor reserves the right to continue to use and occupy the Garage Land for its purposes at no cost. Lessee shall not use or permit the Garage Land to be used for any other purpose without the prior written approval of Lessor. Lessee is hereby authorized to lease back to Lessor the Garage Land as improved by the Project pursuant to the Project Lease.

1.3 Access and Utilities{tc "1.3 Access and Utilities"\l 2}. Lessor and Lessee agree to mutually cooperate regarding the provision of reciprocal temporary and permanent pedestrian and vehicular access and utilities to, from, and over the Garage Land and the Project to, from, and over adjacent lands of Lessor. Lessor and Lessee further agree to mutually cooperate regarding the use of parking on the Garage Land and the adjacent lands of Lessor during and after construction of the Project. Lessor and Lessee agree to execute such instruments as may be necessary to provide for such pedestrian and vehicular access, parking and utilities and agree to cooperate in the location thereof.

1.4 Construction Activity{tc "1.4 Construction Activity"\l 2}. Lessor hereby grants permission to Lessee to perform construction activity related to the Project on adjacent lands of Lessor. Lessee and Lessor agree to mutually cooperate as to the timing, use, and location of such construction activity in order to ensure completion of the Project in a timely manner while maintaining Lessor's ability to utilize the adjacent lands for Lessor's ongoing operations.

2. Term{tc "2. Term"\l}.

2.1 Commencement{tc "2.1 Commencement"\l 2}. Subject to the terms and conditions of this Garage Ground Lease, the term of this Garage Ground Lease shall commence on the date that this Garage Ground Lease is fully executed, acknowledged and delivered by Lessor and Lessee ("Effective Date").

2.2 Duration{tc "2.2 Duration"\l 2}. The term of this Garage Ground Lease shall continue from the Effective Date until the earlier of (i) December 31, 2044 or (ii) the date that the Bonds have been paid and retired, unless sooner terminated hereunder ("Term").

3. Rent{tc "3. Rent"\l}. Lessee shall pay to Lessor as rent for the Term the sum of $100.00 payable in whole in advance on or before the first day of the Term.

4. Development of Project{tc "4. Development of Project"\l}.

4.1 Construction{tc "4.1 Construction"\l 2}. Lessor agrees that Lessee shall cause the Project to be constructed and developed pursuant to the Project Lease. Lessee shall not permit any development or construction on the Garage Land except as contemplated by the Project Lease or as otherwise specifically approved in writing by Lessor.

4.2 Ownership of Improvements{tc "4.2 Ownership of Improvements"\l 2}. During the Term, the Project and all other improvements on the Garage Land paid for by Lessee shall be owned by Lessee. Upon the expiration or earlier termination of

this Garage Ground Lease, the Project and all other improvements on the Garage Land shall become the property of Lessor.

5. **Taxes and Utilities**{tc "5. Taxes and Utilities"\l}.

5.1 **Lessee's Responsibility**{tc "5.1 **Lessee's Responsibility**"\l 2}. Lessee shall be solely responsible for the payment of and shall pay and discharge all utility charges which are incurred as part of Project Costs as defined in the Project Lease.

5.2 **Lessor's Responsibility**{tc "5.2 **Lessor's Responsibility**"\l 2}. Lessor shall pay all utility charges that are not part of Project Costs and all real estate taxes and assessments, if any, that are imposed upon the Garage Land. In accordance with RCW 35.42.090, this Garage Ground Lease shall be exempt from any taxes imposed under the authority of RCW ch. 82.45, RCW 82.04.040, or RCW 82.08.090.

5.3 **Lessor's Taxes**{tc "5.3 **Lessor's Taxes**"\l 2}. Nothing in this Garage Ground Lease shall require Lessee to pay any franchise, estate, inheritance, succession, capital levy (measured on the capital stock of Lessor), income, or transfer tax of Lessor.

6. **Condition of the Garage Land**{tc "6. **Condition of the Garage Land**"\l}.

6.1 **Condition of the Garage Land**{tc "6.1 **Condition of the Garage Land**"\l 2}. Lessee hereby accepts the Garage Land "as is" in its existing condition including, without limitation, the obligation to perform or to cause to be performed all Project Remediation Work to the extent covered by the approved Project Budget. Notwithstanding the foregoing, and except for Project Remediation Work covered by the approved Project Budget, Lessor shall be solely responsible for all claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the presence, release or disposal of hazardous substances that were present in the soil, groundwater or soil vapor on or under the Garage Land or any adjacent or nearby property as of the date of this Garage Ground Lease, including any costs of investigation or remediation of such toxic or hazard substances that may be required by any federal, state or local government agency. Lessor shall not be responsible for any claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the release or disposal of hazardous substances on the Garage Land during construction of the Project and the responsibility for the same shall remain with Lessee and Developer.

6.2 **Lessor's Right to Inspect**{tc "6.2 **Lessor's Right to Inspect**"\l 2}. Lessor shall have the right to inspect the Garage Land at any time.

7. **Liens; Security Interest**{tc "7. Liens; Security Interest"\l}.

7.1 **Lessee's Duty**{tc "7.1 **Lessee's Duty**"\l 2}. Except for the use of this Garage Ground Lease as security for the Bonds to be issued to finance or refinance the Project or as specifically approved in writing by Lessor, Lessee will not directly or indirectly create or permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Garage Land, any part thereof, the Project, Lessee's interest therein, or any

equipment, fixtures or personalty on the Garage Land that is imposed by or as a result of the actions of Lessee.

8. Indemnity and Insurance{tc "8. Indemnity and Insurance"\l}.

8.1 Indemnity{tc "**8.1 Indemnity**"\l 2}. Lessor and Lessee mutually agree that in any and all causes of action and/or claims or third-party claims arising out of or in connection with the terms, activities, use and/or operations of this Garage Ground Lease, including the Garage Land and the Project, each party shall be responsible to the other only to the extent of each other's comparative fault in causing the alleged damage or injuries. As to any and all causes of action and/or claims or third-party claims arising from the sole fault of a party to this Garage Ground Lease ("Indemnifying Party"), the Indemnifying Party shall have the duty to defend, save and hold the other party harmless and upon failure to do so, the Indemnifying Party shall pay the reasonable attorneys' fees, costs and expenses incurred by the other party to this Garage Ground Lease in defense of such claims and/or actions. Nothing contained within this Section 8.1 shall affect and/or alter the application of any other provision contained within this Garage Ground Lease.

8.2 Property Insurance{tc "**8.2 Property Insurance**"\l 2}. At all times during the Term of this Garage Ground Lease, in the event that Lessor is not maintaining property insurance with respect to all improvements constructed on the Garage Land, Lessee shall maintain property insurance fully insuring, at 100% of replacement cost value, all improvements constructed on the Garage Land, as well as all of Lessor's personal property and trade fixtures located on the Garage Land, against loss or damage by fire and other perils currently covered by a special causes of loss commercial property insurance form. In that event, Lessee shall also cause the Premises to be insured against the perils of earthquake and flood, either as part of the aforementioned property insurance, or under a separate policy or policies. The property insurance policy shall meet the requirements set forth in this section and in the Project Lease.

8.3 Waiver of Subrogation{tc "**8.3 Waiver of Subrogation**"\l 2}. Lessee shall cause its property insurance carrier(s) to release and waive all rights of subrogation against Lessor to the extent a loss is covered by property insurance in force; provided, however, that this Section 8.3 shall be inapplicable if it would have the effect of invalidating any insurance coverage of Lessee.

8.4 Minimum Scope of Insurance Coverage for Lessee{tc "**8.4** Minimum Scope of Insurance Coverage for Landlord"\l 2}.

8.4.1 Lessee's Coverages. During the Term of this Lease, Lessee shall at a minimum maintain: Commercial General Liability insurance (Insurance Services Office form number (CG00 001), covering Commercial General Liability with a limit of not less than $1,000,000 combined single limit per occurrence; $2,000,000 aggregate. In addition, Lessee shall maintain workers' compensation coverage as required by the Industrial Insurance Act of the State of Washington, statutory limits.

8.4.2 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in insurance coverage maintained by Lessee must be declared to and approved by Lessor. The deductible and/or self-insured retention of the policies shall not limit or apply to Lessor and shall be the sole responsibility of Lessee.

8.4.3 Other Insurance Provisions. The insurance policies required by this Garage Ground Lease are also to contain or be endorsed to contain the following provisions where applicable:

(a) Liability Policies:

(1) Lessor, its officers, officials, employees and agents are to be covered as an additional insured as respects liability arising out of activities performed by or on behalf of Lessee in connection with this Lease.

(2) Lessee's insurance coverage shall be primary insurance as respects Lessor, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by Lessor its officers, officials, employees and agents shall not contribute with Lessee's insurance or benefit Lessee in any way.

(3) Lessee'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 limits by claims paid, until after forty-five (45) days' prior written notice has been given to Lessor.

(c) Acceptability of Insurers. Unless otherwise approved by Lessor:

(1) Insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated by Best's with a rating in one of the two highest categories maintained by Standard & Poor's Rating Group and Moody's Investors Service.

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

9. Eminent Domain{tc "9. Eminent Domain"\l}.

9.1 Award{tc "**9.1 Award**"\l 2}. In the event of any taking, partial or whole, Lessor shall be entitled to the entire award judgment or settlement from the condemning authority for the value of the Garage Land taken by the condemning authority.

10. Events of Default by Lessee and Lessor's Remedies{tc "10. Events of Default by Lessee and Lessor's Remedies"\l}.

10.1 Events of Default{tc "**10.1 Events of Default**"\l 2}. The following occurrences or acts shall constitute an event of default under this Garage Ground Lease:

(a) ***Failure to Perform.*** If Lessee shall (i) default in making payment when due of any rent or any other amount payable by Lessee hereunder; or (ii) default in the observance or performance of any other substantial provision of this Garage Ground Lease to be observed or performed by Lessee hereunder; and, in either case, if such default shall continue for thirty (30) days, in each case after Lessor shall have given to Lessee notice specifying such default and demanding that the same be cured, or, with respect to a default under subsection (i), if by reason of the nature thereof such default cannot be cured by the payment of money and cannot with due diligence be wholly cured within such period of thirty (30) days, if Lessee shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default and with all due diligence, it being intended in connection with a default not susceptible of being wholly cured with due diligence within such period that the time within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence; or

(b) ***Lessee's Financial Condition.*** If Lessee shall make a general assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or shall fail seasonably to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties.

10.2 Remedies Upon Lessee's Default{tc "**10.2 Remedies Upon Lessee's Default**"\l 2}. In the event of any default by Lessee as defined hereinabove which default remains uncured after the expiration of the respective period set forth above, Lessor may exercise any remedy which may be available to Lessor at law or equity, including but not limited to actions for damages, and/or injunctive relief; provided, that unless the Bonds have been paid in full and the Bond Insurer, if any, has consented, Lessor may not terminate this Garage Ground Lease prior to the end of the Term except for Lessee's failure to pay the rent when due.

10.3 Cumulative Rights and Remedies{tc "**10.3 Cumulative Rights and Remedies**"\l 2}. The rights and remedies reserved to Lessor herein, including those not specifically described, shall be cumulative, and except as provided by Washington statutory law in effect at the time, Lessor may pursue any and all such rights and remedies at the same time or independently.

10.4 No Waiver{tc "**10.4 No Waiver**"\l 2}. No delay or omission of Lessor to exercise any right or remedy shall, except as expressly provided herein, be construed as a waiver of any such right or remedy or of any default by Lessee hereunder. The acceptance by Lessor of rent or any additional rent hereunder shall not be a waiver of any preceding breach or

default by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent accepted, regardless of Lessor's knowledge of such preceding breach or default at the time of acceptance of such rent, or, except as expressly set forth herein, a waiver of Lessor's right to exercise any remedy available to Lessor by virtue of such breach or default.

10.5 Attorneys' Fees{tc "10.5 Attorneys' Fees"\l 2}. If either party incurs any expenses, including but not limited to reasonable attorneys' fees, consultant and expert witness fees, in connection with any action or proceeding instituted by any party by reason of any default or alleged default of a party hereunder, the party prevailing in such action or proceeding shall be entitled to recover its reasonable expenses from the other party hereof. For purposes of this provision, in any action or proceeding instituted pertaining to the Lease, a party shall be deemed the prevailing party if (i) judgment is entered substantially in favor of said party or (ii) before trial or judgment the other party shall pay all or any portion of the charges claimed by said party, or the other party shall eliminate the condition(s), cease the act(s) or otherwise cure the omissions(s) claimed by said party to constitute a default by the other party hereunder.

11. Quiet Enjoyment{tc "11. Quiet Enjoyment"\l}.

11.1 Lessee's Occupation of the Garage Land{tc "11.1 Lessee's Occupation of the Garage Land"\l 2}. If and so long as Lessee shall pay all rent and all other amounts payable by Lessee hereunder whenever the same shall become due and shall keep all of the covenants and conditions required by it to be kept during this Garage Ground Lease and shall perform all of its other obligations hereunder, Lessor covenants and agrees that, except as may otherwise be provided in the Project Lease, Lessor will not interfere with the peaceful and quiet occupation and enjoyment of the Garage Land by Lessee, which occupation and enjoyment shall be without hindrance, ejection or molestation by Lessor.

12. Lessee to Comply with Applicable Laws and Agreements{tc "12. Lessee to Comply with Applicable Laws and Agreements"\l}.

12.1 Compliance with Laws{tc "12.1 Compliance with Laws"\l 2}. Lessee shall not use the Garage Land or permit anything to be done in or about the Garage Land which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and obtain all permits, licenses or other approvals required by governmental agencies or bodies. Lessee shall further comply with the requirements of any board or fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Garage Land.

12.2 Compliance with Agreements{tc "12.2 Compliance with Agreements"\l 2}. Lessee shall comply with all insurance policies and applicable agreements to which Lessee is a party or by which it is bound, now or hereafter in effect, and all agreements of which Lessee has notice and which are now in effect and applicable to the Garage Land.

13. Waiver Limitations{tc "13. Waiver Limitations"\l}.

13.1 Waiver Limitations{tc "**13.1 Waiver Limitations**"\l 2}. The waiver by either party of any term, covenant or condition herein contained on the part of the other party to be performed shall not be deemed a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Garage Ground Lease, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

14. Notices{tc "14. Notices"\l}.

14.1 Addresses{tc "**14.1 Addresses**"\l 2}. All notices, requests, demands, instructions or other documents to be given hereunder to any party shall be in writing and shall either be personally delivered to the party at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery) or delivered by mail, sent by registered or certified mail, return receipt requested, as follows:

If to Lessor:
King County
Property Services Division
500 King County Administration Building
500 Fourth Avenue
Seattle, WA 98104
Facsimile: (206) 205-5070

If to Lessee:
Goat Hill Properties
c/o National Development Council
1425 Fourth Avenue, Suite 608
Seattle, WA 98101
Facsimile: (206) 448-5246

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of the same in any United States Mail post office box in the state to which the notice is addressed or seventy-two (72) hours after deposit in any such post office box other than the state to which the notice is addressed, postage prepaid, addressed as set forth above. For the purpose of this Section, addresses for notice may be changed by giving written notice of such change in the manner herein provided for giving notice.

15. Assignment and Subleasing{tc "15. Assignment and Subleasing"\l}.

15.1 Subleasing{tc "**15.1 Subleasing**"\l 2}. Lessor and Lessee intend that Lessee shall enter into the Project Lease with Lessor. Any other proposed subleases of the Garage Land shall be subject to the review and approval of Lessor.

15.2 Assignment{tc "**15.2 Assignment**"\l 2}. Except for the assignment to the Trustee to secure the Bonds for the Project, Lessee shall not assign, mortgage, or encumber this Garage Ground Lease or delegate the duties of Lessee under this Garage Ground Lease without

the prior written consent of Lessor. A consent to one assignment shall not be deemed to be a consent by Lessor to any subsequent assignment by another person. This Garage Ground Lease shall not, nor shall any interest of Lessee herein, be assignable by operation of law, without prior written consent of Lessor.

16. Miscellaneous{tc "16. Miscellaneous"\l}.

16.1 Time of Essence{tc "**16.1 Time of Essence**"\l 2}. Time is of the essence in regard to performance of the covenants and agreements stated herein.

16.2 No Joint Venture or Agency{tc "**16.2 No Joint Venture or Agency**"\l 2}. Nothing contained in this Garage Ground Lease nor any of the acts of the parties hereto shall be construed nor is it the intent of the parties, to create a joint venture or partnership between Lessor and Lessee, nor is either party the agent or representative of the other, and nothing in this Garage Ground Lease shall be construed to create any such agency relationship or to hold either party liable to anyone for goods delivered or services performed at the request of the other party.

16.3 Amendments{tc "**16.3 Amendments**"\l 2}. No change in or addition to or waiver or termination of this Garage Ground Lease any part hereof, shall be valid unless made in writing and signed by or on behalf of the party charged therewith. Lessor and Lessee agree to negotiate in good faith any amendments to this Garage Ground Lease that may be requested or required in connection with the issuance of the Bonds to finance the Project.

16.4 Governing Law{tc "**16.4 Governing Law**"\l 2}. This Garage Ground Lease shall be construed in accordance with and governed by the laws of the State of Washington.

16.5 Headings{tc "**16.5 Headings**"\l 2}. The article, section and paragraph headings herein contained are for the purposes of identification and reference convenience only and shall not be considered in construing this Garage Ground Lease.

16.6 Successors and Assigns{tc "**16.6 Successors and Assigns**"\l 2}. Subject to the provisions hereof restricting the sublease or assignment by Lessee, all the terms and provisions of this Lease shall be binding upon and to the benefit of and be enforceable by the parties and the successors and assigns of the parties.

16.7 No Merger{tc "**16.7 No Merger**"\l 2}. In no event shall the leasehold interest of Lessee hereunder merge with any estate of Lessor in or to the Garage Land or the leasehold interest of Lessor under the Project Lease. In the event that Lessor acquires the leasehold interest of Lessee, such leasehold interest shall not merge with Lessor's fee interest in the Garage Land or the leasehold interest of Lessor under the Project Lease, and this Garage Ground Lease and the Project Lease shall remain in full force and effect.

16.8 Counterparts; Recording of Memorandum{tc "**16.8 Counterparts; Recording of Memorandum**"\l 2}. This Garage Ground Lease may be executed in several counterparts, each of which shall be deemed an original for all purposes. Either Lessor or Lessee shall have the right to record a memorandum of this Garage Ground

Lease in a form comparable to that provided in the Project Lease and the parties shall cooperate in execution of such memorandum.

16.9 Schedule of Exhibits{tc "**16.9 Schedule of Exhibits**"\l 2}. This Garage Ground Lease includes the following exhibits attached hereto and incorporated herein by this reference.

EXHIBIT A Garage Land Legal Description

IN WITNESS WHEREOF, Lessor and Lessee have executed this Garage Ground Lease as of the date set forth in the first paragraph of this Garage Ground Lease to evidence their agreement to the terms of this Garage Ground Lease.

DATED the date first above written.

LESSOR:

KING COUNTY,
a political subdivision of the
State of Washington

APPROVED AS TO FORM:

By_____
Name: _____
Title: _____
Date: _____

By_____
Name: _____
Title: _____
Date: _____

LESSEE:

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

By_____
Name: John Finke
Title: Vice President
Date: _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [he/she] signed this instrument, on oath stated that [he/she] was authorized to execute the instrument and acknowledged it as the _____ of **KING COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that John Finke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of **GOAT HILL PROPERTIES**, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

EXHIBIT A

GARAGE LAND LEGAL DESCRIPTION

Parcel "A":

Lots 1 through 8, inclusive, in Block 36 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

Except that portion thereof, of Lot 6 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473610;

and Except that portion thereof, of Lot 7 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473611.

Parcel "B":

That part of Lots 2, 3, 6 and 7 in Block 40 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, lying Southwesterly of a line drawn parallel with and 30.0 feet Southwesterly, when measured at right angles and/or radially, from the James-6th F.R. Line Survey of SR 5, Seattle Freeway: Jackson St. to Olive Way, in King County, Washington.

APN: 094200-1050-08

15043

GARAGE GROUND LEASE AGREEMENT

between

KING COUNTY,
a political subdivision of the State of Washington

as Lessor

and

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

as Lessee

_____, 2004

King County Office Building Project
Seattle, Washington

15043

TABLE OF CONTENTS

Page

1. The Demise 1
   - 1.1 Demise 1
   - 1.2 Use of the Garage Land 2
   - 1.3 Access and Utilities 2
   - 1.4 Construction Activity 2
2. Term 2
   - 2.1 Commencement 2
   - 2.2 Duration 2
3. Rent 2
4. Development of Project 2
   - 4.1 Construction 2
   - 4.2 Ownership of Improvements 2
5. Taxes and Utilities 3
   - 5.1 Lessee's Responsibility 3
   - 5.2 Lessor's Responsibility 3
   - 5.3 Lessor's Taxes 3
6. Condition of the Garage Land 3
   - 6.1 Condition of the Garage Land 3
   - 6.2 Lessor's Right to Inspect 3
7. Liens; Security Interest 3
   - 7.1 Lessee's Duty 3
8. Indemnity and Insurance 4
   - 8.1 Indemnity 4
   - 8.2 Property Insurance 4
   - 8.3 Waiver of Subrogation 4
   - 8.4 Minimum Scope of Insurance Coverage for Landlord 4
9. Eminent Domain 5
   - 9.1 Award 5
10. Events of Default by Lessee and Lessor's Remedies 5
   - 10.1 Events of Default 5
   - 10.2 Remedies Upon Lessee's Default 6
   - 10.3 Cumulative Rights and Remedies 6
   - 10.4 No Waiver 6
   - 10.5 Attorneys' Fees 6

11. Quiet Enjoyment 7
11.1 Lessee's Occupation of the Garage Land 7
12. Lessee to Comply with Applicable Laws and Agreements 7
12.1 Compliance with Laws 7
12.2 Compliance with Agreements 7
13. Waiver Limitations 7
13.1 Waiver Limitations 7
14. Notices 8
14.1 Addresses 8
15. Assignment and Subleasing 8
15.1 Subleasing 8
15.2 Assignment 8
16. Miscellaneous 8
16.1 Time of Essence 8
16.2 No Joint Venture or Agency 9
16.3 Amendments 9
16.4 Governing Law 9
16.5 Headings 9
16.6 Successors and Assigns 9
16.7 No Merger 9
16.8 Counterparts; Recording of Memorandum 9
16.9 Schedule of Exhibits 9

EXHIBIT A Legal Description

ATTACHMENT B

BUILDING GROUND LEASE AGREEMENT

THIS BUILDING GROUND LEASE AGREEMENT ("Building Ground Lease") is made as of the _____ day of _____, 2004, by and between **KING COUNTY**, a political subdivision of the State of Washington ("Lessor"), and **GOAT HILL PROPERTIES**, a Washington nonprofit corporation ("Lessee").

RECITALS

A. Lessor is the owner of the real estate described on **EXHIBIT A** attached hereto ("Building Land") located in the City of Seattle, King County, Washington.

B. Lessor intends to lease the Building Land to Lessee pursuant to this Building Ground Lease, and Lessee intends to construct and equip thereon a first-class office building to serve as government offices for King County containing approximately 250,000 to 300,000 square feet of rentable area as more fully described in the Preliminary Plans and Outline Specifications, including all HVAC, electrical and other building systems, Tenant Improvements and any parking included in the office building pursuant to the Preliminary Plans and Outline Specifications ("Building"). The design and construction of the Building shall be as more particularly described in that certain Project Lease Agreement between the parties ("Project Lease").

C. Lessee intends to lease the Premises, including the Building, back to Lessor in accordance with the Municipal Leasing Act, RCW ch. 35.42, and pursuant to the Project Lease.

D. Lessee intends to pay the costs of the Project with the proceeds of tax-exempt obligations which satisfy the requirements of the Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service.

E. All capitalized terms used in this Building Ground Lease but not otherwise defined herein (including these Recitals hereto) shall have the meanings given to such terms in the Project Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties hereto agree as follows:

1. The Demise{tc "1. The Demise"\l}.

1.1 Demise{tc "**1.1 Demise**"\l 2}. In consideration of the rents, covenants and agreements contained in this Building Ground Lease, Lessor hereby leases the Building Land to Lessee, and Lessee hereby leases the Building Land from Lessor upon and

subject to the conditions set forth in this Building Ground Lease, and subject to all encumbrances and matters of record as of the date of this Building Ground Lease.

1.2 Use of the Building Land{tc "**1.2 Use of the Building Land**"\l 2}. The Building Land shall be used and occupied only for the purpose of the development, operation, use, repair and maintenance of the Project but, until Lessee commences such use and occupancy, Lessor reserves the right to continue to use and occupy the Building Land for its purposes at no cost. Lessee shall not use or permit the Building Land to be used for any other purpose without the prior written approval of Lessor. Lessee is hereby authorized to lease back to Lessor the Building Land as improved by the Project pursuant to the Project Lease.

1.3 Access and Utilities{tc "**1.3 Access and Utilities**"\l 2}. Lessor and Lessee agree to mutually cooperate regarding the provision of reciprocal temporary and permanent pedestrian and vehicular access and utilities to, from, and over the Building Land and the Project to, from, and over adjacent lands of Lessor. Lessor and Lessee further agree to mutually cooperate regarding the use of parking on the Building Land and the adjacent lands of Lessor during and after construction of the Project. Lessor and Lessee agree to execute such instruments as may be necessary to provide for such pedestrian and vehicular access, parking and utilities and agree to cooperate in the location thereof.

1.4 Construction Activity{tc "**1.4 Construction Activity**"\l 2}. Lessor hereby grants permission to Lessee to perform construction activity related to the Project on adjacent lands of Lessor. Lessee and Lessor agree to mutually cooperate as to the timing, use, and location of such construction activity in order to ensure completion of the Project in a timely manner while maintaining Lessor's ability to utilize the adjacent lands for Lessor's ongoing operations.

2. Term{tc "2. Term"\l}.

2.1 Commencement{tc "**2.1 Commencement**"\l 2}. Subject to the terms and conditions of this Building Ground Lease, the term of this Building Ground Lease shall commence on the date that this Building Ground Lease is fully executed, acknowledged and delivered by Lessor and Lessee and Substantial Completion of the Garage in accordance with the Project Lease has occurred ("Effective Date").

2.2 Duration{tc "**2.2 Duration**"\l 2}. The term of this Building Ground Lease shall continue from the Effective Date until the earlier of (i) December 31, 2044 or (ii) the date that the Bonds have been paid and retired, unless sooner terminated hereunder ("Term").

3. Rent{tc "3. Rent"\l}. Lessee shall pay to Lessor as rent for the Term the sum of $100.00 payable in whole in advance on or before the first day of the Term.

4. Development of Project{tc "4. Development of Project"\l}.

4.1 Construction{tc "**4.1 Construction**"\l 2}. Lessor agrees that Lessee shall cause the Project to be constructed and developed pursuant to the Project Lease. Lessee shall not permit any development or construction on the Building Land except as contemplated by the Project Lease or as otherwise specifically approved in writing by Lessor.

4.2 Ownership of Improvements{tc "4.2 Ownership of Improvements"\l 2}. During the Term, the Project and all other improvements on the Building Land paid for by Lessee shall be owned by Lessee. Upon the expiration or earlier termination of this Building Ground Lease, the Project and all other improvements on the Building Land shall become the property of Lessor.

5. Taxes and Utilities{tc "5. Taxes and Utilities"\l}.

5.1 Lessee's Responsibility{tc "5.1 Lessee's Responsibility"\l 2}. Lessee shall be solely responsible for the payment of and shall pay and discharge all utility charges which are incurred as part of Project Costs as defined in the Project Lease.

5.2 Lessor's Responsibility{tc "5.2 Lessor's Responsibility"\l 2}. Lessor shall pay all utility charges that are not part of Project Costs and all real estate taxes and assessments, if any, that are imposed upon the Building Land. In accordance with RCW 35.42.090, this Building Ground Lease shall be exempt from any taxes imposed under the authority of RCW ch. 82.45, RCW 82.04.040, or RCW 82.08.090.

5.3 Lessor's Taxes{tc "5.3 Lessor's Taxes"\l 2}. Nothing in this Building Ground Lease shall require Lessee to pay any franchise, estate, inheritance, succession, capital levy (measured on the capital stock of Lessor), income, or transfer tax of Lessor.

6. Condition of the Building Land{tc "6. Condition of the Building Land"\l}.

6.1 Condition of the Building Land{tc "6.1 Condition of the Building Land"\l 2}. Lessee hereby accepts the Building Land "as is" in its existing condition including, without limitation, the obligation to perform or to cause to be performed all Project Remediation Work to the extent covered by the approved Project Budget. Notwithstanding the foregoing, and except for Project Remediation Work covered by the approved Project Budget, Lessor shall be solely responsible for all claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the presence, release or disposal of hazardous substances that were present in the soil, groundwater or soil vapor on or under the Building Land or any adjacent or nearby property as of the date of this Building Ground Lease, including any costs of investigation or remediation of such toxic or hazard substances that may be required by any federal, state or local government agency. Lessor shall not be responsible for any claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the release or disposal of hazardous substances on the Building Land during construction of the Project and the responsibility for the same shall remain with Lessee and the Developer.

6.2 Lessor's Right to Inspect{tc "6.2 Lessor's Right to Inspect"\l 2}. Lessor shall have the right to inspect the Building Land at any time.

7. Liens; Security Interest{tc "7. Liens; Security Interest"\l}.

7.1 Lessee's Duty{tc "7.1 Lessee's Duty"\l 2}. Except for the use of this Building Ground Lease as security for the Bonds to be issued to finance or refinance the Project or as specifically approved in writing by Lessor, Lessee will not directly or indirectly create or

permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Building Land, any part thereof, the Project, Lessee's interest therein, or any equipment, fixtures or personalty on the Building Land that is imposed by or as a result of the actions of Lessee.

8. Indemnity and Insurance{tc "8. Indemnity and Insurance"\l}.

8.1 Indemnity{tc "**8.1 Indemnity**"\l 2}. Lessor and Lessee mutually agree that in any and all causes of action and/or claims or third-party claims arising out of or in connection with the terms, activities, use and/or operations of this Building Ground Lease, including the Building Land and the Project, each party shall be responsible to the other only to the extent of each other's comparative fault in causing the alleged damage or injuries. As to any and all causes of action and/or claims or third-party claims arising from the sole fault of a party to this Building Ground Lease ("Indemnifying Party"), the Indemnifying Party shall have the duty to defend, save and hold the other party harmless and upon failure to do so, the Indemnifying Party shall pay the reasonable attorneys' fees, costs and expenses incurred by the other party to this Building Ground Lease in defense of such claims and/or actions. Nothing contained within this Section 8.1 shall affect and/or alter the application of any other provision contained within this Building Ground Lease.

8.2 Property Insurance{tc "**8.2 Property Insurance**"\l 2}. At all times during the Term of this Building Ground Lease, in the event that Lessor is not maintaining property insurance with respect to all improvements constructed on the Building Land, Lessee shall maintain property insurance fully insuring, at 100% of replacement cost value, all improvements constructed on the Building Land, as well as all of Lessor's personal property and trade fixtures located on the Building Land, against loss or damage by fire and other perils currently covered by a special causes of loss commercial property insurance form. Lessee shall also cause the Premises to be insured against the perils of earthquake and flood, either as part of the aforementioned property insurance , or under a separate policy or policies. The property insurance policy shall meet the requirements set forth in this section and in the Project Lease.

8.3 Waiver of Subrogation{tc "**8.3 Waiver of Subrogation**"\l 2}. Lessee shall cause its property insurance carrier(s) to release and waive all rights of subrogation against Lessor to the extent a loss is covered by property insurance in force; provided, however, that this Section 8.3 shall be inapplicable if it would have the effect of invalidating any insurance coverage of Lessee.

8.4 Minimum Scope of Insurance Coverage for Lessee{tc "**8.4** Minimum Scope of Insurance Coverage for Landlord"\l 2}.

8.4.1 Lessee's Coverages. During the Term of this Lease, Lessee shall at a minimum maintain: Commercial General Liability insurance (Insurance Services Office form number (CG00 001), covering Commercial General Liability with a limit of not less than $1,000,000 combined single limit per occurrence; $2,000,000 aggregate. In addition, Lessee shall maintain workers' compensation coverage as required by the Industrial Insurance Act of the State of Washington, statutory limits.

8.4.2 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in insurance coverage maintained by Lessee must be declared to and approved by Lessor. The deductible and/or self-insured retention of the policies shall not limit or apply to Lessor and shall be the sole responsibility of Lessee.

8.4.3 Other Insurance Provisions. The insurance policies required by this Building Ground Lease are also to contain or be endorsed to contain the following provisions where applicable:

(a) Liability Policies:

(1) Lessor, its officers, officials, employees and agents are to be covered as an additional insured as respects liability arising out of activities performed by or on behalf of Lessee in connection with this Lease.

(2) Lessee's insurance coverage shall be primary insurance as respects Lessor, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by Lessor its officers, officials, employees and agents shall not contribute with Lessee's insurance or benefit Lessee in any way.

(3) Lessee'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 limits by claims paid, until after forty-five (45) days' prior written notice has been given to Lessor.

(c) Acceptability of Insurers. Unless otherwise approved by Lessor:

(1) Insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated by Best's with a rating in one of the two highest categories maintained by Standard & Poor's Rating Group and Moody's Investors Service.

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

9. Eminent Domain{tc "9. Eminent Domain"\l}.

9.1 Award{tc "**9.1 Award**"\l 2}. In the event of any taking, partial or whole, Lessor shall be entitled to the entire award judgment or settlement from the condemning authority for the value of the Building Land taken by the condemning authority.

10. Events of Default by Lessee and Lessor's Remedies{tc "10. Events of Default by Lessee and Lessor's Remedies"\l}.

10.1 Events of Default{tc "**10.1 Events of Default**"\l 2}. The following occurrences or acts shall constitute an event of default under this Building Ground Lease:

(a) ***Failure to Perform.*** If Lessee shall (i) default in making payment when due of any rent or any other amount payable by Lessee hereunder; or (ii) default in the observance or performance of any other substantial provision of this Building Ground Lease to be observed or performed by Lessee hereunder; and, in either case, if such default shall continue for thirty (30) days, in each case after Lessor shall have given to Lessee notice specifying such default and demanding that the same be cured, or, with respect to a default under subsection (ii), if by reason of the nature thereof such default cannot be cured by the payment of money and cannot with due diligence be wholly cured within such period of thirty (30) days, if Lessee shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default and with all due diligence, it being intended in connection with a default not susceptible of being wholly cured with due diligence within such period that the time within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence; or

(b) ***Lessee's Financial Condition.*** If Lessee shall make a general assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or shall fail seasonably to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties.

10.2 Remedies Upon Lessee's Default{tc "**10.2 Remedies Upon Lessee's Default**"\l 2}. In the event of any default by Lessee as defined hereinabove which default remains uncured after the expiration of the respective period set forth above, Lessor may exercise any remedy which may be available to Lessor at law or equity, including but not limited to actions for damages, and/or injunctive relief; provided, that, unless the Bonds have been paid in full and the Bond Insurer, if any, has consented, Lessor may not terminate this Building Ground Lease prior to the end of the Term except for Lessee's failure to pay the rent when due.

10.3 Cumulative Rights and Remedies{tc "**10.3 Cumulative Rights and Remedies**"\l 2}. The rights and remedies reserved to Lessor herein, including those not specifically described, shall be cumulative, and except as provided by Washington statutory law in effect at the time, Lessor may pursue any and all such rights and remedies at the same time or independently.

10.4 No Waiver{tc "**10.4 No Waiver**"\l 2}. No delay or omission of Lessor to exercise any right or remedy shall, except as expressly provided herein, be construed as a waiver of any such right or remedy or of any default by Lessee hereunder. The acceptance by Lessor of rent or any additional rent hereunder shall not be a waiver of any preceding breach or

default by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent accepted, regardless of Lessor's knowledge of such preceding breach or default at the time of acceptance of such rent, or, except as expressly set forth herein, a waiver of Lessor's right to exercise any remedy available to Lessor by virtue of such breach or default.

10.5 Attorneys' Fees{tc "**10.5 Attorneys' Fees**"\l 2}. If either party incurs any expenses, including but not limited to reasonable attorneys' fees, consultant and expert witness fees, in connection with any action or proceeding instituted by any party by reason of any default or alleged default of a party hereunder, the party prevailing in such action or proceeding shall be entitled to recover its reasonable expenses from the other party hereof. For purposes of this provision, in any action or proceeding instituted pertaining to the Lease, a party shall be deemed the prevailing party if (i) judgment is entered substantially in favor of said party or (ii) before trial or judgment the other party shall pay all or any portion of the charges claimed by said party, or the other party shall eliminate the condition(s), cease the act(s) or otherwise cure the omissions(s) claimed by said party to constitute a default by the other party hereunder.

11. Quiet Enjoyment{tc "11. Quiet Enjoyment"\l}.

11.1 Lessee's Occupation of the Building Land{tc "**11.1 Lessee's Occupation of the Building Land**"\l 2}. If and so long as Lessee shall pay all rent and all other amounts payable by Lessee hereunder whenever the same shall become due and shall keep all of the covenants and conditions required by it to be kept during this Building Ground Lease and shall perform all of its other obligations hereunder, Lessor covenants and agrees that, except as may otherwise be provided in the Project Lease, Lessor will not interfere with the peaceful and quiet occupation and enjoyment of the Building Land by Lessee, which occupation and enjoyment shall be without hindrance, ejection or molestation by Lessor.

12. Lessee to Comply with Applicable Laws and Agreements{tc "12. Lessee to Comply with Applicable Laws and Agreements"\l}.

12.1 Compliance with Laws{tc "**12.1 Compliance with Laws**"\l 2}. Lessee shall not use the Building Land or permit anything to be done in or about the Building Land which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and obtain all permits, licenses or other approvals required by governmental agencies or bodies. Lessee shall further comply with the requirements of any board or fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Building Land.

12.2 Compliance with Agreements{tc "**12.2 Compliance with Agreements**"\l 2}. Lessee shall comply with all insurance policies and applicable agreements to which Lessee is a party or by which it is bound, now or hereafter in effect, and all agreements of which Lessee has notice and which are now in effect and applicable to the Building Land.

13. Waiver Limitations{tc "13. Waiver Limitations"\l}.

13.1 Waiver Limitations{tc "**13.1 Waiver Limitations**"\l 2}. The waiver by either party of any term, covenant or condition herein contained on the part of the other party to be performed shall not be deemed a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Building Ground Lease, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

14. Notices{tc "14. Notices"\l}.

14.1 Addresses{tc "**14.1 Addresses**"\l 2}. All notices, requests, demands, instructions or other documents to be given hereunder to any party shall be in writing and shall either be personally delivered to the party at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery) or delivered by mail, sent by registered or certified mail, return receipt requested, as follows:

If to Lessor:
King County
Property Services Division
500 King County Administration Building
500 Fourth Avenue
Seattle, WA 98104
Facsimile: (206) 205-5070

If to Lessee:
Goat Hill Properties
c/o National Development Council
1425 Fourth Avenue, Suite 608
Seattle, WA 98101
Facsimile: (206) 448-5246

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of the same in any United States Mail post office box in the state to which the notice is addressed or seventy-two (72) hours after deposit in any such post office box other than the state to which the notice is addressed, postage prepaid, addressed as set forth above. For the purpose of this Section, addresses for notice may be changed by giving written notice of such change in the manner herein provided for giving notice.

15. Assignment and Subleasing{tc "15. Assignment and Subleasing"\l}.

15.1 Subleasing{tc "**15.1 Subleasing**"\l 2}. Lessor and Lessee intend that Lessee shall enter into the Project Lease with Lessor. Any other proposed subleases of the Building Land shall be subject to the review and approval of Lessor.

15.2 Assignment{tc "**15.2 Assignment**"\l 2}. Except for the assignment to the Trustee to secure the Bonds for the Project, Lessee shall not assign, mortgage, or encumber this Building Ground Lease or delegate the duties of Lessee under this Building Ground Lease

without the prior written consent of Lessor. A consent to one assignment shall not be deemed to be a consent by Lessor to any subsequent assignment by another person. This Building Ground Lease shall not, nor shall any interest of Lessee herein, be assignable by operation of law, without prior written consent of Lessor.

16. Miscellaneous{tc "16. Miscellaneous"\l}.

16.1 Time of Essence{tc "**16.1 Time of Essence**"\l 2}. Time is of the essence in regard to performance of the covenants and agreements stated herein.

16.2 No Joint Venture or Agency{tc "**16.2 No Joint Venture or Agency**"\l 2}. Nothing contained in this Building Ground Lease nor any of the acts of the parties hereto shall be construed nor is it the intent of the parties, to create a joint venture or partnership between Lessor and Lessee, nor is either party the agent or representative of the other, and nothing in this Building Ground Lease shall be construed to create any such agency relationship or to hold either party liable to anyone for goods delivered or services performed at the request of the other party.

16.3 Amendments{tc "**16.3 Amendments**"\l 2}. No change in or addition to or waiver or termination of this Building Ground Lease any part hereof, shall be valid unless made in writing and signed by or on behalf of the party charged therewith. Lessor and Lessee agree to negotiate in good faith any amendments to this Building Ground Lease that may be requested or required in connection with the issuance of the Bonds to finance the Project.

16.4 Governing Law{tc "**16.4 Governing Law**"\l 2}. This Building Ground Lease shall be construed in accordance with and governed by the laws of the State of Washington.

16.5 Headings{tc "**16.5 Headings**"\l 2}. The article, section and paragraph headings herein contained are for the purposes of identification and reference convenience only and shall not be considered in construing this Building Ground Lease.

16.6 Successors and Assigns{tc "**16.6 Successors and Assigns**"\l 2}. Subject to the provisions hereof restricting the sublease or assignment by Lessee, all the terms and provisions of this Lease shall be binding upon and to the benefit of and be enforceable by the parties and the successors and assigns of the parties.

16.7 No Merger{tc "**16.7 No Merger**"\l 2}. In no event shall the leasehold interest of Lessee hereunder merge with any estate of Lessor in or to the Building Land or the leasehold interest of Lessor under the Project Lease. In the event that Lessor acquires the leasehold interest of Lessee, such leasehold interest shall not merge with Lessor's fee interest in the Building Land or the leasehold interest of Lessor under the Project Lease, and this Building Ground Lease and the Project Lease shall remain in full force and effect.

16.8 Counterparts; Recording of Memorandum{tc "**16.8 Counterparts; Recording of Memorandum**"\l 2}. This Building Ground Lease may be executed in several counterparts, each of which shall be deemed an original for all purposes. Either Lessor or Lessee shall have the right to record a memorandum of this Building Ground

Lease in a form comparable to that provided in the Project Lease and the parties shall cooperate in execution of such memorandum.

16.9 Schedule of Exhibits{tc "**16.9 Schedule of Exhibits**"\l 2}. This Building Ground Lease includes the following exhibits attached hereto and incorporated herein by this reference.

EXHIBIT A Building Land Legal Description

IN WITNESS WHEREOF, Lessor and Lessee have executed this Building Ground Lease as of the date set forth in the first paragraph of this Building Ground Lease to evidence their agreement to the terms of this Building Ground Lease.

DATED the date first above written.

LESSOR:

KING COUNTY,
a political subdivision of the
State of Washington

APPROVED AS TO FORM:

By_____
Name: _____
Title: _____
Date: _____

By_____
Name: _____
Title: _____
Date: _____

LESSEE:

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

By_____
Name: John Finke
Title: Vice President
Date: _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [he/she] signed this instrument, on oath stated that [he/she] was authorized to execute the instrument and acknowledged it as the _____ of **KING COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that John Finke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of **GOAT HILL PROPERTIES**, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

EXHIBIT A

BUILDING LAND LEGAL DESCRIPTION

Lots 2, 3, 6 and 7 in Block 37 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

APN: 094200-1105-03

15043

BUILDING GROUND LEASE AGREEMENT

between

KING COUNTY,
a political subdivision of the State of Washington

as Lessor

and

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

as Lessee

_____, 2004

King County Office Building Project
Seattle, Washington

15043

TABLE OF CONTENTS

Page

1. The Demise 1
   - 1.1 Demise 1
   - 1.2 Use of the Building Land 2
   - 1.3 Access and Utilities 2
   - 1.4 Construction Activity 2
2. Term 2
   - 2.1 Commencement 2
   - 2.2 Duration 2
3. Rent 2
4. Development of Project 2
   - 4.1 Construction 2
   - 4.2 Ownership of Improvements 3
5. Taxes and Utilities 3
   - 5.1 Lessee's Responsibility 3
   - 5.2 Lessor's Responsibility 3
   - 5.3 Lessor's Taxes 3
6. Condition of the Building Land 3
   - 6.1 Condition of the Building Land 3
   - 6.2 Lessor's Right to Inspect 3
7. Liens; Security Interest 3
   - 7.1 Lessee's Duty 3
8. Indemnity and Insurance 4
   - 8.1 Indemnity 4
   - 8.2 Property Insurance 4
   - 8.3 Waiver of Subrogation 4
   - 8.4 Minimum Scope of Insurance Coverage for Landlord 4
9. Eminent Domain 5
   - 9.1 Award 5
10. Events of Default by Lessee and Lessor's Remedies 5
   - 10.1 Events of Default 5
   - 10.2 Remedies Upon Lessee's Default 6
   - 10.3 Cumulative Rights and Remedies 6
   - 10.4 No Waiver 6
   - 10.5 Attorneys' Fees 6

11. Quiet Enjoyment 7

11.1 Lessee's Occupation of the Building Land 7

12. Lessee to Comply with Applicable Laws and Agreements 7

12.1 Compliance with Laws 7
12.2 Compliance with Agreements 7

13. Waiver Limitations 7

13.1 Waiver Limitations 7

14. Notices 8

14.1 Addresses 8

15. Assignment and Subleasing 8

15.1 Subleasing 8
15.2 Assignment 8

16. Miscellaneous 8

16.1 Time of Essence 8
16.2 No Joint Venture or Agency 9
16.3 Amendments 9
16.4 Governing Law 9
16.5 Headings 9
16.6 Successors and Assigns 9
16.7 No Merger 9
16.8 Counterparts; Recording of Memorandum 9
16.9 Schedule of Exhibits 9

EXHIBIT A Legal Description

ATTACHMENT C

PROJECT LEASE AGREEMENT

15043

between

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

as Landlord

and

KING COUNTY,
a political subdivision of the State of Washington

as Tenant

_____, 2004

King County Office Building Project
Seattle, Washington

TABLE OF CONTENTS

Page

1. Definitions 2

1.1. ADA 2
1.2. Additional Rent 2
1.3. Architect 2
1.4. Base Shell and Core Building 2
1.5. Bond Closing 2
1.6. Bond Insurer 2
1.7. Bonds 2
1.8. Building 2
1.9. Building Ground Lease 3
1.10. Building Land 3
1.11. Calendar Year 3
1.12. Code 3
1.13. Commencement Date 3
1.14. Construction Contracts 3
1.15. Construction Documents 3
1.16. Construction Drawings 3
1.17. Contract Documents 3
1.18. Contractors 3
1.19. Detailed Specifications 4
1.20. Developer 4
1.21. Developer Obligation Date 4
1.22. Development Agreement 4
1.23. Effective Date 4
1.24. Environmental Laws 4
1.25. Event(s) of Default 4
1.26. Expiration Date 5
1.27. Final Acceptance 5
1.28. Final Payment 6
1.29. Fixed Price 6
1.30. Garage 6
1.31. Garage Ground Lease 6
1.32. Land 6
1.33. General Construction Contract 6
1.34. General Contractor 6
1.35. Hazardous Substance 6
1.36. Indenture 6
1.37. Interior Architect 6
1.38. Land 6
1.39. Landlord 6
1.40. Laws 7

1.41. Lease Year 7
1.42. Liens 7
1.43. Monthly Rent 7
1.44. Mortgage 7
1.45. Notice Address 7
1.46. Notice Parties 7
1.47. Operating Costs 7
1.48. Permitted Use 7
1.49. Preliminary Plans and Outline Specifications 7
1.50. Premises 7
1.51. Project 7
1.52. Project Budget 8
1.53. Project Contingency 8
1.54. Project Costs 8
1.55. Project Requirements 9
1.56. Project Schedule 9
1.57. Punch List 9
1.58. Rent 9
1.59. Requirements of Law 9
1.60. State Nonprofit Corporation Act 9
1.61. Substantial Completion of the Garage 9
1.62. Substantial Completion of the Project 10
1.63. Substantially Complete 11
1.64. Taxes 11
1.65. Tenant 11
1.66. Tenant Improvement Allowance 12
1.67. Tenant Improvements 12
1.68. Tenant's Construction Representative 12
1.69. Tenant's Contingency 12
1.70. Tenant's Personal Property 12
1.71. Term 12
1.72. Trustee 12
1.73. Unavoidable Delays 12
1.74. Utilities 13

2. Premises 13

3. Term 13

4. Monthly Rent 13

4.1 Obligation to Pay Rent 13
4.2 Proration of Rent 13
4.3 Rent a General Obligation 13
4.4 Defeasance 14

5. Additional Rent; Payment of Operating Costs, Taxes and Utilities 14

5.1 Absolute Net Lease 14

5.2 Operating Costs 14
5.3 Exclusions from Operating Costs 16
5.4 Payment of Taxes by Tenant 17
5.5 Real Property Tax Statements 17
5.6 Right to Contest Taxes 17
5.7 Payment of Operating Costs 18
5.8 Warranties 18

6. Utilities 18

7. Use 18

7.1 No Insurance Cancellation 18
7.2 Compliance with Laws 19
7.3 No Waste, Nuisance or Damage 19
7.4 Tax Covenants 19

8. Liens 20

8.1 Covenant Against Liens 20
8.2 Covenant to Remove Liens 20
8.3 Tenant's Disclaimer 20

9. Construction of Project 21

9.1 Development Agreement 21
9.2 Schedule for Design and Construction 21
9.3 Plans and Specifications 22
9.4 Tenant's Contingency; Public Art 23
9.5 Tenant Improvement Allowance 24
9.6 Dispute Resolution Process 25
9.7 Permits; Costs; Compliance with Legal Requirements 25
9.8 Construction Contracts 26
9.9 Construction of Project 26
9.10 Payment of Project Costs and Other Costs Associated with the Project 26
9.11 Savings 27
9.12 Substantial Completion of Project 27
9.13 Final Acceptance 27
9.14 As-Built Plans and Specifications; Manuals; Warranties; Permits and Licenses; and Survey 27
9.15 Enforcement of Warranties 27
9.16 Inspection by Tenant 27
9.17 Unavoidable Delays 28
9.18 Termination of Lease 28
9.19 No Amendment of Documents 28

10. Maintenance and Modification 28

10.1 Maintenance and Repair 28
10.2 Management of Premises; Accounting 29
10.3 Landlord's Remedies 30

10.4 Modifications, Alterations and Additions 30

11. Landlord Financing of Project 30

12. Construction Liens 31

13. Indemnity and Hold Harmless 31

14. Minimum Scope of Insurance Coverage for Landlord 32

14.1 Landlord's Coverages 32
14.2 Deductibles and Self-Insured Retentions 32
14.3 Other Insurance Provisions 32

15. Minimum Scope of Insurance Coverage for Tenant 33

15.1 General Liability 33
15.2 Self-Insurance by Tenant 33
15.3 Workers' Compensation 33

16. Property Insurance 34

16.1 Coverage for Premises 34
16.2 Coverage for Tenant's Personal Property 34

17. Waiver of Subrogation 34

18. Other Insurance Matters 34

18.1 Insurance Requirements 34
18.2 Insurance Prior to the Commencement Date of This Lease 35

19. Destruction 35

20. Condemnation 35

20.1 Total Condemnation 35
20.2 Partial Condemnation 36

21. Assignment of Project; Subletting 36

22. Default by Tenant 36

22.1 Payment 36
22.2 Other Failure to Perform 36
22.3 Late Charges; Interest on Past Due Monthly Rent 37
22.4 Remedies for Tenant Default 37

23. Default by Landlord 37

24. Signs 37

25. Landlord's Right to Enter the Premises 38

25.1 Condition 38

25.2 Notices 38

26. No Encumbrances by Landlord 38

27. Right to Estoppel Certificates 38

28. Limitation on Landlord's Liability 38

29. Attorneys' Fees 39

30. Surrender 39

31. Broker 39

32. Miscellaneous Provisions 39

32.1 Entire Agreement 39
32.2 Governing Law 39
32.3 Severability 39
32.4 Jurisdiction 39
32.5 Waiver 39
32.6 Captions 40
32.7 Notices 40
32.8 Binding Effect 40
32.9 Gender and Number 41
32.10 Nondiscrimination 41
32.11 Recording; Memorandum of Lease 41
32.12 Amendment of Lease; Bond Insurer Consent 41
32.13 Time Is of the Essence 41

33. Prevailing Wage 41

34. Authority 41

35. Options to Prepay Lease and Purchase Premises 42

35.1 Option to Purchase 42
35.2 Exercise of Option 42
35.3 Conveyance of Premises 42
35.4 Option to Partially Prepay Lease 42

Exhibits:

Exhibit A	Monthly Rent
Exhibit B	Schedule of Preliminary Plans and Outline Specifications
Exhibit C	Project Schedule
Exhibit D	Land
Exhibit E	Confirmation of Commencement and Expiration Dates
Exhibit F	Memorandum of Lease
Exhibit G	Dispute Resolution Procedure
Exhibit H	Tenant Improvement Schedule
Exhibit I	Form of Notice of Election of Option to Purchase
Exhibit J	Form of Notice of Election to Partially Prepay Monthly Rent
Exhibit K	Minimum Insurance Requirements for Developer
Exhibit L	Minimum Insurance Requirements for General Contractor

ATTACHMENT C

PROJECT
LEASE AGREEMENT

This Project Lease Agreement ("Lease") is dated for reference purposes _____, 2004 and is made by and between **GOAT HILL PROPERTIES**, a Washington nonprofit corporation ("Landlord"), and **KING COUNTY**, a political subdivision of the State of Washington ("Tenant"). Landlord and Tenant agree as follows:

RECITALS

A. Landlord is the lessee under that certain Garage Ground Lease dated _____, 2004 ("Garage Ground Lease"), with Tenant as lessor, pursuant to which Landlord leases that certain real property located in the City of Seattle, King County, Washington ("Garage Land") more specifically described therein.

B. Landlord is also the lessee under that certain Building Ground Lease dated _____, 2004 ("Building Ground Lease"), with Tenant as lessor, pursuant to which Landlord leases that certain real property located in the City of Seattle, King County, Washington ("Building Land") more specifically described therein.

C. Tenant desires to have Landlord construct on the Garage Land an eight-story parking structure containing approximately 829 parking stalls ("Garage"). Tenant also desires to have Landlord construct on the Building Land a first-class office building to serve as government offices for Tenant containing approximately 250,000 to 300,000 square feet of rentable area ("Building"). The Building will include a parking garage which will contain approximately 92 parking spaces. Design and construction of the Garage and the Building are together referred to herein as the "Project."

D. Landlord and Tenant desire to enter into this Lease whereby Tenant shall lease and, upon substantial completion, first occupy the Garage premises and then, upon its subsequent completion, the Building premises at the rent and subject to all of the terms, covenants and conditions set forth herein. This Lease requires that Landlord will cause Wright Runstad Associates Limited Partnership as Developer to design, develop, construct and complete the Project. This Lease provides for Tenant to commence payment of Additional Rent for the Garage Premises upon Substantial Completion of the Garage and to commence payment of both Additional Rent and Monthly Rent for both the Garage and the Building upon Substantial Completion of the Project.

E. Landlord intends to engage Developer to develop, oversee and manage the design, permitting and construction phases of the Project in accordance with the terms and conditions of a Development Agreement for a Fixed Price of $89,711.000. Subject to the terms and conditions

thereof, Developer will provide a financial warranty that the Project will be completed for the Fixed Price.

F. Landlord intends to pay the Fixed Price with the proceeds of tax-exempt obligations which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings.

AGREEMENT

1. Definitions{tc "1. Definitions"\l}. As used in this Lease, the following capitalized terms shall have the following meanings:

1.1. "ADA"{tc "1.1. ADA"\l 2} means the Americans With Disabilities Act of 1990, as amended from time to time.

1.2. "Additional Rent"{tc "1.2. Additional Rent"\l 2} means the Operating Costs, Taxes, and Utilities, each as defined herein, the costs of maintenance and repair of the Premises (as provided in Section 10.1 hereof), and any other monetary sum to be paid by Tenant to Landlord or to third parties under the provisions of this Lease (other than Monthly Rent).

1.3. "Architect"{tc "1.3. Architect"\l 2} means Zimmer Gunsul Frasca, the architect for the Project selected by Landlord with Tenant's approval.

1.4. "Base Shell and Core Building"{tc "1.4. Base Shell and Core Building"\l 2} means the Building to be constructed on the Building Land, exclusive of the Tenant Improvements. The Base Shell and Core Building is more particularly described in the Preliminary Plans and Outline Specifications.

1.5. "Bond Closing"{tc "1.5. Bond Closing"\l 2} refers to the date the Bond proceeds are available to the Trustee.

1.6. "Bond Insurer"{tc "1.6. Bond Insurer"\l 2} means an insurance company which issues a municipal bond insurance policy at the request of Landlord in connection with the issuance of the Bonds, if any. If no Bond Insurer is selected to insure the Bonds, references to the Bond Insurer hereunder shall be deemed to be deleted.

1.7. "Bonds"{tc "1.7. Bonds"\l 2} means those tax-exempt obligations to be issued by Landlord which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings, from the proceeds of which Landlord intends to pay, among other things, the Fixed Price.

1.8. "Building"{tc "1.8. Building"\l 2} means the first-class office building to serve as government offices for Tenant containing approximately 250,000 to 300,000 square feet of rentable area. The Building is more particularly described in the Preliminary Plans and Outline Specifications.

1.9. "Building Ground Lease"{tc "1.9. Building Ground Lease"\l 2} means the long-term ground lease entered into, or to be entered into, by Goat Hill Properties as tenant and King County as landlord for the Building Land.

1.10. "Building Land"{tc "1.10. Building Land"\l 2} means the real property located in the City of Seattle, King County, Washington, more particularly described in the Building Ground Lease.

1.11. "Calendar Year"{tc "1.11. Calendar Year"\l 2} means a calendar year commencing with January 1 and ending with December 31.

1.12. "Code"{tc "1.12. Code"\l 2} means the Internal Revenue Code of 1986, as amended, or any successor federal income tax statute or code. Any reference to a provision of the Code shall include the applicable Department of Treasury regulations.

1.13. "Commencement Date"{tc "1.13. Commencement Date"\l 2} means the date of Substantial Completion of the Project, which is also the date upon which Tenant's obligation to pay Monthly Rent hereunder commences.

1.14. "Construction Contracts"{tc "1.14. Construction Contracts"\l 2} means (i) the General Construction Contract and (ii) all other contracts for construction services entered into between Landlord, or Developer, on behalf of and acting as agent for Landlord, and any Contractor, including the General Contractor, for construction of Tenant Improvements or any other portion of the Project not covered by the General Construction Contract.

1.15. "Construction Documents"{tc "1.15. Construction Documents"\l 2} mean the Construction Drawings and Detailed Specifications approved by Landlord with input from Tenant pursuant to Section 9.3 below, for the construction of the Project, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Project and providing information customarily required for the use of the building trades.

1.16. "Construction Drawings"{tc "1.16. Construction Drawings"\l 2} means drawings setting forth in detail the requirements for the construction of the Project. As used herein, "Construction Drawings" include all graphic and pictorial documents depicting the design, location and dimensions of the elements of the Project (including Tenant Improvements) and include plans, elevations, sections, details, schedules and diagrams for the Project. Construction Drawings may consist of separate Construction Drawings for (i) the Garage and the Base Shell and Core Building prepared by the Architect and (ii) the Tenant Improvements prepared by the Interior Architect.

1.17. "Contract Documents"{tc "1.17. Contract Documents"\l 2} means the Construction Documents, the Construction Contracts and the other documents identified as Contract Documents in the General Construction Contract.

1.18. "Contractors" {tc "1.18. Contractors"\l 2} means the General Contractor and any other construction contractors with whom Landlord enters into direct

contracts upon the written recommendation of Developer, or with whom Developer on behalf of and acting as the Landlord's agent, contracts for the Project.

1.19. "Detailed Specifications"{tc "1.19. Detailed Specifications"\l 2} means all written detailed requirements for materials, equipment, construction systems, standards and workmanship for the construction of the Project.

1.20. "Developer"{tc "1.20. Developer"\l 2} means Wright Runstad Associates Limited Partnership, a Washington limited partnership, and its successors and permitted assigns under the Development Agreement.

1.21. "Developer Obligation Date"{tc "1.21. Developer Obligation Date"\l 2} for the Project means the date thirty (30) months after Bond Closing. The Developer Obligation Date shall be extended to the extent of (i) Unavoidable Delays; provided, however, that extensions due to Unavoidable Delays shall not exceed ninety (90) days; (ii) Owner-Caused Delays as defined in the Development Agreement directly resulting from the action or failure to act of Tenant such as delays due to Tenant-initiated change proposals); and (iii) delays incurred as a result of the presence of any Hazardous Substances in, on or emanating from the Garage Land or the Building Land as of the Effective Date in excess of the time specifically provided in the approved Project Schedule for remediation of any such Hazardous Substances.

1.22. "Development Agreement"{tc "1.22. Development Agreement"\l 2} means that certain Development Agreement of even date herewith, as amended from time to time, between Developer and Landlord which provides for the development, design, permitting and construction of the Project.

1.23. "Effective Date"{tc "1.23. Effective Date"\l 2} means the date that this Lease is fully executed, acknowledged and delivered by Landlord and Tenant and (i) with respect to the Garage Land, the date Landlord's right to possession of the Garage Land is effective pursuant to the Garage Ground Lease and (ii) with respect to the Building Land, the date Landlord's right to possession of the Building Land is effective pursuant to the Building Ground Lease.

1.24. "Environmental Laws"{tc "1.24. Environmental Laws"\l 2} means, as amended from time to time, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 *et seq.*, Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.*, Federal Hazardous Materials Transportation Control Act, 42 U.S.C. § 1801 *et seq.*, Federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, Federal Water Pollution Control Act, Federal Water Act of 1977, 93 U.S.C. § 1251 *et seq.*, Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. § 136 *et seq.*, Federal Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, Federal Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*, Washington Water Pollution Control Act, RCW ch. 90.48, Washington Clean Air Act, RCW ch. 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW ch. 70.95, Washington Hazardous Waste Management Act, RCW ch. 70.105, Washington Hazardous Waste Fees Act, RCW ch. 70.95E, Washington Model Toxics Control Act, RCW ch. 70.105D, Washington Nuclear Energy and Radiation Act,

RCW ch. 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW ch. 70.99, Washington Underground Petroleum Storage Tanks Act, RCW ch. 70.148.

1.25. "Event(s) of Default"{tc "1.25. Event(s) of Default"\l 2} has the meaning set forth in Section 22 of this Lease.

1.26. "Expiration Date"{tc "1.26. Expiration Date"\l 2} means December 31, 2039 (unless sooner terminated pursuant to this Lease).

1.27. "Final Acceptance"{tc "1.27. Final Acceptance"\l 2} means that the following events have occurred with respect to the Project prior to Final Payment being made:

(a) The City of Seattle, Washington has issued all temporary certificates of occupancy for the Project.

(b) Each Contractor shall have issued its "Certificate of Substantial Completion" together with its "Affidavit of Payment of Debts and Claims" (AIA Forms 706 and 706A), together with final waivers and releases of lien, in form satisfactory to Landlord, from such materialmen, laborers, contractors and subcontractors as Landlord may require.

(c) All Punch List items have been completed to the reasonable satisfaction of Landlord with Tenant's concurrence for the Project.

(d) Developer shall have submitted its application for Final Payment together with evidence reasonably satisfactory to Landlord that all construction costs for the Project have been paid in full including evidence of full payment for any personal property installed on the Land as part of the Project Costs.

(e) The period for filing construction liens for the Project has expired or releases or discharges of construction liens have been obtained by Developer from all Contractors in accordance with all Construction Contracts.

(f) Architect shall have issued its "Certificate of Final Completion" for the Project and Landlord shall have received the certificate of any other architect or engineer requested by Landlord.

(g) General Contractor shall have issued a certificate that (i) the Project has been finally completed in substantial accordance with the Contract Documents, and (ii) no Hazardous Substances as defined in said certificate were incorporated into the structure of the Project.

(h) Developer shall have delivered to Landlord a written report showing the allocation of Project Costs among the categories of the Project Budget and the remaining specified dollar amount of the Tenant's Contingency, Project Contingency and the undisbursed portion of the Developer's Fee (as defined in the Development Agreement).

(i) Landlord shall have received an endorsement to its title policy dated as of and issued on the date of Final Acceptance, which shall insure Landlord and Trustee (i) against any liens for labor or materials, whether or not of record, which may have arisen in connection with the construction of the Project, and (ii) show no additional exceptions to the title policy other than those approved by or arising through Landlord.

(j) Developer shall have completed and delivered the matters set forth in Section 14 of the Development Agreement.

1.28. "Final Payment"{tc "1.28. Final Payment"\l 2} means payment to the Developer, General Contractor and any other Contractors by Landlord following Final Acceptance of the Project.

1.29. "Fixed Price"{tc "1.29. Fixed Price"\l 2} means $89,711,000, the total amount to be paid by Landlord for the design, development, permitting and construction of the Project, and is the price to be paid by Landlord for Project Costs. The Fixed Price includes the amount of the Tenant Improvement Allowance. A detailed description of Project Costs by line item and category is set forth in the Project Budget.

1.30. "Garage"{tc "1.30. Garage"\l 2} means the eight-story parking structure containing approximately 829 parking stalls to be constructed on the Garage Land, including any applicable Tenant Improvements. The Garage is more particularly described in the Preliminary Plans and Outline Specifications.

1.31. "Garage Ground Lease"{Tc "1.31. Garage Ground Lease"\l 2} means the long-term ground lease for the Garage site entered into, or to be entered into, by Goat Hill Properties as the tenant and King County as landlord for the Garage Land described on the attached **EXHIBIT D**.

1.32. "Garage Land"{tc "1.32. Land"\l 2} means the land on which the Garage is located, as more particularly described in **EXHIBIT D** attached hereto and by this reference incorporated herein. Following the Commencement Date, the legal description of the Garage Land may be reconfigured pursuant to Section 1.5 of the Garage Ground Lease, which revised legal description will be reflected in an amendment to this Lease executed by Landlord and Tenant.

1.33. "General Construction Contract"{tc "1.33. General Construction Contract"\l 2} means the agreement between Landlord and the General Contractor for construction of the Project.

1.34. "General Contractor"{tc "1.34. General Contractor"\l 2} means Turner Construction Company, the general contractor for the Project selected by Landlord with Tenant's approval.

1.35. "Hazardous Substance"{tc "1.35. Hazardous Substance"\l 2} means any material, waste, substance, industrial waste, toxic waste, chemical contaminant, petroleum, asbestos, polychlorinated biphenyls, radioactive materials, or other substances regulated or classified by Environmental Laws as hazardous, toxic or lethal to persons or property.

1.36. "Indenture"{tc "1.36. Indenture"\l 2} means the trust indenture pursuant to which Landlord will cause the issuance of the Bonds, a copy of which shall be provided to Tenant by Landlord at Bond Closing.

1.37. "Interior Architect"{tc "1.37. Interior Architect"\l 2} means Zimmer Gunsul Frasca, the interior architect for the Project selected by Landlord with Tenant's approval.

1.38. "Land"{tc "1.38. Land"\l 2} means both the Garage Land and the Building Land.

1.39. "Landlord"{tc "1.39. Landlord"\l 2} means Goat Hill Properties, a Washington nonprofit corporation, its successors and permitted assigns.

1.40. "Laws"{tc "1.40. Laws"\l 2} means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of this Lease or at any time during the Term, including without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities) and all rules, laws and regulations issued thereunder, as the same may be amended from time to time.

1.41. "Lease Year"{tc "1.41. Lease Year"\l 2} means each succeeding year of the Term, commencing with the Commencement Date and ending with the date which is one (1) day less than one (1) year later.

1.42. "Liens"{tc "1.42. Liens"\l 2} means any lien, charge, security interest or encumbrance, except the Indenture and the Mortgage, which may be attached to, upon or against the Premises or any portion thereof.

1.43. "Monthly Rent"{tc "1.43. Monthly Rent"\l 2} means the rent payable by Tenant under this Lease from the Commencement Date to and including the Expiration Date in the amounts for each Lease Year as set forth on the Schedule of Monthly Rent annexed hereto as **EXHIBIT A** and by this reference incorporated herein.

1.44. "Mortgage"{tc "1.44.Mortgage"\l 2} means the (a) Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing; (b) Assignment of Leases and Cash Collateral; (c) applicable Uniform Commercial Code financing statements; and (d) other security documents executed by Landlord in connection with or to secure the Bonds.

1.45. "Notice Address"{tc "1.45. Notice Address"\l 2} means, as to each of the Notice Parties, its respective address as specified in or pursuant to Section 32.7 of this Lease.

1.46. "Notice Parties"{tc "1.46. Notice Parties"\l 2} means each of Landlord, Tenant, Trustee and Bond Insurer.

1.47. "Operating Costs"{tc "1.47. Operating Costs"\l 2} has the meaning given to it in Section 5 of this Lease.

1.48. "Permitted Use"{tc "1.48. Permitted Use"\l 2} has the meaning given to it in Section 7 of this Lease.

1.49. "Preliminary Plans and Outline Specifications"{tc "1.49. Preliminary Plans and Outline Specifications"\l 2} are the initial renditions for the Garage and the Base Shell and Core Building pursuant to site plan approvals issued with respect to the Project by the City of Seattle, a schedule of which plans and specifications is attached hereto as **EXHIBIT B** and incorporated herein by this reference.

1.50. "Premises"{tc "1.50. Premises"\l 2} means the entirety of the Garage to be constructed on the Garage Land and the Building to be constructed on the Building Land together with a leasehold interest in the Garage Land pursuant to the Garage Ground Lease and a leasehold interest in the Building Land pursuant to the Building Ground Lease.

1.51. "Project"{tc "1.51. Project"\l 2} means the total design and construction, including demolition of existing improvements on the Garage Land and the Building Land, all professional design services, and all labor, materials and equipment used or incorporated in such design and construction of (i) the Garage to be constructed on the Garage Land and (ii) the Building to be constructed on the Building Land. The Project shall include work which is consistent with and reasonably inferable from the approved Project Requirements as being necessary to produce the intended results and may include the acquisition of certain light, view or other easements or property interests benefiting the Project not included in the Project Requirements to the extent that the cost thereof is paid from the Tenant's Contingency.

1.52. "Project Budget"{tc "1.52. Project Budget"\l 2} means the budget for development of the Project as revised from time to time by Developer and Landlord, in accordance with the Development Agreement.

1.53. "Project Contingency"{tc "1.53. Project Contingency"\l 2} means the contingency by that name set forth in the Project Budget. The amounts of the various line items of the Project Budget are estimates only of the Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Project Budget exceed the amount shown for such line item, Developer shall first allocate amounts in other line items, in which the actual known Project Costs will be less than the amount of the Project Budget, to the line item in which the excess Project Cost has been incurred. Following the allocation by Developer as set forth in the preceding sentence with respect to all line items, Developer is entitled to draw upon the Project Contingency for such excess Project Costs.

1.54. "Project Costs"{tc "1.54. Project Costs"\l 2} means all costs for the completion of the development, design, permitting and construction of the Project, including, without limitation, all demolition costs, all permit fees, all costs of the Garage, Base Shell and Core Building, HVAC, electrical and other building systems, all costs of Tenant Improvements, all costs of fixtures, furnishing and equipment described in the Construction Documents, all costs of architectural services provided by the Architect, all costs of services provided by the Interior

Architect with respect to the Tenant Improvements, all other professional design and other services provided by Contractors or other professionals engaged by Developer or General Contractor, all amounts paid to General Contractor under the General Construction Contracts including all labor, material, and equipment used or incorporated in such design and construction, all amounts paid to other Contractors and subcontractors, if any, under any other Construction Contract or subcontract entered into by Landlord upon the written approval of Developer or by Developer on behalf of and acting as the Landlord's agent in connection with the Project, including all labor, material, equipment used or incorporated in such design and construction, services provided by engineers, environmental consultants, surveyors and other professionals and consultants retained by Developer in connection with the Project, Developer's Overhead Allowance and Developer's Fee (each as defined in the Development Agreement), insurance (other than Bond insurance), bonds (other than the Bonds), applicable state and local retail sales, business and occupation and other taxes (including real property taxes and assessments accruing from commencement of construction to Substantial Completion of the Project), plus the Project Contingency; excluding only (a) Tenant's Personal Property and any taxes thereon (which shall be paid by Tenant at its sole cost and expense), (b) financing costs in connection with the issuance of the Bonds, (c) costs for art or similar enhancements that are not included in the Project Requirements and not paid from the Tenant's Contingency; (d) costs of acquiring certain light, view or other easements or property interests benefiting the Project that are not included in the Project Requirements and are not paid from the Tenant's Contingency; (e) costs of removing or remediating any Hazardous Substances in, on or emanating from the Garage Land or the Building Land in excess of the amount specifically set forth in the Project Budget for Environmental Remediation (as defined in the Development Agreement); (f) to the extent not reflected in the Preliminary Plans and Outline Specifications, costs of any off-site improvements required as a condition to or in connection with the development or construction of the Project; (g) notwithstanding the above, real property taxes and assessments, utilities and other operating costs attributable to the Garage accruing after Substantial Completion of the Garage; and (g) Costs Not To Be Reimbursed (as defined in the Development Agreement).

1.55. "Project Requirements"{tc "1.55. Project Requirements"\l 2} means the Preliminary Plans and Outline Specifications and other requirements for the Project specifically agreed to by Landlord and Developer.

1.56. "Project Schedule"{tc "1.56. Project Schedule"\l 2} means the schedule for development and construction of the Project as revised from time to time by Developer and Landlord in accordance with the Development Agreement; provided, however, that in no event shall the Project Schedule provide for Substantial Completion of the Project to occur later than thirty (30) months after Bond Closing without the concurrence of Tenant. The initial Project Schedule is set forth in **EXHIBIT C** attached hereto and by this reference incorporated herein.

1.57. "Punch List"{tc "1.57. Punch List"\l 2} means a list of items required to be completed prior to Final Acceptance that are minor items which do not affect Landlord's ability to lease the Premises to Tenant and do not affect Tenant's ability to use the Premises for their Permitted Use.

1.58. "Rent"{tc "1.58. Rent"\l 2} means the sum of Monthly Rent and Additional Rent, each as defined herein.

1.59. "Requirements of Law"{tc "1.59. Requirements of Law"\l 2} means all requirements relating to land and building construction (including those specifically applicable to Tenant's contemplated use of the Premises as a government office building), including, without limitation, planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, accessibility, and other governmental approvals, permits, licenses and/or certificates as may be necessary from time to time to comply with all the foregoing and other applicable statutes, rules, orders, regulations, laws, ordinances, and covenants, conditions and restrictions, which now apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Land, the Premises or any part thereof.

1.60. "State Nonprofit Corporation Act"{tc "1.60. State Nonprofit Corporation Act"\l 2} means the Washington Nonprofit Corporation Act, Chapter 24.03 RCW, as amended from time to time.

1.61. "Substantial Completion of the Garage"{tc "1.61.Substantial Completion of the Garage"\l 2} means that each of the following events shall have occurred with respect to the Garage:

(a) Developer shall have notified Landlord in writing that the Garage, including all Tenant Improvements are Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items;

(b) Architect shall have issued its "Certificate of Substantial Completion" (AIA Document G704) stating that the work under the Construction Contracts is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Garage portion of the Premises for its Permitted Use;

(c) The City of Seattle has issued a temporary certificate of occupancy such that Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Garage portion of the Premises for its Permitted Use;

(d) Landlord has received satisfactory evidence from Developer that all real property taxes and assessments on the Garage payable by Developer that were due and owing have been paid;

(e) Each Contractor shall have issued its "Certificate of Substantial Completion" together with its "Affidavit of Payment of Debts and Claims" (AIA Forms 706 and 706A), together with partial waivers and releases of lien for work performed prior to the date of its "Certificate of Substantial Completion" in form satisfactory to Landlord, with Tenant's concurrence, from such materialmen, laborers, contractors and subcontractors as Landlord, with Tenant's concurrence, may require; and

(f) Landlord, with Tenant's concurrence, shall have accepted the Garage as Substantially Complete, subject to completion of the Punch List items agreed upon by Landlord, with Tenant's concurrence.

1.62. "Substantial Completion of the Project"{tc "1.62. Substantial Completion of the Project"\l 2} means that each of the following events shall have occurred with respect to the Project:

(a) Developer shall have notified Landlord in writing that the Project, including all Tenant Improvements are Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items;

(b) Architect shall have issued its "Certificate of Substantial Completion" (AIA Document G704) stating that the work under the Construction Contracts is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Premises for its Permitted Use;

(c) The City of Seattle has issued a temporary certificate of occupancy such that Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Premises for its Permitted Use;

(d) Landlord has received satisfactory evidence from Developer that all real property taxes and assessments on the Project payable by Developer that were due and owing have been paid;

(e) Each Contractor shall have issued its "Certificate of Substantial Completion" together with its "Affidavit of Payment of Debts and Claims" (AIA Forms 706 and 706A), together with partial waivers and releases of lien for work performed prior to the date of its "Certificate of Substantial Completion" in form satisfactory to Landlord, with Tenant's concurrence, from such materialmen, laborers, contractors and subcontractors as Landlord, with Tenant's concurrence, may require; and

(f) Landlord, with Tenant's concurrence, shall have accepted the Project as Substantially Complete, subject to completion of the Punch List items agreed upon by Landlord, with Tenant's concurrence.

1.63. "Substantially Complete"{tc "1.63. Substantially Complete"\l 2} means that the Garage or Project, as applicable, has been constructed in substantial accordance with the Contract Documents and: (a) all elements required for the functioning of the Garage or Project, as applicable, shall be operational and in good working order and condition including satisfying applicable ADA building requirements and the Washington State Law Against Discrimination, RCW ch. 49.60, as well as regulations adopted thereunder; (b) the Garage or Project, as applicable, shall be weather tight and waterproof; (c) the fire and life safety systems within the Garage or Project, as applicable, shall be operational and in good working order and condition; (d) the elevators shall operate and function in good working order and condition, but may still require touch up installation and cleaning; (e) the mechanical and electrical systems, including the HVAC system, shall be individually tested and in good working order able to support the Garage or Project, as applicable, and shall also be tested to assure that the Garage or Project, as applicable, systems operate on an integrated basis, but the HVAC system may still require final balancing work; (f) the finish work is substantially completed, including, but not limited to public lobby, elevator, HVAC, plumbing, fire and life safety, sprinkler and electrical systems,

doors, partitions, cabinetry, carpet and base, including removal of all construction debris; (g) all site utilities, sidewalks and landscaping are substantially completed and construction barricades and equipment have been removed; (h) the parking garage, including parking garage elevators and lobbies, and all entrances and exits thereto are completed; and (i) the access and security systems for the Garage or Project, as applicable, are installed and operational, except in each case minor Punch List items which do not materially affect use and occupancy of the Garage or Project, as applicable, for its Permitted Use.

1.64. "Taxes"{tc "1.64. Taxes"\l 2} means all real property taxes and assessments (including assessments for special improvements), license and permit fees, charges for public utilities, leasehold excise taxes, other excise taxes, levies, sales, use and occupancy taxes, any tax or charge assessed against the Rent or fair market value of the Premises and any taxes levied or assessed in addition to or in lieu of, in whole or in part, such taxes, assessments or other charges and all other governmental impositions and charges of every kind and nature, general and special, ordinary and extraordinary, foreseen and unforeseen of every character (including interest and penalties thereon) which at any time from and after the Commencement Date of this Lease may be imposed, levied upon or assessed against or which arise with respect to or constitute a lien upon the Land, the Premises (or any part thereof), the leasehold estate created by this Lease or any part thereof, or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Premises or any part thereof. Taxes shall not include any tax computed on the basis of Landlord's net income.

1.65. "Tenant"{tc "1.65. Tenant"\l 2} means King County, a political subdivision of the State of Washington, and its successors and permitted assigns, as the tenant under this Lease.

1.66. "Tenant Improvement Allowance"{tc "1.66. Tenant Improvement Allowance"\l 2} means, within the Fixed Price, an allowance of $14,926,000 to cover the design and construction costs of the Tenant Improvements.

1.67. "Tenant Improvements"{tc "1.67. Tenant Improvements"\l 2} means any improvements to the interior of the Project beyond the Garage and the Base Shell and Core Building, including data wiring, all of which are more specifically described in the Construction Documents.

1.68. "Tenant's Construction Representative"{tc "1.68. Tenant's Construction Representative"\l 2} means the _____ of King County's Property Services Division or such designee as may be named in a notice from Tenant to Landlord given from time to time.

1.69. "Tenant's Contingency"{tc "1.69. Tenant's Contingency"\l 2} means the contingency in the amount of $1,500,000 which may be used to cover any changes in the Project resulting from any material improvements or deviation required by Tenant from the design or level of quality reflected in the Preliminary Plans and Outline Specifications as set forth in Section 9.4 below or for Tenant Improvements requested by Tenant which exceed the Tenant Improvement Allowance.

1.70. "Tenant's Personal Property"{tc "1.70. Tenant's Personal Property"\l 2} means Tenant's furniture, equipment and movable property placed in the Premises by the Tenant and any property installed in or about the Premises by Tenant; provided, however, that fixtures, furnishing and equipment described in the Construction Documents as being part of the Project are not deemed to be part of Tenant's Personal Property. Tenant shall provide Tenant's Personal Property at Tenant's sole cost and expense.

1.71. "Term"{tc "1.71. Term"\l 2} means the period beginning on the Effective Date and ending on the Expiration Date.

1.72. "Trustee"{tc "1.72. Trustee"\l 2} means a national bank or other financial institution with trust powers selected by Landlord to serve as the bond trustee under the Indenture or any duly authorized successor thereto appointed pursuant to the Indenture.

1.73. "Unavoidable Delays"{tc "1.73. Unavoidable Delays"\l 2} means any delay in the performance by Developer or General Contractor of its obligations with respect to construction of the Project caused by strikes (other than those directly caused by Developer's acts, omissions or failures to bargain in good faith), acts of God, unusually inclement weather, unavoidable casualties and similar causes which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Project, other than such delays resulting from (a) Developer's or General Contractor's failure to comply with the terms and provision of the Development Agreement or the General Construction Contract, (b) increased prices, or (c) unavailability of funds, provided the Fixed Price is paid in accordance with the Development Agreement. Unavoidable Delays will entitle Developer to request an extension of time within which to complete the Project but will in no way entitle Developer to additional compensation. In the event of any Unusually Severe Weather Conditions (as defined in the Development Agreement), the length of Unavoidable Delay to become effective under this Lease as a result of such condition shall be the period of time (not less than one day) by which Developer's progress in constructing the Project has reasonably been delayed as a result of such Unusually Severe Weather Conditions, all as more specifically set forth in the Development Agreement.

1.74. "Utilities"{tc "1.74. Utilities"\l 2} means all utilities and services furnished to the Premises, including without limitation, gas, electricity, water, sewer, garbage collection, and telephone service.

2. Premises{tc "2. Premises"\l}. Landlord leases to Tenant and Tenant leases from Landlord the Premises for the Term. Tenant shall not, however, be entitled to occupy (i) the Garage portion of the Premises until the date of Substantial Completion of the Garage and (ii) the Building portion of the Premises until the date of Substantial Completion of the Project.

3. Term{tc "3. Term"\l}. The Term shall commence on the Effective Date and shall expire on the Expiration Date; provided, however, that the obligation of the Tenant to pay Monthly Rent shall not commence until the Commencement Date. Landlord and Tenant shall confirm the Commencement and Expiration Dates by executing within fifteen (15) days after the Commencement Date, a written Confirmation of Commencement and Expiration Dates in the form attached hereto as **EXHIBIT E**, which Confirmation of Commencement and Expiration Dates shall become a part of this Lease and be binding upon Landlord and Tenant to establish the

actual Commencement Date and Expiration Date of the Term. Notwithstanding that the obligation of Tenant to pay Monthly Rent under this Lease shall not commence until the Commencement Date, all of the other terms and provisions of this Lease shall be effective from and after the Effective Date (except as otherwise provided herein).

4. Monthly Rent{tc "4. Monthly Rent"\l}.

4.1 Obligation to Pay Rent.{tc "4.1 Obligation to Pay Rent"\l 2} Commencing on the Commencement Date, Tenant shall pay to Landlord or as Landlord may otherwise direct in writing and without deduction, offset, prior notice or demand, in advance on the first day of each month during the Term an amount equal to Monthly Rent; provided, however, that the first payment of Monthly Rent shall also include an amount in arrears for the prorated Monthly Rent due and owing from the Commencement Date through and including the last day of the month preceding such first payment date; and provided further, that Tenant may elect to offset against its obligation to pay Monthly Rent amounts in the Debt Service Account held by Trustee under the Indenture that are available to pay the principal of or interest on the Bonds, to the extent permitted under the Indenture. Tenant acknowledges that time is of the essence in payment of Monthly Rent since Landlord intends to use Monthly Rent to make principal and interest payments on the Bonds.

4.2 Proration of Rent.{tc "4.2 Proration of Rent"\l 2} Monthly Rent for any partial month shall be prorated on a daily basis at the rate of 1/30th of the Monthly Rent. All Monthly Rent shall be paid to Landlord at Landlord's Notice Address or as otherwise directed in writing by Landlord.

4.3 Rent a General Obligation.{tc "4.3 Rent a General Obligation"\l 2} Tenant's obligation to pay Rent constitutes a limited tax general obligation of the Tenant. Tenant irrevocably covenants and agrees that it will include in its annual budget and levy taxes annually on all taxable property within King County, within and as a part of the tax levy permitted to Tenant without a vote of the electors, amounts sufficient, together with all other money legally available and to be used therefor, to pay Rent as the same shall become due. The full faith, credit and resources of Tenant are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such Rent.

4.4 Defeasance.{tc "4.4 Defeasance"\l 2} In the event that money and/or "Government Obligations," as such obligations are now or may hereafter be defined in Chapter 39.53 RCW, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to pay or prepay all Monthly Rent and to pay any Additional Rent then due under this Lease in accordance with the terms of this Lease, are irrevocably set aside and pledged in a special account created pursuant to Section 10.02 of the Indenture to effect such payment or prepayment and defeasance of the Bonds, then upon such pledge, this Lease shall automatically terminate, no further payments need be made of any Monthly Rent under this Lease and Landlord shall not be entitled to any lien, benefit or security in the Premises, except the right to receive the funds so set aside and pledged, and Landlord shall have no further obligation to Tenant hereunder. Landlord shall apply such prepaid Rent to the defeasance or redemption of Bonds in accordance with the Indenture.

5. Additional Rent; Payment of Operating Costs, Taxes and Utilities{tc "5. Additional Rent; Payment of Operating Costs, Taxes and Utilities"\l}.

5.1 Absolute Net Lease{tc "5.1 Absolute Net Lease"\l 2}. Tenant acknowledges that this Lease is an absolute net lease. From and after the date of Substantial Completion of the Garage with respect to the Garage portion of the Premises and from and after the Commencement Date with respect to the entire Premises, Tenant shall, for such portion of the Premises, (i) provide for and pay costs of maintenance and operation in accordance with Section 10.1 hereof, (ii) pay Taxes, (iii) pay Utilities, and (iv) reimburse Landlord for all Operating Costs. Prior to the date of Substantial Completion of the Garage with respect to the Garage portion of the Premises and the Commencement Date with respect to the Building portion of the Premises, all Operating Costs, if any, Taxes and Utilities relating to such portion of the Premises shall be paid by Developer or Landlord pursuant to the provisions of the Development Agreement.

5.2 Operating Costs{tc "5.2 Operating Costs"\l 2}. In accordance with Section 5.7 hereof, Tenant shall pay as Additional Rent amounts sufficient to reimburse Landlord for all Operating Costs incurred by Landlord and identified in this Section 5.2. All other costs of operating and maintaining the Premises shall be paid directly by Tenant pursuant to Section 10.1 hereof. Operating Costs means any and all costs and expenses directly related to ownership and operation of the Premises and invoiced by Landlord from and after the date of Substantial Completion of the Garage with respect to the Garage portion of the Premises and the Commencement Date with respect to the Building portion of the Premises in connection with:

(a) the repair, replacement, operation, and maintenance of the Premises, including, without limitation, interior and exterior maintenance, all exterior doors and windows, elevators, sidewalks, driveways, interior perimeter and interior partition walls and finishes (including periodic painting thereof), exterior wall finishes, broken glass in exterior and interior doors and windows, roof, floor covering, window frames, gutters and downspouts, HVAC system, landscaping and all other areas used in connection with the Premises, excluding, those costs described in Section 5.3(h)-(i);

(b) the asset management fee paid Landlord pursuant to Section 10.2(c);

(c) the property management fees, if any, paid to the entity or entities managing the Premises under property management contracts entered into pursuant to Section 10.2(a) of this Lease;

(d) the auditing fees incurred by Landlord in connection with the preparation of the financial statements required under Section 10.2(b) of this Lease;

(e) if Tenant requests that Landlord hire an operator of the parking operations within the Premises, any expenses, fees, and charges paid to such operator of the parking operations within the Premises, provided that such fees are competitive with then current market rates and that any parking management contract complies with Revenue Procedure 97-13 or any successor revenue procedure issued by the Internal Revenue Service governing

management, operation, or other service contracts in connection with the issuance of tax exempt obligations;

(f) all costs of services furnished by or through Landlord, if any, in connection with the Premises, including janitorial, security, gardening, landscaping, and related costs and expenses, licenses, permits, and inspection fees, the cost of supplies, materials, equipment, and tools used in connection with the maintenance, operation, or repair of the Premises and all other reasonable, necessary and customary costs and expenses directly related to the operation, maintenance, and repair of the Premises (provided, however, that if, with the prior written approval of Tenant or upon Tenant's material uncured default hereunder or a default by Tenant under a property management agreement executed for the Premises, Landlord contracts with any non-governmental and non-public entity for property management services or other services relating to the Premises, Landlord shall be required to obtain such services at rates generally competitive in the marketplace);

(g) any damage to the Premises (but not to Tenant's Personal Property) caused by breaking and entering or other criminal act and not covered by insurance;

(h) all costs of compliance with governmental laws or the board of fire underwriters (or similar organization) now or hereafter constituted as applicable to the Premises;

(i) all insurance premiums for insurance required to be carried under this Lease (including loss of rent insurance);

(j) all costs resulting from Owner-Caused Delay (as described in the Development Agreement) and all other additional costs and liabilities that Landlord may incur under the Development Agreement as a result of decisions, determinations, change orders, or other actions or omissions made by Tenant, but excluding any such costs (i) paid from the Tenant's Contingency or (ii) incurred as a result of Landlord's negligence, Landlord's intentional misconduct, or Landlord's direct breach of provisions of the Development Agreement;

(k) all attorneys' fees and other costs incurred by Landlord in efforts to enforce the provisions of the Development Agreement and/or the General Construction Contracts, to remove construction Liens from the Premises, or to enforce product or workmanship warranties given by Developer, General Contractor, or other Contractors or suppliers of equipment or materials (unless Tenant desires that Landlord instead assign such warranties to Tenant in accordance with Section 5.8 hereof), but only to the extent that such costs have not been paid from the Owner Contingency or reimbursed by or recovered from Developer or General Contractor;

(l) Trustee's fees for the Bonds, any rebate payable with respect to the Bonds, costs payable in connection with any defeasance or prepayment of Monthly Rent and any defeasance or redemption of the Bonds;

(m) the commercially reasonable cost to retain Developer or any other qualified contractor to assist in the commissioning of the Garage and the Building during the two years following the Substantial Completion of the Project; and

(n) all other costs reasonably incurred by Landlord in connection with the ownership, leasing (under this Lease), maintenance, and upkeep of the Premises in order to: (i) prevent any dangerous or unsafe condition on the Premises that could result in liability to Landlord or its officers, employees, directors, or other agents, or (ii) comply fully with and to avoid or to cure any default under the Indenture, Mortgage, and other documents relating to the Bonds and all Requirements of Law; provided, however, that prior to incurring any such costs, Landlord shall (except for costs advanced under emergency circumstances to protect the Premises from immediate risk of danger or destruction) have given Tenant and/or the property manager under any property management agreement reasonable notice (i.e., the lesser of 30 days or such shorter period as is permitted under the Indenture, Mortgage, or other Bond documents to avoid an imminent default or to cure a default for which notice has already been given) of Landlord's intention to take such action to remove such dangerous condition or to achieve such compliance with the Bond documents and shall have given Tenant the first opportunity to take such curative action, prior to Landlord taking such action itself.

Notwithstanding the foregoing list of Operating Costs, which Landlord may incur from time to time, as described in this Section 5.2, and which Tenant shall pay as Additional Rent, the listing of such items as Operating Costs is not intended to suggest that Landlord has a duty to maintain or repair the Premises or to take any other actions that Landlord is not expressly obligated to undertake under other provisions of this Lease.

5.3 Exclusions from Operating Costs{tc "5.3 Exclusions from Operating Costs"\l 2}. Operating Costs shall exclude:

(a) costs of the Project;

(b) costs arising from Landlord's political or charitable contributions;

(c) fines, penalties and interest penalties incurred as a result of Landlord's negligence or unwillingness to make payments when due or take such other actions as may be required;

(d) legal fees, accountant's fees and other expenses incurred in connection with (a) disputes with Tenant or associated with the interpretation of the terms of this Lease (unless Tenant is otherwise required to pay such fees and expenses pursuant to Section 29 of this Lease); or (b) legal proceedings arising out of Landlord's violation of the terms of this Lease;

(e) costs of any service provided to Tenant for which Landlord is reimbursed, or any other expense for which Landlord is or will be reimbursed by another source (i.e., expenses covered by insurance or warranties);

(f) fees to Landlord for goods or services in excess of the fees that would typically be charged by unrelated, independent persons or entities for similar goods and services;

(g) Taxes and Utilities paid by the Tenant directly to the applicable government authority or utility provider pursuant to the provisions of Section 5.4 and Section 6 of this Lease;

(h) repairs or replacements made to rectify or correct any latent defect(s) in the original design, materials or workmanship of the Project, as originally constructed, to the extent of and in the amount that the cost of such repairs or replacements are paid to Landlord (i) from the Owner Contingency or (ii) by reimbursement or other recovery from Developer, General Contractor, any other Contractor, or any other party who may be obligated to Landlord to pay or reimburse for such repairs, including, but not limited to, warranty claims; and

(i) repairs or replacements necessitated by the negligence or willful misconduct of Landlord, Landlord's employees, contractors or agents.

5.4 Payment of Taxes by Tenant{tc "5.4 Payment of Taxes by Tenant"\l 2}. Tenant shall be liable only for Taxes that accrue from and after the date of Substantial Completion of the Garage with respect to the Garage portion of the Premises and the Commencement Date with respect to the Building portion of the Premises. Tenant shall pay all Taxes directly to the applicable governmental agency prior to delinquency and shall provide proof of such payment promptly to Landlord and Trustee. To the extent Taxes or other charges can be paid in installments, Tenant may pay such Taxes in installments. With respect to any general or special assessments which may be levied against or upon the Premises, or which under the Laws then in force may be evidenced by improvement or other bonds or may be paid in annual installments, only the amount of such annual installment, and interest due thereon, shall be included within the computation of Taxes.

5.5 Real Property Tax Statements{tc "5.5 Real Property Tax Statements"\l 2}. Tenant shall make appropriate arrangements to receive directly from the applicable governmental agency assessment notices and real property tax statements for the current year and Tenant shall provide a copy thereof promptly to Landlord and Trustee.

5.6 Right to Contest Taxes{tc "5.6 Right to Contest Taxes"\l 2}. If Landlord receives prior notice that an appraisal of the Premises, or any portion thereof, will be conducted for real property tax purposes, Landlord shall so notify Tenant and permit Tenant to be present during such appraisal if Tenant so elects. Tenant shall have the right in Landlord's name and stead, and at Tenant's sole expense, to contest the validity or amount of any real property taxes provided all such taxes are paid when and as due. Landlord shall cooperate with Tenant and provide reasonable assistance with respect to any such contest, including, without limitation, such information and supporting documents as may be reasonably requested by Tenant. Notwithstanding any provision of this Lease to the contrary, Tenant shall not be required, nor shall Landlord have the right, to pay, discharge or remove any such real property tax so long as no Event of Default has occurred and Tenant is contesting the existence, amount, applicability or validity thereof by appropriate proceedings conducted in good faith with due diligence. In the event Landlord shall obtain a tax refund as a result of any such tax appeal or other proceedings Tenant shall be entitled to, and Landlord shall promptly pay to Tenant, all such tax refunds.

5.7 Payment of Operating Costs{tc "5.7 Payment of Operating Costs"\l 2}. From and after the date of Substantial Completion of the Garage with respect to the Garage portion of the Premises and the Commencement Date with respect to the Building portion of the Premises, Tenant shall in accordance with Section 5.2, reimburse Landlord for all Operating Costs within thirty (30) days of receiving an invoice therefor from Landlord. If Tenant fails to pay Taxes or Utilities, Landlord may advance funds to pay such items and demand reimbursement from Tenant within ten (10) days of making such advance.

5.8 Warranties{tc "5.8 Warranties"\l 2}. During the Term of this Lease, Landlord shall exert its good faith and diligent efforts to enforce any and all applicable warranties, express or implied, in connection with defects which may arise in the original design, materials or workmanship of the Premises as originally constructed. At Tenant's request, Landlord shall assign to Tenant any warranty right held by Landlord with respect to the original design, materials or workmanship of the Premises, as originally constructed.

6. Utilities{tc "6. Utilities"\l}. From and after the Substantial Completion of the Garage with respect to the Garage portion of the Premises and the Commencement Date with respect to the Building portion of the Premises, Tenant shall be solely responsible for and shall pay separately for all charges for Utilities used or consumed in such portions of the Premises. It is understood that Landlord shall not be required to provide any Utilities to Tenant, and Tenant shall make any necessary arrangements to have all such Utilities billed directly to and paid for directly by Tenant.

7. Use{tc "7. Use"\l}. Tenant intends to use the Premises for a parking garage (as to the Garage), for government offices (as to the Building) and for other municipal purposes and may use the Premises for any other lawful use consistent with the provisions of this Section 7 (the "Permitted Use"). The aggregate square footage of leasable space in the Premises that is subleased by Tenant to private persons shall not be more than 10% of the rentable square footage without the prior written consent of the Bond Insurer; provided, however, that Landlord, Bond Insurer, Trustee and Tenant receive an opinion of nationally recognized bond counsel that any such sublease will not adversely affect the tax-exempt status of interest payable on the Bonds. Tenant has determined to its satisfaction that the Premises can be used for the Permitted Use. Tenant's use of the Premises shall be in accordance with the following:

7.1 No Insurance Cancellation{tc "7.1 No Insurance Cancellation"\l 2}. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance covering the Premises.

7.2 Compliance with Laws{tc "7.2 Compliance with Laws"\l 2}. From and after the Commencement Date of this Lease, or such earlier date as Tenant occupies the Premises or any portion thereof, Tenant shall comply with all Laws concerning the Premises and Tenant's use of the Premises, including without limitation, Environmental Laws. Tenant shall not use the Premises for the transportation, storage or generation of any Hazardous Substances in violation of Environmental Laws. From and after the Commencement Date of this Lease or such earlier date as Tenant occupies the Premises, and to the extent permitted by law, Tenant shall absolutely and unconditionally indemnify, defend and hold Landlord harmless from and against any and all debts, demands, obligations, liens, judgments, claims, liabilities, losses, damages,

cleanup costs and expenses (including reasonable attorneys' fees) now or hereafter arising in connection with the presence, transportation, storage, disposal or handling of Hazardous Substances located in, on or about the Premises or Land caused by or resulting from the actions of Tenant, its agents or employees after the Commencement Date of this Lease or such earlier date as Tenant occupies the Premises, excluding (a) any Hazardous Substances present on the Land or the Premises prior to the Commencement Date of this Lease or which migrates onto the Land from property not owned by Tenant through no act or omission of Tenant; (b) any such debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from the actions or omissions of Landlord, Developer, General Contractor and their respective agents, employees, contractors, subcontractors or invitees; or (c) any debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense as a result of Landlord's violation of any contractual obligation under this Lease, the Indenture, or any other document executed by Landlord in connection with a Mortgage incurred in connection with Section 11 of this Lease. This indemnification shall survive the Expiration Date of this Lease.

7.3 No Waste, Nuisance or Damage{tc "7.3 No Waste, Nuisance or Damage"\l 2}. Tenant shall not use the Premises in any manner that will constitute waste of the Premises or nuisance and Tenant shall not do anything on the Premises that will cause damage to the Premises.

7.4 Tax Covenants{tc "7.4 Tax Covenants"\l 2}. At all times from and after the Effective Date, Landlord (a) shall maintain its purposes and engage only in activities which are in furtherance of its purposes and which are permitted by the State Nonprofit Corporation Act; (b) will maintain its status as a nonprofit corporation under the State Nonprofit Corporation Act and as an organization described in Section 501(c)(3) of the Code whose income does not inure to the benefit of any private person; (c) shall not encumber, pledge, hypothecate or grant a security interest in all or any part of the Premises (except for the Indenture and the Mortgage which comply with the provisions of Section 11 of this Lease) or except as consented to by Tenant and Bond Insurer in writing; (d) shall not engage in any activities related to the Premises or the Mortgage (except those specifically set forth in Sections 9 and 11 of this Lease) which would cause the transaction contemplated under this Lease to constitute an unrelated trade or business determined by applying Section 513(a) of the Code; and (e) will not take any action or omit to take any action which, if taken or omitted, would adversely affect the tax-exempt status of interest payable on the Bonds. At all times during the term of this Lease, Landlord shall not assign its rights under this Lease (except to Trustee pursuant to the Indenture and the Mortgage) without the prior written consent of Tenant and Bond Insurer and the opinion of nationally recognized bond counsel to the effect that such assignment will not adversely affect the tax-exempt status of interest payable on the Bonds. At all times from and after the Effective Date of this Lease, Tenant covenants that it will not take any action or omit to take any action which, if taken or omitted, would adversely affect the tax-exempt status of interest payable on the Bonds.

8. Liens{tc "8. Liens"\l}.

8.1 Covenant Against Liens{tc "8.1 Covenant Against Liens"\l 2}. Except for the Indenture and the Mortgage incurred by Landlord in compliance with the provisions of Sections 9 and 11 of this Lease to secure the Bonds, Landlord covenants and agrees

that it shall not during the Term of this Lease suffer or permit any Liens to be attached to, upon or against the Premises, or any portion thereof or any Rent payable under this Lease for any reason, including without limitation, Liens arising out of the possession, use, occupancy, acquisition, construction, repair, or rebuilding of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Landlord. Tenant acknowledges that Landlord shall cause Developer to keep the Premises free and clear of all construction liens resulting from the initial construction of the Project (including the right to contest same by appropriate proceedings conducted in good faith with due diligence) under the terms of the Development Agreement prior to the Commencement Date of this Lease. If Developer shall fail to do so, Landlord shall protect, defend, indemnify and hold Tenant harmless against any such liens. Landlord agrees to indemnify, protect, defend and hold Tenant harmless from and against all liabilities, losses, damages, expenses and costs (including reasonable attorneys' fees and costs) incurred in connection with any such Lien. Landlord's obligations pursuant to this Section 8.1 shall survive the Expiration Date of this Lease. Tenant covenants and agrees that, from and after the Commencement Date, it shall not during the Term of this Lease suffer or permit any Liens to be attached to, upon or against the Premises, or any portion thereof or its leasehold interest in the Premises for any reason, including without limitation, Liens arising out of the possession, use, occupancy, acquisition, maintenance, operation, repair, or rebuilding of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Tenant.

8.2 Covenant to Remove Liens{tc "8.2 Covenant to Remove Liens"\l 2}. Landlord will promptly, and in all events within thirty (30) days following the attachment of same, remove and discharge any and all Liens which attach to, upon or against the Premises or any portion thereof, or any leasehold interest of Tenant created under this Lease (other than liens or encumbrances arising through the actions of Tenant). Landlord reserves the right to contest the validity or amount of any such Lien in good faith provided that, within thirty (30) days after the filing of such Lien, Landlord discharges said Lien of record or records a bond which complies with the requirements of RCW 60.04.161 eliminating said Lien as an encumbrance against the Premises. In the event Landlord shall fail to so remove any such Lien, Tenant may take such action as Tenant shall reasonably determine to remove such Lien and all costs and expenses incurred by Tenant including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs shall be paid by Landlord to Tenant together with interest thereon at the rate of twelve percent (12%) interest per annum from the date advanced until paid. Landlord's obligations pursuant to this Section 8.2 shall survive the Expiration Date of this Lease and, unless properly incurred under other provisions of this Lease, the costs of such obligations shall not be included as Operating Costs hereunder.

8.3 Tenant's Disclaimer{tc "8.3 Tenant's Disclaimer"\l 2}. Notwithstanding the consent or request of Tenant, express or implied, for the performance of any labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, repair or demolition of or to the Premises (or any part thereof), NOTICE IS HEREBY GIVEN THAT TENANT WILL NOT BE LIABLE FOR ANY LABOR, SERVICES, MATERIALS OR EQUIPMENT FURNISHED OR TO BE FURNISHED TO LANDLORD, DEVELOPER OR ANYONE HOLDING AN INTEREST IN THE PREMISES (OR ANY PART THEREOF) THROUGH OR UNDER LANDLORD OR DEVELOPER, AND THAT NO CONSTRUCTION OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES, MATERIALS OR EQUIPMENT

SHALL ATTACH TO OR AFFECT THE INTEREST OF TENANT IN THE PREMISES. Nothing in this Section 8.3 shall relieve Tenant of its obligations to pay rent hereunder.

9. Construction of Project{tc "9. Construction of Project"\l}. Tenant would not have entered into this Lease but for the agreement by Landlord to undertake, at Landlord's sole cost and expense, the Project, including without limitation (i) the obtaining of financing for the Project, (ii) the acquisition of a leasehold interest in the Garage Land by way of the Garage Ground Lease, (iii) the acquisition of a leasehold interest in the Building Land by way of the Building Ground Lease, and (iv) the construction and equipping of the Premises for use by Tenant primarily as government offices and a parking garage. It is of critical importance to Tenant that the construction of the Project on the Land be completed in a timely manner, within the Project Budget and thereafter professionally managed by Landlord. Accordingly, Landlord shall diligently cause the Project to be designed, constructed and prosecuted to completion in a good and workmanlike manner and in accordance with the provisions of this Section 9, free and clear of all Liens and otherwise in accordance with the requirements of this Lease. In order to assure timely communications between Landlord and Tenant during the construction process, any notice to Tenant requiring or permitting a response by Tenant shall specify the outside date by which Tenant's response must be received to be effective.

9.1 Development Agreement{tc "9.1 Development Agreement" \l 2}. To meet the requirements of this Lease for completion of the Project, Landlord shall, simultaneously with the execution of this Lease by the parties, enter into the Development Agreement with Developer. As part of the Development Agreement. Landlord shall cause Developer to procure and maintain, at a minimum, for the duration of the Development Agreement, insurance as more particularly described in the attached **EXHIBIT K**, against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of work pursuant to the Development Agreement by Developer, its agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by Developer or its subcontractors.

9.2 Schedule for Design and Construction{tc "9.2 Schedule for Design and Construction"\l 2}. Landlord and Tenant acknowledge and agree that the dates set forth in the initial Project Schedule attached hereto as **EXHIBIT C** and by this reference incorporated herein, and as revised from time to time in accordance with the terms of the Development Agreement, shall serve as target dates for achieving the matters set forth therein. In order to ensure to the greatest extent practicable that the Project is designed, permitted and completed on or before the dates set forth in the Project Schedule, Landlord and Tenant shall each proceed with all necessary due diligence and in good faith to complete such matters as require action or approval on the part of Tenant and Landlord. Landlord shall, following consultation with Tenant, promptly and diligently respond to all questions and concerns raised by Developer or by the Architect, Interior Architect, Contractors, engineers or other consultants.

(a) Notices from Developer to Landlord. To ensure that Tenant is fully apprised of decisions required of Landlord pursuant to the Development Agreement, Landlord shall require Developer to simultaneously provide to Tenant and Bond Insurer a copy of all notices, plans and specifications, change orders, Project Applications for Payment, progress reports, invoices, cash flow reports, documents or other agreements required to be

delivered by Developer to Landlord under the Development Agreement and Landlord shall also simultaneously provide to Tenant and Bond Insurer a copy of all notices, plans and specifications, change orders, invoices, cash flow reports, documents or other agreements required to be delivered by Landlord to Developer under the Development Agreement. In addition, Tenant and Bond Insurer shall have the right, but not the obligation, to attend all meetings, including without limitation, design meetings with Developer, Architect, Interior Architect and all other design professionals as appropriate in the course of development of all Construction Documents.

(b) Notices by Tenant to Landlord and Developer. To ensure that Developer is fully apprised of Tenant's position on Project decisions to be made by Landlord, Tenant shall have the right to simultaneously provide to Developer a copy of any notice Tenant issues to Landlord hereunder. Such notice shall be sent to Developer at the following address by messenger or fax:

Wright Runstad Associates Limited Partnership
Attn: Cindy Edens and H. Jon Runstad
1201 Third Avenue, Suite 2700
Seattle, WA 98101
Fax: 206-223-8791

(c) Tenant's Construction Representative. Landlord shall, and shall direct Developer to, direct all notices and submittals required to be sent to Tenant hereunder to the attention of Tenant's Construction Representative.

9.3 Plans and Specifications{tc "9.3 Plans and Specifications" \l 2}.

(a) Preliminary Plans and Outline Specifications. As of the date of this Lease, Tenant has reviewed and accepted the Project Requirements for the Project to be constructed on the Garage Land and Building Land, including the Preliminary Plans and Outline Specifications, a list of which is attached to this Lease as **EXHIBIT B**. In addition, Tenant has reviewed and accepted the Project Budget which sets forth a detailed itemization by line item and category for all Project Costs, including the Tenant Contingency, the Project Contingency, the Tenant Improvement Allowance, and Developer's fees as set forth therein.

(b) Construction Drawings and Detailed Specifications. Landlord will cause the preparation by Architect of Construction Drawings and Detailed Specifications for the Garage and Base Shell and Core Building and shall cause the preparation by Interior Architect of plans and specifications for Tenant Improvements, in each case for review and acceptance by Tenant. Landlord shall, following consultation with Tenant, cooperate in good faith with Developer to cause a completed design which meets all Requirements of Law and is consistent with all Project Requirements and the building quality reflected therein. Accordingly, as provided above, Developer will provide Tenant a copy of all submittals requiring Landlord's review and approval pursuant to the Development Agreement, as and when such submittals are provided to Landlord. Tenant shall only have the right to disapprove interim and final sets of such Construction Drawings and Detailed Specifications which (i) do not meet the Project Requirements, or (ii) do not comply with Requirements of Law, or (iii) do not comply with

previous iterations of the Construction Drawings and Detailed Specifications in all material respects, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Project. Tenant shall have the right to give notice to Landlord disapproving any such iterations of the Construction Drawings and Detailed Specifications and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. If Tenant fails to issue such notice so as to allow Landlord to make timely objection or comment, such submittals shall be deemed approved by Tenant. The final Construction Drawings and Detailed Specifications setting forth in detail the requirements for the construction of the Project which have been approved by Landlord, following consultation and concurrence by Tenant, are called the Construction Documents.

(c) ***Factory Mutual Engineering Plan Review.*** Landlord shall cause Developer to submit to Factory Mutual Engineering Association ("Factory Mutual"), for its review, plans of all elements of the Project's design and construction, when and as specified in the Development Agreement.

(d) ***Changes to Construction Documents.*** Landlord has directed that Developer provide Tenant a copy of all proposed changes in the Construction Documents requiring Landlord's review and/or approval pursuant to the Development Agreement, as and when such proposed changes are provided to Landlord. Tenant shall have the right to give notice to Landlord disapproving any such proposed change in the Construction Documents within the time period set forth in the notice of any such proposed change. If Tenant fails to issue such notice so as to allow Landlord to make timely objection or comment, any such change shall be deemed approved by Tenant. If Tenant timely disapproves any such proposed change, Tenant shall notify Landlord in writing specifying the reason for its disapproval and Landlord shall so notify Developer. Tenant shall only have the right to disapprove changes which (i) are not a consistent development of the Project Requirements in all material respects, (ii) do not meet Project Requirements, (iii) do not comply with Requirements of Law, (iv) would violate the terms of any Permits, (v) would cause the Project Schedule to be adversely impacted as a result of such proposed changes, or (vi) involve proposed changes in work or materials which would result in a material change in appearance or diminution in quality of the Project. Disputes regarding a proposed change in the Construction Documents shall be subject to the dispute resolution process set forth in Section 9.6 of this Lease.

9.4 Tenant's Contingency; Public Art{tc "9.4 Tenant's Contingency; Public Art"\l 2}.

(a) ***Tenant's Contingency.*** The Project Budget includes the Tenant's Contingency. During the course of the Project, Tenant may request changes in the Project but, if Tenant requires any material improvement or material deviation in the Construction Documents or the Detailed Specifications from the design or level of quality reflected in the Preliminary Plans and Outline Specifications, any resulting increase in design or construction Project Costs will be charged against the Tenant's Contingency up to its full amount. No further design changes shall be permitted unless Landlord and Tenant agree to an adjustment in Rent to compensate for any resulting increase in Project Costs. To the extent that the Construction Drawings and Detailed Specifications are consistent developments of the Preliminary Plans and Outline Specifications, the Fixed Price shall not be adjusted for any change in the Project Costs

required to construct the Project in accordance with such Construction Documents. Any portion of the Tenant's Contingency unexpended upon Final Acceptance of the Project shall be applied as provided in the Indenture.

(b) ***Public Art.*** The Project Budget includes $888,000 to provide public art consistent with the spirit and intent of King County's Public Art Program. Landlord shall coordinate with Tenant during the review and approval process for and selection of public art for the Project, which approval shall not be unreasonably withheld; provided, however, that Landlord may condition or withhold approval for the installation of any public art in the Project if it would have a material and adverse effect on the construction of the Project or on the Project Schedule. The cost of any such public art shall not be a Project Cost and shall not be included in the Fixed Price.

9.5 Tenant Improvement Allowance{tc "9.5 Tenant Improvement Allowance"\l 2}. The Fixed Price includes the Tenant Improvement Allowance of $14,926,000 for design and construction of Tenant Improvements. **EXHIBIT H** attached hereto and incorporated herein by this reference sets forth the dates for delivery of the space plans by which Landlord (i) must deliver the plans to Developer if Landlord wishes to have the Tenant Improvements for the Garage and Building bid as a part of the bidding for the Garage and Base Shell and Core Building, respectively; or (ii) must deliver the plans to avoid potentially jeopardizing the Project Schedule. If Landlord fails to meet the latter of these dates, Developer shall not be held responsible for resulting delays in achieving Substantial Completion.

(a) ***Bidding Deadline for Tenant Improvements.*** As part of the design process for the Project, final plans for the Tenant Improvements for the Garage must be completed within the applicable period set forth in Section 1 of **EXHIBIT H** if such Tenant Improvements are to be bid as a part of the bidding for the Garage. Final plans for the Tenant Improvements for the Building must be completed within the applicable period set forth in Section 1 of **EXHIBIT H** if such Tenant Improvements are to be bid as part of the bidding for the Base Shell and Core Building. (If the Tenant Improvements are not bid with the Garage and Base Shell and Core Building, as applicable, construction costs may be higher.)

(b) ***Substantial Completion Delay.*** If final plans for the Tenant Improvements are not completed within the applicable period set forth in Section 2 of **EXHIBIT H** or if final plans for the Tenant Improvements for the Building are not completed within the applicable period set forth in Section 2 of **EXHIBIT H**, and as a result thereof, Developer is unable to cause Substantial Completion of the Project on or before the Developer Obligation Date, as extended pursuant to the Development Agreement, the Development Agreement provides that Developer shall not be held responsible for resulting delays in achieving Substantial Completion. Any delay resulting from Tenant-initiated change in the Project pursuant to Section 9.3(c) above, or any delay resulting from Landlord's failure to meet the latter of these dates caused by Tenant's failure to timely provide space plans to Landlord, in order that Landlord can deliver the space plans to Developer in accordance with the Development Agreement, shall be deemed a Owner-caused delay for purposes of determining the Developer Obligation Date.

(c) ***Tenant Obligation for Delay Costs.*** If the Developer Obligation Date is extended as a result of Tenant-caused delay, Landlord will be damaged in an amount equal to Monthly Rent which would have been paid by Tenant under this Lease from and after

the Commencement Date but for such Tenant-caused delay but only after all amounts in the Capitalized Interest Account have been expended. Tenant shall pay Landlord on or before the first day of each month until the Commencement Date under this Lease an amount equal to all such Monthly Rent which would have been payable by Tenant to Landlord under this Lease but for such Tenant-caused delay as damages for such default. Accordingly, Tenant shall act promptly and diligently in responding to all submittals related to completion of final plans for the Tenant Improvements.

(d) Costs in Excess of Tenant Improvement Allowance. If the total cost of designing and constructing the Tenant Improvements is less than the Tenant Improvement Allowance, all excess funds in the Tenant Improvement Allowance shall be subject to Section 9.11 below. If the total cost of designing and constructing the Tenant Improvements desired by Tenant is greater than the Tenant Improvement Allowance, Landlord shall have no obligation to cause such Tenant Improvements to be designed and constructed unless Tenant provides any necessary funds in excess of the Tenant Improvement Allowance.

9.6 Dispute Resolution Process{tc "9.6 Dispute Resolution Process"\l 2}. Tenant and Landlord agree to follow the independent resolution process set forth in this Section 9.6 to resolve disputes regarding preparation of the Construction Drawings and Detailed Specifications and changes to Construction Documents in an economic and time efficient manner so that such documents conform to the requirements of this Lease, the Project Schedule is not adversely impacted, and the Project as constructed will satisfy the Project Requirements. In the event that a dispute arises between Tenant and Landlord during the design or construction of the Project regarding the adequacy of any Drawings or Specifications or the responsibility for any costs associated with any design development, addition or change (e.g., whether any design development is consistent with and reasonably inferable from the Project Requirements), the parties shall attempt to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the parties are unable to resolve the dispute within three (3) business days, either party may, by delivering written notice to the other and the Bond Insurer, refer the matter to a dispute resolution mediator as set forth on the attached **EXHIBIT G**.

9.7 Permits; Costs; Compliance with Legal Requirements{tc "9.7 Permits; Costs; Compliance with Legal Requirements"\l 2}. Landlord shall cause Developer to secure all Permits, licenses, permissions, consents and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Project pursuant to Requirements of Law. In addition, if final plans for the Tenant Improvements are not completed within the time periods set forth in Section 1 of **EXHIBIT H** and as a result of such delay, Developer is required to apply for an additional building permit to construct the Tenant Improvements, the cost of such permit shall be paid from the Tenant Improvement Allowance. Tenant shall join in the application for such permits or authorizations whenever such joinder is required; provided, however, Tenant shall incur no expense or liability in connection therewith. Landlord shall cause all work on the Premises during the Term to be performed in accordance with the Development Agreement and all Requirements of Law and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction over the Project and/or the Premises.

9.8 Construction Contracts{tc "9.8 Construction Contracts"\l 2}. Landlord intends to contract for the construction of the Project directly with the General Contractor and to cause Developer to serve as construction manager in connection therewith pursuant to the provisions of the Development Agreement. Prior to its execution, Landlord shall provide Tenant with a copy of the General Construction Contract with the General Contractor for Tenant's information. In addition, Tenant shall have the right to view, for its own information, all Construction Contracts and the bids submitted by potential Contractors and subcontractors.

(a) General Contractor's Insurance. By the date of the execution of the General Construction Contract between Landlord and General Contractor, Landlord shall cause the General Contractor to procure and maintain, at a minimum, for the duration of that General Construction Contract the following insurance as more particularly described in the attached **EXHIBIT L** against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of work thereunder by the General Contractor, its agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by the General Contractor or its subcontractor.

(b) No Assumption of Risk. By requiring such minimum insurance, Landlord shall not be deemed to, or construed to, have assessed the risks that may be applicable to the General Contractor in the General Construction Contract. The General Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits or broader coverage.

9.9 Construction of Project{tc "9.9 Construction of Project"\l 2}. Landlord shall use its reasonable best efforts to commence initial construction of the Project following receipt of the clearing and grading permits. Thereafter, following receipt of the building permits for the Project, Landlord shall cause construction of the Project to be diligently and continuously prosecuted. All work shall be performed in a good and workmanlike manner, shall be free of defects in the work and materials and shall be constructed and in substantial accordance with the Contract Documents, the requirements of this Lease and Requirements of Law. Landlord shall use its reasonable best efforts to cause Substantial Completion of the Project on or before twenty-five (25) months following Bond Closing.

9.10 Payment of Project Costs and Other Costs Associated with the Project{tc "9.10 Payment of Project Costs and Other Costs Associated with the Project"\l 2}. Throughout the course of construction of the Project, Developer shall submit to Landlord on a monthly basis Project Applications for Payment, as defined in, and in the manner, and with all supporting documentation described in, the Development Agreement. Pursuant to Section 9.2(a) above, Landlord shall require Developer to simultaneously provide Tenant and Bond Insurer with a copy of all such Project Applications for Payment and supporting documentation. Tenant shall have the right, but not the obligation, to give notice to Landlord objecting to any aspect of such submittals and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. If Tenant fails to give such notice so as to allow Landlord to make timely objection, Landlord shall be free to approve or to take such other action as it deems appropriate with respect to any such submittal. Any dispute with respect to Project Applications for Payment shall be subject to dispute resolution pursuant to Section 9.6 above.

9.11 Savings{tc "9.11 Savings"\l 2}. Upon Final Acceptance of the Project, Landlord shall provide Tenant and Trustee notice of the unexpended amount of the Tenant Improvement Allowance, the Tenant's Contingency, and the Project Contingency. One hundred percent of the unexpended portion of the Tenant Improvement Allowance and the Tenant's Contingency, if any, and the unexpended portion of the Project Contingency after payment to Developer of the incentive fee described in the next sentence, if any, shall be applied as provided in the Indenture. (One-third of the unexpended portion of the Project Contingency, but not exceeding $250,000 shall be paid to Developer as an incentive fee.)

9.12 Substantial Completion of Project{tc "9.12 Substantial Completion of Project"\l 2}. Substantial Completion of the Project shall have occurred when all of the events described in Section 1.62 of this Lease have occurred.

9.13 Final Acceptance{tc "9.13 Final Acceptance"\l 2}. Final Acceptance of the Project shall have occurred when all of the events set forth in Section 1.27 of this Lease have occurred.

9.14 As-Built Plans and Specifications; Manuals; Warranties; Permits and Licenses; and Survey{tc "9.14 As-Built Plans and Specifications; Manuals; Warranties; Permits and Licenses; and Survey"\l 2}. On or before Final Acceptance of the Project, Landlord shall provide Tenant with a complete and detailed set of "as-built" plans and specifications for the Project (Tenant Improvements to be provided on CAD), together with copies of all other materials received from Developer pursuant to the Development Agreement including manuals, warranties, permits and licenses and an as-built survey.

9.15 Enforcement of Warranties{tc "9.15 Enforcement of Warranties"\l 2}. Landlord shall take all actions reasonably requested by Tenant to enforce or otherwise obtain the benefit of any warranty received from Developer, the General Contractor or any other Contractors or any subcontractor thereof, or any supplier, materialman or manufacturer relating to the Project; provided, however, that Landlord shall incur no additional expense or liability in that connection. If Landlord fails to take actions reasonably requested by Tenant to enforce or otherwise obtain the benefit of any such warranty, Landlord shall, upon written notice from Tenant, assign any such warranty to Tenant for such purposes. After expiration of any applicable warranty period, Tenant acknowledges that it shall be fully responsible for the cost of the maintenance and repair of the Premises pursuant to the terms of this Lease.

9.16 Inspection by Tenant{tc "9.16 Inspection by Tenant"\l 2}. Tenant and Bond Insurer shall have the right to inspect the on-going construction of the Project and the Contract Documents upon reasonable prior notice to Landlord. In addition, Tenant shall have the right to have an independent consulting architect, engineer or other appropriate consultant inspect the Project and the Contract Documents. Landlord shall cause Developer to provide Tenant's Construction Representative and Bond Insurer with all updates of the status of the construction of the Project issued to Landlord in accordance with the Development Agreement.

9.17 Unavoidable Delays{tc "9.17 Unavoidable Delays"\l 2}. Notwithstanding the provisions of Sections 9.9, 9.12 and 9.13 above, the dates for obtaining permits, commencing construction and achieving Substantial Completion of the Project and Final

Acceptance of the Project shall be extended for Unavoidable Delays. In the event that Substantial Completion of the Project does not occur on or prior to the Developer Obligation Date, Developer shall pay to Trustee on the first day of each month an amount equal to the Monthly Rent prorated retroactively for a partial month until the earlier of Substantial Completion or termination of this Lease pursuant to Section 9.18 of this Lease. If Developer has made any payments to Trustee pursuant to the provisions of the Development Agreement, upon Final Acceptance, if there are funds remaining in the Project Fund (as defined in the Indenture) prior to final disbursement of said Project Fund (i.e., sharing of contingency funds), Developer and Landlord, with concurrence by the Tenant, shall determine and direct Trustee to pay to Developer any additional interest earnings that accrued on the undisbursed funds in the Bond Proceeds Subaccount within the Project Costs Account of the Project Fund (all as defined in the Indenture) as a direct result of such delay in excess of interest that would have accrued absent such delay.

9.18 Termination of Lease{tc "9.18 Termination of Lease"\l 2}. Upon sixty (60) days' prior written notice to Landlord and in the event that Substantial Completion of the Project has not occurred for any reason whatsoever including, but not limited to Unavoidable Delays described in Section 9.17 above by December 31, 2009, Landlord shall be in default under this Lease and Tenant shall have the right to terminate this Lease, without liability to Landlord.

9.19 No Amendment of Documents{tc "9.19 No Amendment of Documents"\l 2}. In the event Landlord desires to amend the Architect's Agreement, the General Construction Contract, any Contract Document, the Development Agreement, the Indenture, the Mortgage, or any other document, contract or agreement entered into in connection with the Project or the Bonds, Landlord shall submit a copy of such proposed amendment to Tenant. In the event Tenant notifies Landlord within five (5) business days following receipt of such proposed amendment of its objection to such proposed amendment, Landlord shall not enter into the proposed amendment unless Landlord first (i) responds to the concerns expressed by Tenant and (ii) any such amendment does not materially and adversely affect the Project.

10. Maintenance and Modification{tc "10. Maintenance and Modification"\l}.

10.1 Maintenance and Repair{tc "10.1 Maintenance and Repair"\l 2}. Except as otherwise expressly provided herein and except for warranty claims for which Developer is responsible as provided in the Development Agreement and except for damage caused by the negligent acts or omissions of Landlord, from and after the date of Substantial Completion of the Garage with respect to the Garage portion of the Premises and from and after the Commencement Date of this Lease with respect to the entire Premises, Tenant shall, at Tenant's sole cost and expense, maintain the Premises and appurtenances and every part thereof in good order, condition and repair and will take all action and will perform all interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary, maintenance and repairs required to keep all parts of the Premises in good repair and condition, subject only to ordinary wear and tear. Except as otherwise expressly provided herein and except for warranty claims which Landlord shall cause Developer to cure or remedy in accordance with the provisions of the Development Agreement, Landlord shall not be required to

pay for the cost required to maintain all or any part of the Premises in good order, condition and repair.

10.2 Management of Premises; Accounting{tc "10.2 Management of Premises; Accounting"\l 2}.

(a) ***Property Management.*** Tenant may at any time following Substantial Completion of the Garage or Project, as applicable, request that Landlord enter into a property management agreement in form and substance satisfactory to Landlord and Tenant under which the appointed property manager may assume some or all of the obligations of a property manager for all or a portion of the Premises. Landlord may also enter into a property management agreement in form and substance satisfactory to Landlord in accordance with the provisions of Section 10.3 of this Lease. Any such property management agreement shall comply with Revenue Procedure 97-13 or any successor revenue procedure issued by the Internal Revenue Service governing management, operation or other service contracts in connection with the issuance of tax-exempt obligations. The appointed property manager shall at all times operate the Premises in compliance with all Requirements of Law and in compliance with the terms and provisions of this Lease and the property management agreement. Such private property manager shall have experience managing buildings of comparable size and quality and shall be paid a management fee not in excess of the management fee customarily charged by other property managers who manage similar buildings. If a property management agreement is terminated in accordance with the provisions therein due to a material and uncured default by the property manager, Landlord shall have the ability to replace the property manager with a private professional property management company selected by Landlord and not unreasonably objected to by Tenant.

(b) ***Financial Statements.*** As soon as reasonably possible and in any event within ninety (90) days after the close of each fiscal year of Landlord, Landlord shall deliver to Tenant, Trustee, and Bond Insurer the (i) consolidated balance sheet of Landlord and the Premises as at the end of such fiscal year setting forth in comparable form the corresponding figures as at the end of the preceding fiscal year, certified as to accuracy by an officer of Landlord; (ii) statements of income, retained earnings and changes in financial position for such fiscal year of Landlord and the Premises setting forth in comparable form the corresponding figures for the previous fiscal year prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year or containing disclosure of the effect on financial position or results of operations of any change in the application of accounting principles during the year certified as to accuracy by an officer of Landlord; (iii) operating statement for the Premises for the preceding Calendar Year certified as to accuracy by an officer of Landlord; and (iv) certificate executed by an officer of Landlord certifying compliance by Landlord with the requirements of this Lease, the Mortgage, the Indenture and the Bonds. Such year-end balance sheet and income statements of the Premises shall be accompanied by an unqualified report and audit opinion of independent public accountants of recognized standing selected by Landlord and not objected to by Tenant, which report and opinion shall be in accordance with generally accepted auditing standards relating to reporting, or, if qualified, the opinion shall not be qualified due to any departure from any generally accepted accounting principles, and shall be accompanied by a statement of such accountants that in making the audit necessary for the certification of such financial statements and any such

report, such accountants have obtained no knowledge of any default under this Lease, the Mortgage, the Indenture, the Bonds or any other evidence of indebtedness or of any event which, with notice or lapse of time, or both, would constitute an event of default under this Lease, the Mortgage, the Indenture, the Bonds or any other evidence of indebtedness or, if in the opinion of such accountants any such event of default or other event shall exist, shall include a statement as to the nature and status thereof.

(c) Asset Management Fee. As compensation for its services in overseeing the management of the Premises and the preparation of financial statements, Tenant shall pay Landlord an asset management fee equal to one percent (1%) of the Monthly Rent payable under this Lease. Such asset management fee shall be paid monthly in advance at the same time and in the same manner that Monthly Rent is paid.

10.3 Landlord's Remedies{tc "10.3 Landlord's Remedies"\l 2}. Tenant shall diligently pursue all necessary or appropriate maintenance and repairs in accordance with its obligations under Section 10.1 hereof, but failure to do so shall not constitute an Event of Default. However, if, based on inspections of the Premises permitted under Section 25 hereof, Landlord becomes aware of needed maintenance or repairs, Landlord shall provide Tenant written notice of any maintenance or repair required to the Premises. Tenant shall have sixty (60) days after receipt of notice from Landlord detailing the need for maintenance or repair, to commence to perform such maintenance and repair, except that Tenant shall perform its obligations as soon as reasonably possible if the nature of the problem presents a hazard or emergency. If Tenant does not perform such maintenance and repair within the time limitations set forth in this Section 10.3, provided written notice has been given to Tenant as provided in this Section 10.3, Landlord may, with the prior written consent of Tenant, perform such maintenance and repair and shall, in that event, have the right to be reimbursed by Tenant for the sum it actually expends in the performance of such work. In connection with Landlord's exercise of default remedies under Section 22 hereof, Landlord shall have the right, but not the obligation, upon thirty (30) days' written notice to Tenant, to enter into a property management agreement in form and substance satisfactory to Landlord under which the appointed property manager shall assume all obligations of a property manager for the Premises. Any such property management agreement shall comply with the requirements of Section 10.2(a) hereof.

10.4 Modifications, Alterations and Additions{tc "10.4 Modifications, Alterations and Additions"\l 2}. From and after the Commencement Date, Tenant may, at Tenant's sole cost and expense, make modifications, alterations and additions to the Premises provided that such modifications, alterations and additions do not decrease the value of the Premises, and such modifications, alterations and additions shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable Laws and the requirements of all insurance policies required to be maintained by Tenant, without further consent from Landlord. Landlord shall, upon reasonable notice, have access to all plans and specifications relating to alterations and modifications made by Tenant to the Premises.

11. Landlord Financing of Project{tc "11. Landlord Financing of Project"\l}. Landlord shall not have the right to mortgage, pledge, encumber or assign the Premises in whole or in part except in connection with its financing of the Project through Bonds issued by Landlord pursuant to the Indenture and secured by the Mortgage in compliance with the

requirements of Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service. Copies of the Indenture and the Mortgage securing the Bonds shall be provided to and shall be approved by Tenant, which approval shall not be unreasonably withheld provided Tenant receives an opinion from nationally recognized bond counsel acceptable to Tenant that the interest on the Bonds secured by such Mortgage is exempt from taxation under the provisions of the Code and the financing proposed by the Indenture and the Mortgage is otherwise in full compliance with all requirements of the Code in connection with the issuance of tax-exempt obligations which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings. The Mortgage shall expressly provide that so long as Tenant is not in default under any of the terms, covenants or conditions of this Lease, the beneficiary under the Mortgage shall not disturb Tenant's possessory rights in the Premises in the event such beneficiary should foreclose the Mortgage.

12. Construction Liens{tc "12. Construction Liens"\l}. From and after the Commencement Date of this Lease, Tenant shall pay all costs for modifications, alterations and additions done by it or caused to be done by it on the Premises as permitted by this Lease (other than the construction of the Project) and Tenant shall keep the Premises free and clear of all construction liens resulting from modifications, alterations and additions done by or for Tenant; provided, however, Tenant shall have the right to contest the correctness or validity of any such Lien by appropriate proceedings conducted in good faith with due diligence. Within thirty (30) days following written notice from Landlord, Tenant shall discharge said Lien of record or record a bond which complies with the requirements of RCW 60.04.161 eliminating said Lien as an encumbrance against the Premises if in the reasonable exercise of Landlord's judgment the protection of the Premises or Landlord's interest therein shall require such payment. In the event Tenant shall fail to so remove any such Lien, Landlord may take such action as Landlord shall reasonably determine to remove such Lien and all costs and expenses incurred by Landlord including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs shall be paid by Tenant to Landlord. Tenant's obligations pursuant to this Section 12 shall survive the Expiration Date of this Lease.

Tenant acknowledges that Landlord shall cause Developer to keep the Premises free and clear of all construction liens resulting from the initial construction of the Project (including the right to contest same by appropriate proceedings conducted in good faith with due diligence) under the terms of the Development Agreement prior to the Commencement Date of this Lease. If Developer shall fail to do so, Landlord shall protect, defend, indemnify and hold Tenant harmless against any such liens.

13. Indemnity and Hold Harmless{tc "13. Indemnity and Hold Harmless"\l}. Landlord and Tenant mutually agree that in any and all causes of action and/or claims or third party claims arising out of or in connection with the terms, activities, use and/or operations of this Lease, including the Premises, each party shall be responsible to the other only to the extent of each other's comparative fault in causing the alleged damages or injuries.

As to any and all causes of action and/or claims or third-party claims arising from the sole fault of a party to this Lease, the indemnifying party shall have the duty to defend, save and hold the other party harmless and upon failure to do so, the indemnifying party shall pay

reasonable attorneys' fees, costs, and expenses incurred by the other party to this Lease in defense of said claims and/or actions.

Nothing contained within this Section 13 shall affect and/or alter the application of any other provision contained within this Lease.

14. Minimum Scope of Insurance Coverage for Landlord{tc "14. Minimum Scope of Insurance Coverage for Landlord"\l}.

14.1 Landlord's Coverages{tc "14.1 Landlord's Coverages" \l 2}. During the Term of this Lease, Landlord shall at a minimum maintain: Commercial General Liability insurance (Insurance Services Office form number (CG00 001), covering Commercial General Liability with a limit of not less than $1,000,000 combined single limit per occurrence; $2,000,000 aggregate. In addition, Landlord shall maintain workers' compensation coverage as required by the Industrial Insurance Act of the State of Washington, statutory limits.

14.2 Deductibles and Self-Insured Retentions{tc "14.2 Deductibles and Self-Insured Retentions" \l 2}. Any deductibles or self-insured retentions must be declared to and approved by the Tenant. The deductible and/or self-insured retention of the policies shall not limit or apply to the Tenant and shall be the sole responsibility of Landlord.

14.3 Other Insurance Provisions{tc "14.3 Other Insurance Provisions" \l 2}. The insurance policies required by this Lease are also to contain or be endorsed to contain the following provisions where applicable:

(a) Liability Policies:

(1) The Bond Insurer, the Trustee and the Tenant, 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 Landlord in connection with this Lease.

(2) Landlord's insurance coverage shall be primary insurance as respects the Bond Insurer, Trustee and Tenant, their officers, officials, employees and agents. Any insurance and/or self insurance maintained by Bond Insurer, Trustee and Tenant, their officers, officials, employees and agents shall not contribute with the Landlord's insurance or benefit Landlord in any way.

(3) Landlord'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 limits by claims paid, until after forty-five (45) days' prior written notice has been given to Landlord, Tenant, Trustee and Bond Insurer.

(c) ***Acceptability of Insurers.*** Unless otherwise approved by Tenant and Bond Insurer:

(1) Insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated by Best's with a rating in one of the two highest categories maintained by Standard & Poor's Rating Group and Moody's Investors Service.

(2) If at any time any of the foregoing policies shall fail to meet the above minimum standards Landlord shall, upon notice to that effect from Tenant promptly obtain a new policy and shall submit the same to Tenant and Bond Insurer with certificates and endorsements, for approvals.

15. Minimum Scope of Insurance Coverage for Tenant{tc "15. Minimum Scope of Insurance Coverage for Tenant"\l}.

15.1 General Liability{tc "15.1 General Liability"\l 2}. During the Term of this Lease, Tenant shall have the right to self-insure under Section 15.2 or, at its sole cost and expense, shall obtain and keep in force throughout the Term of this Lease a Commercial General Liability insurance policy on an-occurrence basis insuring Tenant against claims for injuries to persons and property damage liability. "Commercial General Liability" insurance shall mean Insurance Services Office form number (CG00 001) with a limit of not less than $1,000,000 combined single limit per occurrence, $2,000,000 aggregate. Tenant agrees to add Landlord, Trustee and the Bond Insurer as additional insureds to any Commercial General Liability insurance policy.

15.2 Self-Insurance by Tenant{tc "15.2 Self-Insurance by Tenant"\l 2}. Notwithstanding anything herein to the contrary, Tenant may self-insure for general liability coverage, provided that Tenant maintains at all times a program of self-insurance and provides Landlord, Trustee and Bond Insurer annually with a certified actuarial statement from an independent insurance consultant or actuary that such program is in full force and effect and is actuarially sound and consistent with industry standards and prudent risk management standards. Annual evidence of Tenant's program of self-insurance is and shall continue to be included in the Tenant's financial report and shall be provided to Landlord, Trustee and Bond Insurer. Tenant agrees to provide Landlord and Bond Insurer with at least thirty (30) days' prior written notice of any change in Tenant's self-insured status and will provide Landlord and Bond Insurer with a certificate of self-insurance as adequate proof of insurance. In the event Tenant fails to satisfy the condition set forth above, Tenant shall immediately procure the Commercial General Liability insurance coverage specified in Section 15.1. If Tenant elects to self-insure as set forth in this Section, Tenant acknowledges and agrees that Landlord shall have no liability for such losses or damage which would otherwise have been covered by the general liability insurance which Tenant could have provided in accordance with Section 15.1 of this Lease, nor shall Tenant's failure to obtain commercial general liability insurance have any effect on Tenant's obligations under this Lease.

15.3 Workers' Compensation{tc "15.3 Workers' Compensation"\l 2}. Landlord acknowledges, agrees and understands that Tenant is self-insured for all of its workers' compensation liability exposure. Tenant agrees, at its own expense, to maintain through its self-

insurance program coverage for its workers' compensation liability exposure for the duration of the Term of this Lease. Tenant agrees to provide Landlord and Bond Insurer with at least thirty (30) days' prior written notice of any change in the Tenant's self-insured status and will provide Landlord and Bond Insurer with a certificate of self-insurance as adequate proof of insurance.

16. Property Insurance{tc "16. Property Insurance"\l}.

16.1 Coverage for Premises.{tc "16.1 Coverage for Premises"\l 2} From and after the Commencement Date of this Lease, Tenant agrees that it shall cause the Premises to be insured at 100% of replacement value for fire and other perils currently covered by a special causes of loss commercial property insurance form. Such coverage shall include twelve (12) months of rental interruption coverage and shall name Trustee as loss payee as its interests may appear. Tenant further agrees to cause the Premises to be insured against the perils of earthquake and flood, either as part of the aforementioned commercial property policy, or under a separate policy or policies. Such earthquake and flood insurance shall include twelve (12) months of rental interruption coverage and shall name Trustee as loss payee as its interests may appear. Tenant shall cause coverage to be maintained against loss arising from earthquake and flood so long as such coverage is available at a commercially reasonable cost and in coverage amounts which are commercially available, but shall not be in default under this Lease if coverage is no longer written, is unavailable for properties comparable to the Premises or is not available at commercially reasonable premium amounts. Tenant will provide Landlord and Trustee with thirty (30) days' prior written notification of material changes in coverage. Tenant will, upon request, furnish Landlord and Trustee with satisfactory evidence that such coverage is in effect.

16.2. Coverage for Tenant's Personal Property{tc "16.2 Coverage for Tenant's Personal Property"\l 2}. Landlord shall have no obligation to insure any of Tenant's Personal Property.

17. Waiver of Subrogation{tc "17. Waiver of Subrogation" \l}. Landlord and Tenant shall cause their respective property insurance carriers to release and waive all rights of subrogation against the other to the extent a loss is covered by property insurance in force. Landlord and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage endorsements hereto; provided, that this provision shall be inapplicable if it would have the effect of invalidating any insurance coverage of Landlord or Tenant.

18. Other Insurance Matters{tc "18. Other Insurance Matters"\l}.

18.1 Insurance Requirements{tc "18.1 Insurance Requirements"\l 2}.

(a) At all times from and after the Effective Date of this Lease, Landlord and Tenant agree to procure and maintain in full force and effect for the duration of the Term of this Lease insurance, as specified in Sections 14, 15 and 16 against claims for injuries to persons or property damage which may arise from or in connection with this Lease.

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

(c) By requiring such minimum insurance as specified herein, neither party shall be deemed to, or construed to, have assessed the risks that may be applicable to the other party to this Lease. Each party shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits or broader coverage.

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

(e) Each insurance policy required to be carried by Tenant hereunder shall comply with the provisions of Section 14.3 of this Lease.

(f) Each party shall furnish the other party with certificates of insurance and endorsements as required by this Lease. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for Landlord's insurance are to be on forms approved by Tenant and are to be received and approved by the Tenant and Bond Insurer prior to the Effective Date of this Lease. The certificate and endorsements for Tenant's insurance are to be received and approved by the Bond Insurer prior to the Effective Date or Commencement Date of this Lease as appropriate. Tenant and Bond Insurer each reserves the right to require complete certified copies of all required policies at any time.

18.2 Insurance Prior to the Commencement Date of This Lease{tc "18.2 Insurance Prior to the Commencement Date of This Lease" \l 2}. Prior to the Commencement Date of this Lease, Landlord and Tenant acknowledge, understand and agree that all liability and property insurance necessary in connection with the Garage Land and the Premises (except for Tenant's commercial general liability insurance described in Section 15.1 of this Lease which can be self-insured by Tenant pursuant to Section 15.2 of this Lease) shall be obtained and thereafter maintained in full force and effect by Landlord or Developer with the cost to be allocated between Landlord and Developer pursuant to the provisions of the Development Agreement. Such insurance shall name Landlord, Tenant, Trustee and Bond Insurer as additional insureds and shall name the Trustee, Bond Insurer and Tenant, as their respective interests may appear, as loss payee, where appropriate, and shall be in form satisfactory to Tenant and Bond Insurer.

19. Destruction{tc "19. Destruction"\l}. In the event that the Premises are damaged or destroyed by fire or other casualty following the Commencement Date, this Lease shall not terminate nor shall there be any abatement of Monthly Rent or Additional Rent otherwise payable by Tenant hereunder; provided, however, that Tenant may elect to defease or prepay Monthly Rent in accordance with Section 4.4 and Section 35 hereof.

20. Condemnation{tc "20. Condemnation"\l}.

20.1 Total Condemnation{tc "20.1 Total Condemnation"\l 2}. If there is a taking or damaging of all or any portion of the Premises by the exercise of any governmental

power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction over the Premises or a transfer by Landlord either under threat of condemnation or while legal proceedings for condemnation are pending (a "Condemnation") such that there can be no reasonable use of the Premises by Tenant, as reasonably determined by Tenant, this Lease shall terminate on the date the condemnor has the right to possession of the property being condemned. The entire award with respect to a taking of the Premises (including Tenant's leasehold estate under this Lease) shall be paid to Trustee and (i) applied at the Bond Insurer's direction, if there has been no default by the Bond Insurer under the terms of its municipal bond insurance policy that insures payment of principal of and interest on the Bonds, and otherwise (ii) applied at the direction of Landlord in accordance with the Indenture. Any Condemnation proceeds remaining after Bonds have been paid in full shall be paid to Tenant.

20.2 Partial Condemnation{tc "20.2 Partial Condemnation"\l 2}. If during the Term there is a partial taking of a part of the Premises by Condemnation, and Tenant determines that a reasonable use can be made of the Premises then the condemnation proceeds shall be paid to Trustee who shall deposit said condemnation proceeds into the Capital Repairs Fund established under the Indenture and shall disburse such condemnation proceeds to Landlord from time to time as restoration progresses. Landlord shall thereupon restore the Premises or such portion thereof. In no event shall this Lease terminate as a result of a partial taking nor shall there be any abatement of Monthly Rent or Additional Rent otherwise payable by Tenant hereunder; provided, however, that Tenant may elect to defease or prepay Monthly Rent in accordance with Section 35 hereof.

21. Assignment of Project; Subletting{tc "21. Assignment of Project; Subletting"\l}. Landlord shall not assign its interest in this Lease or in the Premises (except to Trustee) without the prior written consent of Tenant and the Bond Insurer and a written opinion from nationally recognized bond counsel that any such sale, transfer, conveyance or assignment by Landlord of all or any portion of its interest in this Lease or the Premises will not have an adverse effect on the tax exempt status of interest payable on the Bonds and any attempted assignment in violation of the consent requirements under this Section 21 shall be null and void and shall constitute an event of default under the Indenture. Tenant shall not assign its interest in this Lease or in the Premises without the prior written consent of Landlord and Bond Insurer together with an opinion of nationally recognized bond counsel that any such assignment will not adversely affect the tax exempt status of interest payable on the Bonds. Tenant may sublease the Premises or any portion thereof, to the extent and on the terms and conditions set forth under Section 7 of this Lease and so long as the execution of such sublease would not violate the provisions of Section 7 hereof; provided, however, that under no circumstances shall Tenant be released or relieved from any of its obligations hereunder. Any such assignment or sublease as provided for in this Section shall be in writing and shall require such assignee or subtenant to comply fully with the terms of this Lease, including, without limitation, the provisions of Section 7 regarding use of the Premises. Tenant shall provide Landlord, Trustee and Bond Insurer with written notice of any such assignment or sublease and a copy of any such assignment or sublease documentation.

22. Default by Tenant{tc "22. Default by Tenant"\l}. The occurrence of any of the following shall constitute an Event of Default by Tenant under this Lease:

22.1 Payment{tc "22.1 Payment"\l 2}. Failure (a) to make any Monthly Rent payments due under this Lease if the failure to pay is not cured within seven (7) days after written notice of such failure has been given by Trustee or Landlord to Tenant, or (b) failure to make any other payment required if the failure to pay is not cured within ten (10) days after written notice of such failure has been given by Landlord to Tenant.

22.2 Other Failure to Perform{tc "22.2 Other Failure to Perform"\l 2}. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after written notice of such default has been given by Landlord to Tenant. If the default cannot reasonably be cured within thirty (30) days, then Tenant shall not be in default under this Lease if Tenant commences to cure the default within thirty (30) days and diligently and in good faith continues to cure the default; provided, however, that if such default is of a nature such that it cannot be cured within ninety (90) days Tenant shall obtain the written approval of Landlord and the Trustee to continue its efforts to cure such default following the ninety (90) day cure period.

22.3 Late Charges; Interest on Past Due Monthly Rent{tc "22.3 Late Charges; Interest on Past Due Monthly Rent"\l 2}. Tenant acknowledges that a late payment of Monthly Rent hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which is difficult to ascertain. Therefore, in the event Tenant shall fail to pay any installment of Monthly Rent due hereunder for fifteen (15) days after the date such amount is due, Tenant shall also pay Landlord a late charge equal to two percent (2%) of the amount then owing and past due together with interest on such past due amount at an interest rate of twelve percent (12%) per annum commencing eight (8) days after the date such amount is due until paid. Payment of such late charges and/or default interest shall not excuse or cure any default by Tenant under this Lease.

22.4 Remedies for Tenant Default{tc "22.4 Remedies for Tenant Default"\l 2}. If Tenant commits a default under Section 22.1(a) above and fails to cure such default within the time period provided therein, then Landlord, by providing Tenant with ten (10) days' advance written notice, may cancel and terminate this Lease, evict the Tenant and re-enter the Premises, but notwithstanding such re-entry by Landlord, Tenant covenants and agrees to make good to Landlord any deficiency arising from a re-entry and reletting of the Premises at a lesser Rent than the Rent agreed to through the Term of this Lease, provided Landlord has taken all reasonable measures to ensure that a maximum rental rate was obtained for reletting. Landlord shall provide notice to Tenant of any amount by which rentals from such reletting are less than the Rent and the due dates of such Rent. The deficiency amount for each such Rent payment shall be paid by Tenant on or before the due date for such Rent payment. In addition to the remedy specified above for Tenant's failure to pay Monthly Rent, if Tenant commits any default and fails to cure such default within the time period provided under this Section 22, Landlord shall have the right to pursue any and all remedies available at law or in equity.

23. Default by Landlord{tc "23. Default by Landlord"\l}. Landlord shall not be in default unless Landlord fails to perform its obligations (i) within five (5) business days after notice by Tenant specifying the obligation which Landlord has failed to perform if such failure occurs prior to the Commencement Date and (ii) within thirty (30) days after notice by Tenant specifying the obligation which Landlord has failed to perform if such failure occurs after the

Commencement Date; provided, that if the nature of Landlord's obligation is such that more than five (5) business days or thirty (30) days, as applicable, are required for performance, Landlord shall not be in default if Landlord commences performance within such period following Tenant's notice and thereafter completes performance within a reasonable time. If the nature of the obligation presents a hazard or emergency, Landlord shall commence performance as soon as reasonably possible. In the event that Landlord fails to cure any such default, Tenant shall have the right to pursue any and all remedies available at law or in equity; provided, however, that Tenant shall have no right to offset against Rent payable under this Lease, but Tenant may seek as part of its remedies a judgment against any amounts held as reserves by Landlord under this Lease.

24. Signs{tc "24. Signs"\l}. Tenant shall have the right to place identification signage, other signage, advertisements, awnings, banners or other exterior decorations on the exterior of the Premises without any further consent or approval from Landlord. Any sign that Tenant has the right to place, construct and maintain shall comply with all Laws, and Tenant shall obtain any approval required by such Laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.

25. Landlord's Right to Enter the Premises{tc "25. Landlord's Right to Enter the Premises"\l}. Landlord shall have the right to enter the Premises at reasonable times during Tenant's normal business hours for the below listed purposes; provided, however, Landlord acknowledges and agrees to comply with Tenant's requests regarding security. Landlord shall conduct its activities on the Premises as allowed in this Section in a manner that will cause the least possible inconvenience, annoyance or disturbance to Tenant. Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damage resulting from the negligent acts or omissions of Landlord. Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any right reserved in this Section:

25.1 Condition{tc "25.1 Condition"\l 2}. To determine whether the Premises are in good condition, whether Tenant is complying with its obligations under this Lease and to perform any maintenance, repair or replacement obligations of Landlord pursuant to Section 10 above.

25.2 Notices{tc "25.2 Notices"\l 2}. To serve, post or keep posted any notices required or allowed under the provisions of this Lease.

26. No Encumbrances by Landlord{tc "26. No Encumbrances by Landlord"\l}. Except to the extent expressly authorized in Sections 11 and 21 of this Lease Landlord shall not at any time during the Term of this Lease sell, transfer, lease (other than to Tenant pursuant to this Lease), convey, encumber (other than to Trustee pursuant to the Mortgage), pledge (other than to Trustee pursuant to the Indenture), hypothecate or otherwise grant a security interest in the Premises or any portion thereof.

27. Right to Estoppel Certificates{tc "27. Right to Estoppel Certificates"\l}. Each party, within fifteen (15) days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Lease is unmodified and in full

force and effect, or in full force and effect as modified and stating the modifications. Failure to deliver the certificate within such fifteen (15) day period shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

28. Limitation on Landlord's Liability{tc "28. Limitation on Landlord's Liability"\l}. Notwithstanding any provision in this Lease to the contrary, Tenant agrees that it shall look solely to the estate and property of Landlord in the Land and buildings constituting the Premises, any insurance proceeds or condemnation proceeds payable to Landlord under this Lease, and any sums paid to Landlord under the Development Agreement for the collection of any judgment requiring the payment of money by Landlord or for the enforcement of any other judgment or remedy against Landlord and no other assets of Landlord shall be subject to levy, execution or other procedure for the satisfaction of Tenant's remedies.

29. Attorneys' Fees{tc "29. Attorneys' Fees"\l}. In the event either party requires the services of an attorney in connection with enforcing the terms of this Lease, or in the event suit is brought for the recovery of any Rent due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of said Premises to Landlord and/or eviction of Tenant during said Term or after the expiration thereof, the prevailing party will be entitled to a reasonable sum for attorneys' fees, witness fees, and court costs, including costs of appeal.

30. Surrender{tc "30. Surrender"\l}. Landlord shall, on the Expiration Date, surrender and deliver up the Premises, including all improvements then located thereon and the appurtenances thereto, into the possession of Tenant, in good order, condition and repair, free and clear of all lettings and occupancies, and free and clear of all liens and encumbrances other than those existing on the date of this Lease and those, if any, created by Tenant, without any payment or allowance whatsoever by Tenant. Landlord shall execute, acknowledge and deliver to Tenant such instruments of further assurance as in the opinion of Tenant are necessary or desirable to confirm or perfect Tenant's right, title and interest in and to all of the above-described property. The provisions of this Section shall survive the expiration or termination of this Lease.

31. Broker{tc "31. Broker"\l}. Landlord and Tenant each represent to the other that neither is represented by any broker, agent or finder with respect to this Lease in any manner. Each party agrees to indemnify and hold the other party harmless from and against any and all liability, costs, damages, causes of action or other proceedings instituted by any other broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in any manner whatsoever in connection with this Lease.

32. Miscellaneous Provisions{tc "32. Miscellaneous Provisions"\l}.

32.1 Entire Agreement{tc "32.1 Entire Agreement"\l 2}. This Lease sets forth the entire agreement of the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or

representative of each party hereto and the consent of Bond Insurer if required pursuant to the provisions of Section 32.13 of this Lease.

32.2 Governing Law{tc "32.2 Governing Law"\l 2}. This Lease shall be governed by and construed and enforced in accordance with the laws of the State of Washington.

32.3 Severability{tc "32.3 Severability"\l 2}. Should any of the provisions of this Lease be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the parties.

32.4 Jurisdiction/Venue{tc "32.4 Jurisdiction"\l 2}. In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive in personam jurisdiction in the King County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively in King County, Washington.

32.5 Waiver{tc "32.5 Waiver"\l 2}. No waiver of any right under this Lease shall be effective unless contained in writing signed by a duly authorized officer or representative of the party sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

32.6 Captions{tc "32.6 Captions"\l 2}. Section captions contained in this Lease are included for convenience only and form no part of the agreement between the parties.

32.7 Notices{tc "32.7 Notices"\l 2}. All notices or requests required or permitted under this Lease shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, by nationally recognized overnight courier or by facsimile transmission and shall be deemed given when so delivered, received or faxed (provided the fax machine has issued a printed confirmation of receipt). All notices or requests to any party shall be sent to all other parties as follows:

If to Landlord:
Goat Hill Properties
c/o National Development Council
1425 Fourth Avenue, Suite 608
Seattle, WA 98101
Facsimile: (206) 448-5246

If to Tenant:
King County
Property Services Division
500 King County Administration Building
500 Fourth Avenue
Seattle, WA 98104
Facsimile: (206) 205-5070

If to Trustee: [To be provided.]
Attn: _____
_____
_____
Facsimile: _____

If to Bond Insurer: [To be provided.]
Attn: _____
_____
_____
Facsimile: _____

Any party may change the address to which notices shall be sent by notice to the other party in the manner and with the effect set forth in this Section 32.7.

32.8 Binding Effect{tc "32.8 Binding Effect"\l 2}. Subject to the provisions of Sections 11 and 21 hereof, this Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of assignment shall have been delivered to Landlord and Landlord shall have been furnished with the name and address of the assignee. The term "Tenant" shall be deemed to include the assignee under any such permitted assignment. The term "Landlord" shall include any successors to or assigns of the Landlord's interest in the Premises following any foreclosure of the Mortgage, including Trustee or any purchaser at a trustee's or sheriff's sale of the Premises.

32.9 Gender and Number{tc "32.9 Gender and Number"\l 2}. As used in this Lease, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural and the plural shall include the singular, as the context may require.

32.10 Nondiscrimination{tc "32.10 Nondiscrimination"\l 2}. Landlord and Tenant each agree it will not discriminate in employment at the Premises on the basis of race, color, religion, sex, national origin, veteran status, sexual orientation or physical and mental disability in regard to any position for which the prospective employee is qualified, nor will Landlord or Tenant maintain facilities which are segregated on the basis of race, color, religion, sex or national origin at the Premises.

32.11 Recording; Memorandum of Lease{tc "32.11 Recording; Memorandum of Lease"\l 2}. Neither Landlord nor Tenant shall record this Lease without the written consent of the other; provided, however, that Tenant shall have the right to record a Memorandum of this Lease in the form attached hereto as **EXHIBIT F** and by this reference incorporated herein upon the Effective Date. Such Memorandum of Lease shall be amended by the parties and a new Memorandum recorded once the Commencement Date and Expiration Date of this Lease has been determined.

32.12 Amendment of Lease; Bond Insurer Consent{tc "32.12 Amendment of Lease; Bond Insurer Consent"\l 2}. So long as the Bonds remain outstanding and there has been no default by the Bond Insurer under the terms of its municipal bond insurance policy which insures payment of principal and interest on the Bonds, there shall be no amendment of this Lease without the prior written consent of the Bond Insurer.

32.13 Time Is of the Essence{tc "32.13 Time Is of the Essence"\l 2}. Time is of the essence in the performance of each party's obligations under this Lease. Each party will carry out its obligations under this Lease diligently and in good faith.

33. Prevailing Wage{tc "33. Prevailing Wage"\l}. Landlord agrees and covenants with Tenant that the Development Agreement shall obligate Developer to require contractors and subcontractors of such Contractors in connection with such contracts as may be let regarding the construction of the Project to pay the prevailing wage, as defined in RCW ch. 39.12, to the workmen, laborers and mechanics as may then be determined by the Washington State Department of Labor and Industries for the particular craft in the particular geographic area.

34. Authority{tc "34. Authority"\l}. Landlord is a Washington nonprofit corporation, duly organized, validly existing and in good standing under the laws of the State of Washington. Tenant is a political subdivision of the State of Washington. By execution of this Lease, Landlord and Tenant represent that they have authority to enter into this Lease.

35. Options to Prepay Lease and Purchase Premises{tc "35. Options to Prepay Lease and Purchase Premises" \l 1}.

35.1 Option to Purchase{tc "35.1 Option to Purchase"\l 2}. Provided that Tenant is not in default under this Lease (including payment of any Additional Rent then due and owing), Tenant shall have the option to purchase the Premises and thereby terminate this Lease at any time on or after December 1, 20__. The purchase price of the Premises shall be an amount equal to the total outstanding principal amount of Monthly Rent payments set forth on **EXHIBIT A**, plus interest accrued thereon to the date of prepayment at the applicable rate(s) set forth on **EXHIBIT A**, plus an option exercise fee of one dollar ($1.00).

35.2 Exercise of Option{tc "35.2 Exercise of Option"\l 2}. Tenant shall give Landlord not less than forty-five (45) days' prior written notice of its election to exercise its option to purchase under Section 35.1 hereof in the form set forth in **EXHIBIT I** attached hereto. The purchase price and any Additional Rent then due and owing shall be paid in cash or same-day available funds by 10:00 a.m. Seattle time on the payment date specified in such notice (or such other date as Tenant and Landlord may mutually agree).

35.3 Conveyance of Premises{tc "35.3 Conveyance of Premises"\l 2}. On the payment date specified in the notice of election to exercise the purchase option, or such other date as Tenant and Landlord may mutually agree, Landlord shall convey the Premises to Tenant by statutory warranty deed, and this Lease shall terminate. Said deed may list as exceptions all covenants, conditions and restrictions then recorded against the Premises so long as such exceptions: (i) were approved by Tenant prior to the Commencement Date of this Lease;

(ii) consist of non-delinquent real estate taxes and assessments, or (iii) arise by reason of Tenant's activities. Tenant shall pay the cost for any owner's policy of title insurance it elects to obtain in connection with such purchase. Landlord shall not be required to make any representations regarding the conditions of the Premises and Tenant agrees to accept the Premises in an "as is" condition. Nothing herein shall be construed to require Tenant to exercise the purchase option herein granted.

35.4 Option to Partially Prepay Lease{tc \l 2 "35.4 Option to Partially Prepay Lease"}. Tenant shall have the option to partially prepay the principal component of Monthly Rent, in $5,000 increments for periods to be determined by Tenant (as represented by the principal portion of Monthly Rent due each year as set forth in **EXHIBIT A**). Notice of such intent to prepay shall be given to Landlord in writing not less than forty-five (45) days in advance of the intended prepayment date. Such prepayment may be at any time on or after December 1, 20__. The notice of partial prepayment shall be substantially in the form set forth on **EXHIBIT J** attached hereto. By 10:00 a.m. Seattle time on the date set for such prepayment, Tenant shall pay to Landlord in cash or same-day available funds, an amount equal to the principal portion of Monthly Rent to be prepaid, together with interest thereon to the date of prepayment. Upon such prepayment, the term of this Lease shall be deemed modified such that this Lease terminates on the payment date for the last outstanding Monthly Rent not prepaid.

DATED the date first above written.

LANDLORD:

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

By_____
Name: John Finke
Title: Vice President
Date: _____

APPROVED AS TO FORM:

By_____
Name: _____
Title: _____
Date: _____

TENANT:

KING COUNTY,
a political subdivision of the
State of Washington

By_____
Name: _____
Title: _____
Date: _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that John Finke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of **GOAT HILL PROPERTIES**, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [he/she] signed this instrument, on oath stated that [he/she] was authorized to execute the instrument and acknowledged it as the _____ of **KING COUNTY,** a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

EXHIBIT A

MONTHLY RENT

Prior to Bond Closing, this Lease shall be amended to set forth a Monthly Rent schedule beginning as of the Commencement Date and continuing for the Term of the Lease. Monthly Rent shall be in an amount sufficient to provide debt service on the Bonds and shall reflect an amortization schedule proposed by Landlord and approved by Tenant. In no event shall the average Monthly Rent exceed $27.00 per rentable square foot of the Building for that period beginning on the Commencement Date and ending on the scheduled Expiration Date of the Lease.

EXHIBIT B

SCHEDULE OF PRELIMINARY PLANS AND OUTLINE SPECIFICATIONS

Office Building Drawing Index	Architect	Dated
MF-C Cover Sheet	Zimmer Gunsel Frasca	06/30/04
A0.01 Project Data & Drawing Index	Zimmer Gunsel Frasca	06/30/04
A0.02 Plot Plan/Comprehensive Project Plan	Zimmer Gunsel Frasca	06/30/04
A0.03 Plan, Floor Diagrams	Zimmer Gunsel Frasca	06/30/04
A1.01 Site Survey – Boundary & Control	Zimmer Gunsel Frasca	06/30/04
A1.02 Site Survey – Grading	Zimmer Gunsel Frasca	06/30/04
A1.03 Site Survey – Utility Sheet	Zimmer Gunsel Frasca	06/30/04
A2.01 Plan, Floor – Levels C & B	Zimmer Gunsel Frasca	06/30/04
A2.02 Plan, Floor – Levels A & 1	Zimmer Gunsel Frasca	06/30/04
A2.03 Plan, Floor – Levels 2 & 3	Zimmer Gunsel Frasca	06/30/04
A2.04 Plan, Floor – Levels 4-6 Human Services Levels 7-12	Zimmer Gunsel Frasca	06/30/04
A2.05 Plan, Floor – Level 13 & Penthouse	Zimmer Gunsel Frasca	06/30/04
A2.06 Plan, Roof	Zimmer Gunsel Frasca	06/30/04
A3.01 Elevation, Exterior – North & South	Zimmer Gunsel Frasca	06/30/04
A3.02 Elevation, Exterior – East	Zimmer Gunsel Frasca	06/30/04
A3.03 Elevation, Exterior – West	Zimmer Gunsel Frasca	06/30/04
A3.04 Building, Section – North-South	Zimmer Gunsel Frasca	06/30/04
A3.05 Building, Section – North-South	Zimmer Gunsel Frasca	06/30/04
A3.06 Building, Section – East-West	Zimmer Gunsel Frasca	06/30/04

Concourse Drawing Index	Architect	Dated
MF-C Cover Sheet	Zimmer Gunsel Frasca	06/30/04
A0.02 Plot Plan – Concourse Comprehensive Project	Zimmer Gunsel Frasca	06/30/04
A1.00 Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.01 Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.02 Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.03 Site Plan - Concourse	Zimmer Gunsel Frasca	06/30/04

GOAT HILL PROPERTIES
LIST OF PRELIMINARY PLANS AND SPECIFICATIONS

A3.02 Concourse Elevations – North & South	Zimmer Gunsel Frasca	06/30/04

Parking Garage Drawing Index	**Architect**	**Dated**
MF-C Cover Sheet	Zimmer Gunsel Frasca	06/30/04
A0.01 Project Data & Drawing Index	Zimmer Gunsel Frasca	06/30/04
A0.02 Plot Plan – Comprehensive Project	Zimmer Gunsel Frasca	06/30/04
A1.00 Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.01 Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.02 Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.03 Site Plan	Zimmer Gunsel Frasca	06/30/04
A2.01 Plan, Floor – Levels P1 & P2 (Alley Entry)	Zimmer Gunsel Frasca	06/30/04
A2.02 Plan, Floor – Levels P3 & P4	Zimmer Gunsel Frasca	06/30/04
A2.03 Plan, Floor – Levels P5 & P6 (Sixth Avenue Entry)		Zimmer
Gunsel Frasca	06/30/04	
A2.04 Plan, Floor – P7 & P8 (Roof)	Zimmer Gunsel Frasca	06/30/04
A3.01 Elevation, Exterior – East	Zimmer Gunsel Frasca	06/30/04
A3.02 Elevation, Exterior – North & South	Zimmer Gunsel Frasca	06/30/04
A3.03 Elevation, Exterior – West	Zimmer Gunsel Frasca	06/30/04
A3.11 Sections, Building	Zimmer Gunsel Frasca	06/30/04
A3.12 Sections, Building	Zimmer Gunsel Frasca	06/30/04

GOAT HILL PROPERTIES
LIST OF PRELIMINARY PLANS AND SPECIFICATIONS

PART I

The following Preliminary outline specifications are included with respect to the Base Shell and Core Building and Structured Parking Garage:

CATEGORY 00 – SITE GOALS

Project Description:

A. Location: The King County Office project is located in the City of Seattle, King County, between Fifth and Sixth Avenue and Jefferson and Terrace Streets. The total estimated site area is 57,600 sf (excluding the alley). The site has high transit access and is in the Downtown Office Core 2-240.

B. Site Design Goals:

a. The site and building should meet the LEED "silver" standard. Outline and criteria to follow.
b. The building and other exterior improvements should blend into the environment without appearing intrusive. The entire development should fit with the surroundings and should minimally affect the site.
c. Retain as many healthy trees, and natural features of the site as possible. The project must be a model to others as environmentally responsible.
d. Special attention will be given to landscape, irrigation design and water retention to enhance the existing site and to mitigate storm water runoff. If economically feasible, collect runoff and "gray-water" for landscape irrigation.
e. The use of recycled materials in the design and construction of the site improvements will be considered.
f. Design to emphasize pedestrian access and minimize difficulties of people with disabilities in accessing the site. Focus on site development program for private vehicle parking, transit access, bicycle and motorcycle facilities, encouraging the use of alternate transportation other than single occupancy vehicles.
g. Where practical, the office building will be oriented to take advantage of daylighting and views.
h. Parking garage should minimize the environmental impact to the site. Parking stalls will be as prescribed by governing codes. All parking areas will be well lit to insure the security of pedestrians. A minimum of one "van accessible parking space per 25 parking stalls will be provided. Bicycle parking for staff to be considered near employee entrances, (secure).
i. Areas for building waste and collection of recyclable materials will be part of the loading facility and will be screened and secured away from public view.
j. The building will be a non-smoking facility.

C. Building Design Goals:

a. The building will have a 50 year life expectancy and will express stewardship and public trust.
b. The architecture will be appropriate to the Pacific NW region and will be civic in its nature (reflecting the public work of the tenants).
c. The building design should serve as a model of conservation of resources and the County's responsibility to the environment. The building will meet LEED "silver" standard certification.
d. There will be a minimum 9'4" floor to ceiling height in open office spaces with a 13'2" floor to floor height (assumes indirect office fixtures).
e. Materials will denote quality and permanence, resource conservation and practicality. Materials will be low maintenance and sustainable under the weather conditions that exist in the NW.
f. Windows will be non-operable.
g. The exterior closure system will be energy efficient, requiring minimal maintenance.
h. The safety of staff and visitors is a primary concern. An overview of safety and security considerations will be applied to all aspects of site, planning, facility design and operations. King County will be made aware of all reasonable options related to safety and personal security.
i. The office building will be a non-smoking building. Do we want to consider designated areas for smoking that would accommodate smokers with amenities such as, ash urns, covered space, lighting etc?

PART II

The following Outline Specifications are included with respect to the Base Shell and Core Building:

OUTLINE SPECIFICATIONS

CATEGORY 01 – GENERAL DESIGN CRITERIA

Structural and Building Envelope Criteria

A. Live Loads
1. Roof: 40 psf. For concrete or concrete/metal deck roofs (reducible per IBC) Floors:
   a. 100 psf. Typical office floor – load to slabs and beams (reducible), based on 80 psf plus 20 psf partition load
   b. 50 psf. Typical office floor – load to girders, columns and foundation (reducible) plus 20 psf partition
   c. 50 psf. Data Center Live Load. Added dead load is approximately 325 psf added dead load per King County (floor panels plus equipment). MKA recommends

reducing this criterion to 125 psf added dead load non-reducible as research shows that very tightly packed data centers will hold approximately 75 to 80 psf of equipment. 340 psf added dead load equates to 2.72 million pounds of added weight. This seems excessive. Please provide information that indicates the actual weight of equipment that the County will use in the Data Center.

d. 175 psf. Mechanical penthouse (or use actual equipment weight and housekeeping pads plus 50 psf at open areas around equipment) (no reduction)
e. 150 psf. Mechanical rooms at typical floors (or use actual equipment weight and housekeeping pads plus 50 psf at open areas around equipment) (no reduction)
f. 100 psf. Exit corridors and stairways (reducible)
g. 100 psf. Assembly areas, cafeteria (no reduction)
h. 100 psf. Retail spaces (reducible)
i. 125 psf. Light storage (no reduction)
j. 40 psf. Parking levels (reducible)
k. 50 psf Vehicle service area (no reduction)
l. 250 psf. Sidewalks

B. Seismic:
1. Seismic Use Group I
2. Importance Factors, Ie, Is, Iw=1.0
3. Seismic Design Category C
4. R=6 for special reinforced concrete shearwalls in Parking Structure and Office Building.
5. Site Class D at the Office Building, Site Class C at the Parking Structure.
6. Allowable Story Drift: 0.025 x story height, based on IBC code level forces
7. Iso-base platform in the Data Center will not affect floor bracing or live load.

C. Wind:
1. Basic Wind Speed = 80 mph
2. Exposure Category B
3. Importance Factor, Iw = 1.0
4. Allowable Story Drift = 0.0025 x story height

CATEGORY 02 – DEMOLITION

A. Site Demolition and Relocations:
1. Site demolition to include sidewalk, curb and gutter, asphalt and concrete pavement, tree, bushes, shrubs and misc. items affected by the new construction.
2. Disposal of all removed items shall be off-site at an approved location.
   a. Comply with City of Seattle and King County recycling guidelines for demolished materials.
3. Relocations shall include any effected utilities; i.e., gas, TV, power, phone, water, sanitary sewer, fiber optics/telecommunications and storm sewer.

CATEGORY 03 – SITE

A. Plaza Paving:
   1. Steps and accents: Concrete; quality finish.
   2. Typical pedestrian paving: "City Center Pedestrian System" specification; concrete with lampblack added, light broom finish, and scored joints.
   3. Treat concrete paving with curing compound.

B. Roadways: Improvements with be in conformance with the City of Seattle Standard Specifications for Street Construction, latest edition.
   1. Street improvements will be conducted on Terrace, Jefferson and 5th Avenue, as required.
   2. Improvements to include sidewalk, curbwalk, curb and gutter, base course and pavement (asphalt or concrete), street lights and street trees.

C. Utilities: Provide the following in conformance with code, City of Seattle Standards, and utility owner requirements:
   1. Domestic and fire protection water supply.
   2. Electrical power.
   3. Storm and sanitary sewer.
   4. Telephone.
   5. Fiber optic cable.

CATEGORY 04 – STRUCTURE

Standard Foundations:

A. Typical: Structural Slab.
B. Foundation: Concrete.

Description of Structural Systems

A. Roof: 2½-inch normal weight concrete on 3-inch composite type metal deck. Composite designed steel beams and girders. Steel columns.

B. Typical floor: One of the following:
   1. Parking Garage: 5½-inch one way slab with 36-inch deep post-tensioned joists at 25-feet O.C.
   2. King County Office Building: 2½-inches normal weight concrete on 3-inch composite type metal deck. Composite designed steel beams and girders. Steel columns.
      a. Sprayed fireproofing on steel frame.

C. Structural slab on grade: 4-inch concrete slab at parking structure. Concrete grade beams.

D. Lateral force-resisting system: Concrete special moment-resisting frames (Parking Garage).

04 – EXTERIOR WALLS

A. General Performance Criteria: See Category 01; above.

B. Typical Walls: Pre-cast concrete, brick, stone or metal panels over light-gage steel stud framing with fiberglass-faced gypsum (G-P Dens-Glass) and moisture barrier ("BluSkin").
   1. R-19 batt insulation in stud space.
   2. Through-wall flashing: Stainless steel with self-adhesive rubberized asphalt (Grace "Perm-a-Barrier") in cavity.

C. Exterior Walls at Parapet, Elevator Penthouse and Mechanical Equipment Screen: Smooth-textured, pre-finished aluminum composite panels or metal siding.
   1. Premium system with 10-year warranty.

D. Exterior Metalwork.
   1. Typical: Steel fabrications.
   a. Shop prime: Zinc-rich urethane.
   b. Intermediate coat: Polyamide epoxy.
   c. Finish coat: Acrylic-aliphatic urethane; satin.

F. Aluminum Curtainwall and Windows: Thermally-broken, curtainwall, storefront and strip window systems.
   1. Design to withstand wind loads.
   2. Air infiltration: 0.05 cfm per minute at 12 psf.
   3. No uncontrolled water penetration at 12 psf.
   4. Finish: AAMA 605.2 fluoropolymer.
   5. Vision Glass: 1-inch insulated, clear or tinted, Low-E.
      a. Glass tint or clear to be determined by Energy Code analysis.

G. Hollow Metal Doors: Non-public exterior doors.
   1. Insulated; U-Value 0.10 or better.
   2. 16 gage faces, 14 gage frames.
   3. Doors and frames: Galvanized, field painted.

H. Louvers: High-performance, drainable blade; minimum 50 percent free area.
   1. Finish: AAMA 605.2 fluoropolymer.

I. Overhead Sectional Doors at Loading Area:
   1. Custom-fabricated steel and glass.
   2. Fully weather stripped.
   3. Operators: Electric.

J. Sealants:
   1. Traffic Bearing Joints: 2-component urethane.
   2. Concealed metal-to-metal joints: Non-skinning polyisobutylene.
   3. Joints at edges of roofing and waterproofing: Single component urethane.
   4. Other exterior joints: Ultra-low modulus silicone.

CATEGORY 05 - ROOFING

A. Design Criteria:
   1. External Fire Hazard Classification: Class A per IBC or UL.
   2. Uplift: Comply with SPRI or FM for design wind speed and building height.
   3. Energy-star compliant
B. Insulation: R-21 minimum, rigid insulation with appropriate facing materials
C. Single-Ply Membrane Roofing, Typical:
   1. Loose-laid, covered with cast-in-place topping slab, concrete pavers or ballast stone; . Mechanically attached; or fully adhered
D. Terraces: Hot-rubberized asphalt membrane with protection course.
   1. Cover with cast-in place concrete paving.
E. Eco-Roof (approx. 50% of total roof area):
   1. "Derbi-base" set in Permastic – 1 ply
   2. "Derbi-base" set in Permastic – 1 ply
   3. "Derbi-Gum GP" set in adhesive with seams heat welded/torched
   4. Drainage mat
      a. Filter Fabric must be a root barrier
   5. Topsoil 5" to 6" (screened so as to be free-draining)
   6. Seed
F. Exposed Roof Area (approx. 50% of the total roof area):
   1. "Derbi-Gum GP" set in adhesive – 2 ply
   2. "Derbi-Brite" – 1 ply

CATEGORY 06 - INTERIORS

Interior Construction

A. Partitions: Gypsum board on metal studs typical:
   1. Provide sound insulation and sealed acoustical partitions:
      a. Mechanical rooms: STC 48.
      b. Toilet rooms: STC 42.
      c. Other: STC 38.
B. Shaftwall: Gypsum shaftwall system on metal framing.
   1. Elevators and mechanical shafts: 2-hour; STC 45.
C. Interior Doors:
   1. Non-rated and 20-minute rated door: Solid core flush wood, custom grade, transparent finish veneer faces.
   2. Fire doors: Composition core wood doors with faces to match non-rated doors.
   3. Fire door Frames: Hollow metal, 16 gage typical.
   4. Door Hardware:
      a. Mortise looks: Sargent or equal.
      b. Cylinders: Corbin; GMKD to King County (tenant) keying system.
      c. Closers: Surface mounted with plated cover.
D. Interior Specialties:
   1. Code required signage.

2. Fire extinguishers and cabinets.
3. Toilet partitions: Baked enamel on steel; ceiling hung.
4. Toilet accessories.

Interior Stairways

A. Stairs:
   1. Treads and risers:
      a. Cast-in-place or
      b. Precast concrete with non-slip treads or
   2. Landing: Cast-in-place concrete, or precast.
   3. Railings: Tubular steel.

Interior Finishes

A. Finish Schedule Criteria:
   1. Building Operation Spaces:
      a. Floor: VCT.
      b. Base: RB.
      c. Typical Wall: Painted gypsum board.
      d. Ceiling: 2' by 4' acoustical lay-in.
   2. Toilet Rooms:
      a. Floor: CT.
      b. Base: CT.
      c. Typical Wall: gypsum board, water-base epoxy paint.
      d. Ceiling: 2' by 2' acoustical lay-in.
   3. Entry Lobby:
      a. Floor: Combination of stone and carpet.
      b. Base: Stone and wood.
      c. Wall Features: Wood and GWB.
      d. Wall: Painted gypsum board with paneling accents.
      e. Ceiling: Painted gypsum board with features.
   4. Janitor Closets:
      a. Floor: Sealed concrete.
      b. Base: RB.
      c. Walls: Gypsum board, water-based epoxy paint.
      d. Ceiling: Exposed structure.
   5. Utility Rooms (Data closets, Telephone, Electrical, Etc.):
      a. Floor: Sealed concrete.
      b. Base: RB.
      c. Typical Wall: Painted gypsum board.
      d. Mounting panels: ¾-inch think fire-retardant treated (FRT) plywood.
      e. Ceiling: Exposed structure.

B. Resilient Flooring and Accessories:
   1. VCT: Commercial quality vinyl composition tile, 12 by 12 by 1/8 inch.
   2. RB: Rubber base, solid color. 4-inch height typical. Toe base typical, straight base at carpet. Field-formed corners.

C. CPT – Carpet: 32 ox. 4th generation nylon; low static generation.
   1. Installation: Direct glue typical and/or over pad.

D: CT – Ceramic Tile:
   1. Toilet Room Floors: 2 by 2 by ¼ inch, unglazed ceramic mosaic, cushion edge, 7½ percent slip resistant. Latex thinset; latex grout.
   2. Other Floors: 8 by 8 by 3/8 inch, unglazed paver. Latex thinset; latex grout.
   3. Toilet Room Wet Walls: 2 by 1 by ¼ inch, glazed ceramic mosaic, cushion edge. Latex thinset on backer unit; latex grout to 5'.
   4. Backer Board: Cementitious backer or Georgia Pacific "Dens'Shield" fiberglass-faced gypsum units.

E. Paint: Water-based, Low VOC, typical:
   1. Typical: Latex eggshell.
   2. Epoxy: Water-based epoxy, satin.
   3. Metal: Doors & frames, handrails, etc.: Acrylic, semi-gloss.

F. Transparent Finish Wood Paneling:
   1. AWI Premium Grade, Wood veneer over particle board.
   2. Finish: AWI System TR-4, Conversion Varnish, Premium Grade.

G. Ceilings:
   1. Acoustical lay-in ceilings:
      a. Utility spaces: 24 by 48 by 5/8 inch thick acoustical panels; 15/16-inch wide, heavy-duty classification painted steel grid, or open to structure.
      b. Public spaces: 24 by 24 inch by ¾ inch thick acoustical panels; 15/16-inch wide, heavy-duty classification painted steel grid.
      b. Toilet rooms: 24 by 24 inch by 5/8 inch thick acoustical panels; 15/16-inch wide, heavy-duty classification painted steel grid vinyl or mylar faced in shower rooms.
   2. Gypsum board ceiling: 5/8 inch gypsum board on conventional furring with option to use direct-hung grid suspension.

Furnishings

A. Typical Casework: AWI Custom Grade, Plastic Laminate (HPL) over particle board.
   1. Edges: PVC edge band.
   2. Tops: HPL

B. Lavatory Counters: Polished stone.

C. Entrance Mat: Polypropylene carpet; recessed.

CATEGORY 07 – VERTICAL TRANSPORTATION:

A. Passenger Elevators – Office:
   1. Number of Units: 5-6.
   2. Capacity and Speed: To be determined.
   3. Supervisory Control: Group Operations with Microprocessor Logic System.
   4. Stops: All office and parking levels.
   5. Openings: In-line.
   6. Entrance Size: 4'-0" wide x 7'-0" high.
   7. Entrance Type: Single Speed, Center Opening
      a. Finish at lobby: stainless steel.
      b. Finish elsewhere: Baked enamel, except for 2 additional floors with stainless steel.
   8. Car Finishes: Allow $15,000 per car.

B. Service Elevators:
   1. Number of Units: 1.
   2. Capacity and Speed: To be determined.
   3. Supervisory Control: Simplex.
   4. Stops: All office levels.
   5. Openings: In-line.
   6. Entrance Size: 4'-0" wide x 7'-0" high. Door opening needs to be wide enough to support pallets and pallet jack.
   7. Entrance Type: Single Speed, Center Opening.
   8. Car Finishes: Manufacturer's standard for services elevators – Stainless.

D. Additional Elevator Features (Typical):
   1. Car Top Inspection Station.
   2. Emergency Car Lighting and Alarm Battery Pack.
   3. Handicapped Signage and Braille.
   4. Hoistway Access Switches (Jamb Mounted).
   5. Infrared proximity door detectors and heavy duty high speed operators.
   6. Wiring Diagrams, Operating Instructions and Parts Ordering Information.
   7. Provisions for Owner to Receive All Necessary Diagnostic Devices for Long Term Maintenance.
   8. Cars to meet size standards per the city of Seattle (may differ from IBC)

CATEGORY 08 – HVAC

See Attachment A, attached.

CATEGORY 09 – PLUMBING

See Attachment A, attached.

CATEGORY 10 – FIRE SPRINKLERS

See Attachment B, attached.

CATEGORY 11 – ELECTRICAL

See Attachment C, attached.

PART III

The following Qualifications are included with respect to the Auxiliary Work:
[No auxiliary work.]

ATTACHMENT A

SECTION 15010

BASIC MECHANICAL REQUIREMENTS

PART 1 GENERAL

1.00 SYSTEM DESCRIPTION

A. The HVAC system selected for the new King County Office Building is chilled water system with rooftop VAV air handling unit. This system includes a central chilled water plant comprised of a chiller, chilled water pumps, chilled water piping, condenser water pumps, condenser water piping, and a rooftop cooling tower. Each chilled water air handler is complete with a chilled water coil, filters, a VAV supply fan, a VAV exhaust fan and economizer dampers.

Heat for the building is provided by hydronic boilers located in the rooftop penthouse. Distribution piping is routed through the building to provide hot water to the hydronic coils at the VAV zone boxes.

Water is cooled at the chiller and delivered to the chilled water air handler via chilled water piping. A modulating control valve at each air handler allows chilled water to enter the coil to cool the supply air.

The conditioned air is supplied to the building through a medium velocity duct distribution system. Each temperature control zone has a series VAV fan terminal damper unit. The VAV damper unit precisely controls the quantity of cooling required to satisfy the zone. The series VAV fan terminal unit has a fan that runs continuously during occupied hours. The fan draws air from the medium velocity cooling duct of from the ceiling plenum as required to satisfy the zone temperature. When heat is required, the hydronic control valve modulates as required to maintain the space temperature at the minimum setpoint. The occupants perceive the system to be a constant air volume system. Comfort and indoor air quality is increased through constant air motion.

1.01 STAIRWAY PRESSURIZATION

A. Stairwells are provided with pressurization fans.

1.02 ELEVATOR PRESSURIZATION

A. Elevator shafts not provided with fire/smoke doors will be pressurized from roof level.

1.03 CONTROL SYSTEM

A. Complete DDC control system including: electric wiring, thermostats to terminal units, night setback zones, building static pressure control, duct static pressure control, economizer control all associated interlock wiring, and building time clock.

1.04 DESIGN PARAMETERS

A. The following criteria shall apply to the project:

1) The building will be steel and concrete construction
2) The lighting and equipment load will be no greater than 3.0 watts per square foot.
3) The building occupancy will not exceed 1 person per 140 square feet.
4) The ventilation rate is based at 20 cfm per person.

1.05 COORDINATION

A. Coordination of Trades: Compare the mechanical drawings and mechanical specifications with all of the drawings and all of the specifications for the complete job and report any discrepancies to the Architect. Obtain written instructions from the Architect for changes required as a result of such discrepancies. The Mechanical work shall be installed in cooperation with other trades. Before installation, make provisions to avoid interferences.

B. Slots, chases, and openings through floors, walls, ceilings, and roofs as required will be provided by the various trades, but the trade requiring them shall see that they are installed and properly located, and shall be responsible for any cutting and patching caused by their omission or improper location.

C. Anchor bolts, sleeves, inserts and supports that are required shall be furnished and installed under the same section of the specifications as the respective items to be anchored, sleeved or supported.

1.06 SUBMITTALS

A. General: Prepare equipment drawings, product data, and a list of specification items, stating the manufacturer and catalog number for each item selected. Materials and equipment shall be in accordance with the contract drawings and specifications. Submit on the following items.

1. All equipment items listed in schedules on the drawings.
2. Fire/smoke dampers.
3. Automatic dampers.
4. Valves.
5. Hydronic piping specialties.

6. Plumbing specialties.
7. Air filters.
8. Temperature Regulation and Building Automation System, Materials and Diagram

B. Submittal review: Engineer's review does not relieve Contractor of responsibility for providing complete controls, wiring, components, and the like, required for complete operating mechanical systems.

1.07 DRAWINGS

A. The mechanical drawings show the general arrangement of piping, ductwork, equipment, and appurtenances. The drawings shall be followed as closely as actual building construction and the work of other trades permit. The mechanical work shall conform to the requirements shown on all of the drawings. Mechanical drawings are diagrammatic and do not show all offsets, fittings, and accessories which may be required

B. Layout drawings by the contractor: Prepare detail layout drawings to a scale equal to or larger than the contract drawings for all piping and sheet metal work in Mechanical and Fan Rooms and in other areas where the work is of sufficient complexity to warrant additional detailing. Prepare these drawings on tracings of the same size as the contract drawings and submit with each set for the Owner's record drawings.

C. Record drawings: Each subcontractor shall maintain an up-to-date set of record construction drawings in compliance with the requirements of Division 1. Such sets of record drawings shall be kept at all times on the jobsite and shall be available for reference by the Architect. Record drawings shall accurately show changes in pipe or duct locations.

D. Project Closeout: Submit to the Architect the following, prior to final system check-out.

1. Completed record drawings.
2. Written notice of completion, certifying that work on each system has been completed per requirements of contract documents, all required testing is completed and that all systems and controls are operational.
3. Record drawings: Include any detailed layout drawings prepared by the contractor in record drawing information submittal to the Architect.

1.08 OPERATION AND MAINTENANCE MANUALS

A. Scope: Provide Mechanical Operation and Maintenance Manuals for all mechanical equipment and systems in the project.

B. General: Provide three finished copies of manuals. The completed manuals shall be delivered to the Owner at least one month prior to scheduled completion of the project or starting of major equipment, whichever is sooner.

C. Arrangement: Information contained in the manuals shall be neatly organized in three-ring binders with vinyl covered hardboard covers. Covers shall be imprinted with the name of the job, Owner, Engineer, Contractor and the year of completion. Each copy shall have a typewritten index and tabbed dividers between equipment categories. The manual information shall be grouped in an orderly arrangement under basic categories; i.e., Plumbing Equipment, Plumbing Fixtures, Heating Equipment, Cooling Equipment, Air Distribution Equipment, and Temperature Control Equipment, as a minimum. The preliminary copy shall comply with all requirements.

D. Contents of Manuals: Manuals shall contain all information needed to operate and maintain all systems and equipment provided in the project. It shall be presented and arranged in a logical manner for efficient use by the Owner's operating personnel. The information provided shall include, but not be limited to, the following.

1. Equipment manufacturer, make, model number, size, etc.
2. Supplier's name, address, phone, and reference order numbers.
3. Equipment nameplate data of major items.
4. Dimensional and performance data for specific unit provided.
5. Manufacturer's recommended operating instructions as appropriate.
6. Manufacturer's recommended lubrication and servicing data, including frequency of service, type of service, and description of lubricants required.
7. Complete parts list including reordering information, recommended spares and anticipated useful life (if appropriate).
8. Copies of warranties.
9. Wiring diagrams.
10. Recommended "turn around" cycles.
11. Inspection procedures.
12. Shop drawing and product data.
13. Description of system configuration and operation including component identification and interrelations. A master control schematic drawing(s) will normally be required for this purpose.

1.09 QUALITY ASSURANCE

A. All work shall comply with the governing ordinances of the local jurisdiction and applicable Codes of the State of Washington.

B. Comply with the most recently published versions of the following codes as amended by the City of Seattle:

International Building Code 2003
International Mechanical Code 2003
International Fire Code 2003

Washington State Energy Code
Uniform Plumbing Code
National Electric Code

1.10 BALANCING AND TESTING

A. Balancing of air conditioning and ventilating systems will be done after the systems are substantially completed and shall be performed by the Mechanical Contractor.

1.11 INSTRUCTION FOR OWNER'S REPRESENTATIVES

A. Following initial operation of all mechanical equipment and prior to acceptance of the mechanical work, the Contractor shall conduct demonstrations of equipment operation and instruction periods for the Owner's representatives.

B. Duration of instruction periods:

Plumbing	½ day
Heating Systems	½ day
AC Systems	1 day
Temperature Control/EMS System	2 days

PART 2 PRODUCTS

2.01 MATERIAL AND EQUIPMENT

A. Provide and install products of recognized manufacturers regularly engaged in the production of latest and best standard design materials and equipment.

1. Contractor is responsible for ensuring equipment is complete with fittings, trimmings, and parts necessary for complete operating installations.

B. Provide high quality materials, products, and equipment in accordance with governing codes, ordinances, and best current practices.

PART 3 EXECUTION

3.01 PREPARATION

A. Protection: Protect surrounding areas and surfaces to prevent damage.

B. Obtain roughing-in dimensions for equipment from approved Shop Drawings or actual equipment measurements.

3.02 INSTALLATION

A. Install the work in accordance with Quality Assurance provisions, specifications, Drawings, and manufacturer's instructions. Where these conflict, the more stringent requirements govern.

B. In laying out piping, allow space for maintenance. Carefully plan work and use proper fittings to ensure maximum headroom. Owner reserves the right to require removal and replacement of work that uses excessive space in cases where the construction varies significantly from what is shown on the plans.

C. Keep openings in pipes, ducts, and equipment closed during construction.

D. Install equipment requiring periodic servicing or repairs so it is readily accessible.

3.03 PROTECTION

A. Properly protect equipment during and between the various operations of preliminary checkout, piping connections, electrical hookup, painting, and final testing. Cover equipment to the extent necessary to prevent foreign materials from contaminating the mechanisms or finishes.

3.04 COMMISSIONING AND OPERATIONAL TESTS

A. Prior to the inspection to determine substantial completion, the Contractor shall put all mechanical systems into service and check that work required for that purpose has been done, including but not limited to the following condensed check list.

1. Correct rotation of motors and ratings of overload heaters are verified.
2. Specified filters are installed and spares on hand when specified.
3. All equipment has been started, checked, lubricated and adjusted in accordance with the manufacturer's recommendations.
4. Each individual manufacturer's equipment start-up report (generally included in the equipment package) has been completed and transmitted to the Architect.
5. All equipment has been cleaned and damaged painted finishes have been touched-up.
6. Damaged fins on heat exchangers have been combed out. Missing or damaged parts have been replaced.
7. Flushing and cleaning of piping systems has been done and water treatment equipment has been installed and is operating correctly.
8. Equipment labels, pipe marker labels, and valve tags are installed.
9. Test and balance work is complete.
10. Automatic control setpoints are as designated and performance of control system checks out to agree with the sequence of operation.

11. Operation and Maintenance Manuals have been delivered and instructions to operating personnel have been made.
12. Building will be pursuing a LEED Silver certification which will require LEED commissioning.

END OF SECTION

SECTION 15410

PLUMBING/PIPING

PART 1 GENERAL

1.01 SECTION INCLUDES

A. Pipe and fittings for domestic or potable water, sanitary sewer, and storm water drainage service.

B. This section covers service within the building and to 5 feet outside the building.

C. Miscellaneous piping for instruments, testing, and temporary services. Make same as for the connecting service if not otherwise specified.

D. Services covered under this section:

SYMBOL	SERVICE	DESIGN PRESSURE (PSIG)	DESIGN TEMP. (°F)
CW	Domestic Cold Water	175	50
HW	Domestic Hot Water	175	120/140
HWC	Domestic Hot Water Circulating	175	120/140
SS (W)	Sanitary Sewer (Waste)	10	120
RL	Rainwater Leader	10	32
SD	Storm Drain	10	40
V, VTR	Vents for Sanitary Sewer	10	Ambient

PART 2 PRODUCTS

2.01 DOMESTIC COLD AND HOT WATER (CW, HW, HWC) - ABOVE GRADE

A. Copper pipe, fittings, and joints: Anaconda, American Brass Co., Nibco, Inc., Mueller Brass Co.

1. Pipe: Type L hard-drawn seamless copper, water tube, ASTM B 88.

2. Fittings: Wrought-copper solder joints fittings, ANSI B16.22 and ASTM B 75. Cast bronze may be used for fittings not available in wrought copper.

3. Unions: Wrought-copper and solder joint unions with copper seats, ANSI B16.22 and ASTM B 75.

4. Flanges: Class 125 cast-bronze solder joint flanges, flat faced, ASTM B 584, 175 lb WOG @ 150° F. Furnish flanges factory-faced, drilled, and spot-faced.

5. Joints: Soldered. Flanged at flanged equipment connections and flanged valves.

6. Solder: 95-5 tin antimony, 95.5/4 tin/copper, 91.5/5/3.5 tin/antimony/copper per ASTM B 32-89, Grade 50A, Alpha Metals, Inc., Anchor Alloys Inc., Kester Solder Co., Harris, Engelhard, or approved.

7. Gaskets: Full face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1450 lb @ 750° F, Richard Klinger, Inc., Crane Packing Co., Garlock Co., or approved.

8. Bolting: Silicon bronze hex-head cap screws with regular hex nuts.

2.02 SANITARY SEWER, STORM DRAIN, AND ASSOCIATED VENT PIPING (SS (W), SD, V) - BELOW GRADE

A. Cast-iron soil pipe and fittings.

1. Pipe: CISPI 301, service weight, cast-iron soil pipe, bituminous coated, hubless type.

2. Fittings: CISPI 301, service weight, hubless type; bituminous coated.

3. Joints: Neoprene gaskets and stainless steel clamp-and-shield assemblies, ASTM C-564, CISPI 310.

B. Provide factory fabricated transition coupling or adapter gasket at interface between building cast-iron piping and site piping.

2.03 SANITARY SEWER AND VENT PIPING (SS (W), V, VTR) - ABOVE GRADE

A. Use either B or C consistently throughout project for a given size range of piping.

B. Cast-iron soil pipe and fittings.

1. Pipe: CISPI 301, service weight, cast-iron soil pipe, bituminous coated, hubless type.

2. Fittings: CISPI 301, service weight, hubless type; bituminous coated.

3. Joints: Neoprene gaskets and stainless steel clamp-and-shield assemblies, ASTM C-564, CISPI 310.

C. Copper pipe system:

1. Pipe: 1-1/2" maximum: Type DWV copper tubing, ASTM B306.

2. Fittings: Wrought copper solder joint drainage fittings, ANSI B16.29 or cast bronze solder joint drainage fittings, ANSI B16.23. Solder per domestic water specification.

2.04 STORM DRAIN AND RAINWATER LEADER PIPING (SD, RL) - ABOVE GRADE

A. Cast-iron soil pipe and fittings.

1. Pipe: CISPI 301, service weight, cast-iron soil pipe, bituminous coated, hubless type.

2. Fittings: CISPI 301, service weight, hubless type; bituminous coated.

3. Joints: Neoprene gaskets and stainless steel clamp-and-shield assemblies, ASTM C-564, CISPI 310.

2.05 CHILLED AND CONDENSER WATER PIPING (CHWS,CHWR,CWS,CWR)

A. Black Steel pipe, fittings, and joints (all sizes)

1. Pipe material: Black steel, ASTM A 53, Grade A or B, electric resistance welded or ASTM A106 seamless.

2. Weight and ends: 1/4 inch through 10 inches, Schedule 40. 12 inches and larger, Schedule 40S (0.375" thickness. Thin wall pipe acceptable for roll-grooved-end pipe: 2 inch to 6 inch: Schedule 10.

3. Fittings: 2 inches and smaller, Class 150 malleable iron, threaded, ASTM A 197, ANSI B16.3. 2-1/2 inches and larger, Standard weight seamless steel butt welding, ASTM A 234 Grade WPB; dimensions to ANSI B16.9 and B16.10. Weldolets, Threadolets, Sockolets, or as approved may be used where branch pipe size is less than or equal to half the main line size or Grooved end type, ductile iron, ASTM A 536 or malleable iron, ASTM A 47, with EPDM gasket. Victaulic or approved.

4. Unions: Class 150 malleable iron, brass seat, threaded, ASTM A 197, ANSI B16.3, 150-lb. SWP @ 366°F., 300-lb WOG @ 150°F.

5. Flanges: Class 150 slip-on or welding neck forged steel flanges with raised face, ASTM A 181-1 or A 105-1, ANSI B16.5, 150-lb WP @ 500°F, 255-lb. WP @ 150°F. Use flat-faced flanges when mating steel flanges to cast iron flanges. Slip-on flanges: Double fillet weld.

6. Joints: 2 1/2 inches and smaller, threaded or grooved; 3 inches and larger, welded, flanged, or grooved.

7. Thread lubricant: Teflon tape or pipe dope.

8. Gaskets: Ring type for raised face flanges and full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000-lb. @ 700°F., Garlock Co., or approved.

9. Bolting: Carbon steel hex-head machine bolts and hex nuts, ASTM A 307, Grade A bolt, ASTM A563 nut or continuous thread stud bolts and hex nuts, ASTM A193B7 stud, ASTM A1942H nut.

B. Copper pipe, fittings, and joints: Anaconda, American Brass Co., Nibco, Inc., Mueller Brass Co.

1. Pipe: ¼ inch through 4": Type L hard-drawn seamless copper, water tube, ASTM B 88.

2. Fittings: Wrought-copper solder joints fittings, ANSI B16.22 and ASTM B 75. Cast bronze may be used for fittings not available in wrought copper.

3. Unions: Wrought-copper and solder joint unions with copper seats, ANSI B16.22 and ASTM B 75.

4. Flanges: Class 125 cast-bronze solder joint flanges, flat-faced, ASTM B 584, 175-lb WOG @ 150° F. Furnish flanges factory-faced, drilled, and spot-faced.

5. Joints: Soldered, sweat, or threaded. Flanged at flanged equipment connections and flanged valves. Grooved end or Victaulic joint connections also may be approved by mechanical engineer.

6. Solder: 95-5 tin antimony, 95.5/4 tin/copper, 91.5/5/3.5 tin/antimony/copper per ASTM B 32-89, Grade 50A, Alpha Metals, Inc., Anchor Alloys Inc., Kester Solder Co., Harris, Engelhard, or approved.

7. Gaskets: Full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000 lb @ 700° F, Richard Klinger, Inc., Crane Packing Co., Garlock Co., or approved.

8. Bolting: Silicon bronze hex-head cap screws with regular hex nuts.

PART 3 EXECUTION

3.01 TESTING

A. Hydrostatic test as specified in Section 15060, before disinfection.

3.02 DISINFECTION OF DOMESTIC WATER PIPING SYSTEM

A. Sterilize all water piping, using 50 ppm chlorine concentration; per Seattle-King County Health Department regulations; 8 hour contact time; open all valves several times during contact period; followed by flushing with clean water until residual chlorine is less than 0.2 ppm.

END OF SECTION

SECTION 15510

HYDRONIC PIPING

PART 1 GENERAL

1.01 SECTION INCLUDES

A. Water piping for heating, cooling, and other nonpotable water services as identified below.

B. Miscellaneous piping for drains, vents, instrument connections and temporary services. Make the same as for the connecting service if not otherwise specified.

C. Services covered under this section:

SYMBOL	SERVICE	DESIGN PRESSURE (PSIG)	DESIGN TEMP. (°F)
CHWS	Chilled Water Supply	175	42
CHWR	Chilled Water Return	175	54
CWS	Condenser Water Supply	175	85
CWS	Condenser Water Return	175	95
HWS	Heating Water Supply	175	170
HWR	Heating Water Return	175	140
C	Condensate	10	Ambient

1.02 QUALITY ASSURANCE

A. Welding materials and procedures: Section 15060 - General Piping Requirements.

B. Welder's certification: Section 15060.

PART 2 PRODUCTS

2.01 CHILLED AND CONDENSER WATER PIPING (CHWS,CHWR,CWS,CWR)

A. Black Steel pipe, fittings, and joints (all sizes)

1. Pipe material: Black steel, ASTM A 53, Grade A or B, electric resistance welded or ASTM A106 seamless.

2. Weight and ends: 1/4 inch through 10 inches, Schedule 40. 12 inches and larger, Schedule 40S (0.375" thickness. Thin wall pipe acceptable for roll-grooved-end pipe: 2 inch to 6 inch: Schedule 10.

3. Fittings: 2 inches and smaller, Class 150 malleable iron, threaded, ASTM A 197, ANSI B16.3. 2-1/2 inches and larger, Standard weight seamless steel butt welding, ASTM A 234 Grade WPB; dimensions to ANSI B16.9 and B16.10. Weldolets, Threadolets, Sockolets, or as approved may be used where branch pipe size is less than or equal to half the main line size or Grooved end type, ductile iron, ASTM A 536 or malleable iron, ASTM A 47, with EPDM gasket. Victaulic or approved.

4. Unions: Class 150 malleable iron, brass seat, threaded, ASTM A 197, ANSI B16.3, 150-lb. SWP @ 366°F., 300-lb WOG @ 150°F.

5. Flanges: Class 150 slip-on or welding neck forged steel flanges with raised face, ASTM A 181-1 or A 105-1, ANSI B16.5, 150-lb WP @ 500°F, 255-lb. WP @ 150°F. Use flat-faced flanges when mating steel flanges to cast iron flanges. Slip-on flanges: Double fillet weld.

6. Joints: 2 1/2 inches and smaller, threaded or grooved; 3 inches and larger, welded, flanged, or grooved.
7. Thread lubricant: Teflon tape or pipe dope.

8. Gaskets: Ring type for raised face flanges and full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000-lb. @ 700°F., Garlock Co., or approved.

9. Bolting: Carbon steel hex-head machine bolts and hex nuts, ASTM A 307, Grade A bolt, ASTM A563 nut or continuous thread stud bolts and hex nuts, ASTM A193B7 stud, ASTM A1942H nut.

B. Copper pipe, fittings, and joints: Anaconda, American Brass Co., Nibco, Inc., Mueller Brass Co.

1. Pipe: ¼ inch through 4": Type L hard-drawn seamless copper, water tube, ASTM B 88.

2. Fittings: Wrought-copper solder joints fittings, ANSI B16.22 and ASTM B 75. Cast bronze may be used for fittings not available in wrought copper.

3. Unions: Wrought-copper and solder joint unions with copper seats, ANSI B16.22 and ASTM B 75.

4. Flanges: Class 125 cast-bronze solder joint flanges, flat-faced, ASTM B 584, 175-lb WOG @ 150° F. Furnish flanges factory-faced, drilled, and spot-faced.

5. Joints: Soldered, sweat, or threaded. Flanged at flanged equipment connections and flanged valves. Grooved end or Victaulic joint connections also may be approved by mechanical engineer.

6. Solder: 95-5 tin antimony, 95.5/4 tin/copper, 91.5/5/3.5 tin/antimony/copper per ASTM B 32-89, Grade 50A, Alpha Metals, Inc., Anchor Alloys Inc., Kester Solder Co., Harris, Engelhard, or approved.

7. Gaskets: Full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000 lb @ 700° F, Richard Klinger, Inc., Crane Packing Co., Garlock Co., or approved.

8. Bolting: Silicon bronze hex-head cap screws with regular hex nuts.

2.02 CONDENSATE PIPING

A. Copper pipe and fittings.

1. Pipe material: Type DWV copper tubing, ASTM B306.

2. Fittings: Wrought copper solder joint drainage fittings, ANSI B16.29 or cast bronze solder joint drainage fittings, ANSI B16.23.

3. Solder: Per domestic water specification.

PART 3 EXECUTION

3.01 TESTING

A. Hydrostatically test piping in accordance with Section 15060.

3.02 CLEANING

A. Flush system to remove oil and pipe cuttings with a mixture of water and trisodium phosphate, 1 lb for each 50 gallons of water, circulate for 2 hours, then drain and flush with clean water under pressure to remove traces of detergent. Remove strainer baskets and screens, clean thoroughly, and replace.

King County Staff requests excluded in the GMP are listed below as alternates:

- DDC compatibility is not guaranteed as same County system (Siemens) If Siemens is required for 100% compatibility, cost increase will be $125,000.
- Hot water and chilled water systems will be primary/secondary flow with a secondary variable flow. $149,000 cost increase to include this feature. This may impact LEED negatively
- Chillers will have 100% redundancy. $530,000 cost increase to include this feature. Roof space may not be available.
- Chillers will be York or equal. York is an additional $140,000.
- Boilers will be Cleaver Brooks (fire tube) or equal. Cleaver Brooks is and additional $94,000.

- Cooling capacity for 72 deg at 83 deg outside air and heating capacity for 72 deg at 17 deg outside air. This design is an additional $135,000 and impacts floor efficiency with larger shafts, more roof area, etc…
- Switch gear, fuel tank, generator, lighting system, boilers and chillers will have Modbus interface with DDC. If Siemens, we would assume this is included in upgrade noted above.
- Chemical testing listed Garrett Callahan, add $35,000 for this vendor.

END OF SECTION

ATTACHMENT B

SECTION 15310

FIRE PROTECTION SPRINKLER AND STANDPIPE SYSTEMS

I. PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:

1. Provide design and construction of a complete design-build automatic fire protection sprinkler system. The sprinkler system shall extend throughout the building including combustible overhangs. The parking garage shall be fully protected per Seattle's requirements. It is the contractor's responsibility to verify and comply with all applicable city codes and ordinances. In case of any conflict with drawings or specifications, the codes and ordinances shall govern.

2. Shop drawings, hydraulic calculations, material submittals, test reports and certificates, operation and maintenance manuals, as-built drawings.

1.2 REFERENCES

A. National Fire Protection Association, NFPA 13, Installation of Sprinkler Systems

B. National Fire Protection Association, NFPA 14, Standpipe and Hose Systems

C. 2004 International Building Code (IBC)

D. Underwriters Laboratories (UL)

II. PART 2 - PRODUCTS

2.1 MATERIALS

A. All materials and equipment to be new UL listed, pressure rated for system pressures, and shall be in accordance with NFPA 13 and the City of Seattle requirements.

2.2 PIPE AND FITTINGS

A. Pipe: Provide pipe in accordance with NFPA 13, as applicable for the type of system or application.

B. Fittings: Provide sizes and types matching pipe, valves, and equipment connections. Fittings shall be threaded, fit socket, grooved, or flanged.

C. Pipe used for dry pipe sprinkler systems shall be schedule 10 or schedule 40.

2.3 PIPE HANGERS AND SUPPORTS

A. Support and seismically restrain the fire protection piping with UL listed hangers and support devices. The design, selection, spacing, restraining, and anchors shall be in accordance with NFPA 13.

2.4 VALVES

A. All fire protection valves shall be UL listed for fire protection use. Valves shall be threaded, grooved, or flanged, and shall be provided for the correct application and pressure rating as required.

2.5 CHECK VALVES

A. All check valves shall be UL listed swing type check valves with replaceable seat. Valves shall be threaded, grooved, wafer, or flanged, and shall be provided for the correct application and pressure rating as required.

2.6 SPRINKLER HEADS

A. All sprinkler heads shall be quick response type. Temperature rating shall be in accordance with NFPA 13.

B. Sprinkler heads in unfinished areas to be upright or pendent with brass finish.

C. Sprinkler heads in finished ceiling areas to be recessed with chrome finish and or painted escutcheon.

D. Provide a metal cabinet containing a stock of spare sprinklers and head wrenches in accordance with NFPA 13. Locate the cabinet in the fire sprinkler riser room.

2.7 VALVE SUPERVISORY SWITCHES

A. All control valves in the fire protection piping shall be supervised. Supervisory switches shall be furnished and installed by this contractor and wired by the Electrical Contractor. Valves without built in supervisory switches shall be provided with Potter Electric supervisory switches.

2.8 WATERFLOW SWITCHES

A. All waterflow and pressure alarm switches shall be furnished and installed by this contractor and wired by the Electrical Contractor.

B. Wet pipe waterflow alarm switches to be Potter VSR-F.

C. Dry pipe pressure alarm switches to be Potter PS 10-2.

D. Dry pipe high/low air alarm switches to be Potter PS 40-2.

2.9 ACCESS DOORS

A. Provide wall or ceiling access doors in finished areas for the access to concealed equipment. Coordinate locations with the architect before installation.

B. All access doors provided shall be compatible with the type of construction to be installed in. Access doors in fire rated assemblies shall be rated to maintain the rated assembly.

2.10 SLEEVES

A. Provide sleeves around all piping passing through masonry, CMU, concrete walls and floors.

B. This contractor is responsible for the timely placement of sleeves in construction. If sleeves are not placed during construction, permission shall be obtained before any core drilling is performed.

C. Sleeves shall be sized in accordance with NFPA 13.

2.11 FIRESTOPPING

A. Provide a classified UL firestopping system of all pipe penetrations through fire rated assemblies in accordance with the City of Seattle building inspector.

2.12 FIRE HOSE VALVES

A. Standard Hose Valves: 2 ½ inch, cast brass finish, angle pattern, with hose threads, cap with 1/8 inch hole, and chain.

2.13 DRY PIPE VALVES

A. The dry valve is to be Reliable Model D or equal. Include pressure alarm switch, high/low air switch, and other all necessary trim and devices.

2.14 AIR COMPRESSOR

A. Provide a tank mounted fire sprinkler system air compressor sized in accordance with NFPA 13. Coordinate electrical wiring requirements with the electrical contractor.

2.15 ELEVATOR MACHINE ROOMS

A. Elevator machine rooms, shafts, and pits are to be protected in accordance with the state elevator inspector's guidelines.

III. PART 3 - EXECUTION

3.1 PIPING INSTALLATION

A. General: The contractor shall provide all piping system components in accordance with NFPA 13, the City of Seattle, and the intent of the drawings and specifications to provide a complete automatic sprinkler and standpipe system.

B. Piping shall be properly supported and worked in place without springing or forcing. All changes in directions shall be made with fittings, except special conditions that require bending of pipe will be permitted in accordance with NFPA 13.

C. Concealed and Exposed Pipe: All piping in finished areas to be concealed when practical. Exposed piping shall be neatly installed in an orderly manner and run parallel or perpendicular to the building lines.

D. Provide all test and drain lines, pressure gauges, signs, and other such standard appurtenances as required for a complete installation in accordance with NFPA 13.

3.2 TESTS AND INSPECTIONS

Tests and inspections required by the City of Seattle shall be arranged and paid for by the fire protection contractor.

The fire protection piping shall be hydrostatically tested at 200 PSI and shall maintain that pressure without loss for two hours. Loss shall be determined by a drop in gauge pressure or visual leak. Portions of systems normally subjected to working pressures in excess of 150 PSI shall be tested as described above at a pressure of 50 PSI in excess of normal working pressure.

When hydrostatic and all other tests have been performed, a completed Contractor's Material and Test Certificate is to be provided.

END OF SECTION 15550

ATTACHMENT C

SECTION 16000

PRELIMINARY ELECTRICAL OUTLINE

1.01 SERVICE AND DISTRIBUTION

ELECTRICAL UTILITY SERVICE ENTRANCES

A) KING COUNTY OFFICE BUILDING: A reliable utility "network" transformer vault located in the building will supply power for two (2) services, one 4,000 ampere and one 2,000 ampere, 480Y/277 volt. These are estimated service sizes based on a typical "high-rise" mechanical system. These services do not include power for a data center.

B) The base building electrical system shall be designed to support an average electrical load of 16.0 watts/sf, based on 300,000 gsf. The office building garage levels work out to an average of 4.5 watts/sf, based on 56,000 gsf.

C) STRUCTURED PARKING GARAGE: The 9-story garage building will be fed by Seattle City Light via their 208Y/120 volt "spot" network. A transformer vault and/or transformer will not be utilized. The parking garage will have a 1,000 ampere, 208Y/120 volt service.

D) The structured parking garage electrical system shall be designed to support an electrical load of 1.4 watts/sf, based on 244,000 gsf.

POWER DISTRIBUTION

Provide the following distribution systems in the facility:

A) 480Y/277 volt normal power.

B) 208Y/120 volt normal power.

C) Emergency power via diesel generator set.

D) Legally Required Standby (per code) power via generator set.

E) Provide electrical spaces or rooms specifically dedicated to electrical equipment per NEC. No mechanical, plumbing or architectural appurtenances not specifically related to the electrical space shall be installed in the electrical spaces.

F) Lighting shall be powered from the 480Y/277 volt system where practical and allowed by code.

G) Provide convenience receptacles in each mechanical room, electrical room, storage room, and telephone MDF & IDF room.

H) Electrical rooms will be sized for the initial shell and core electrical installation and allow for future tenant improvement additions of transformers & panelboards. Coordinate with mechanical contractor for ventilation requirements and automatic ventilation controls in all electrical rooms.

I) Code required receptacles for mechanical and conveyance systems will be provided.

J) Transient voltage surge suppression will be provided in each of the two main electrical switchboards.

K) The lighting system shall comply with the latest Seattle Energy codes and IESNA recommendations.

L) The distribution system shall include the following:

1) One electrical room per floor.

2) Each floor will be served by a single, surface mounted 400 amp, 480Y/277 volt panelboard, one (1) - 112.5 kVA, K-13 rated transformer, and one (1) - 350 amp, 208Y/120 volt panelboard. The 208Y/120 volt panelboard will be of sufficient ampacity to allow additional panelboards to be added as circuit capacity is needed for future tenant loads and distribution.

3) Rooftop mechanical and elevator loads will be fed from a separate electrical panelboard.

4) Emergency and Legally Required Standby (per code) loads will be supplied through a common generator and distributed through separate Automatic Transfer Switches.

5) Controls and switching for the life safety generator will be accommodated in the building design.

1.02 TELECOMMUNICATIONS/SPECIAL ELECTRICAL SYSTEMS

TELECOMMUNICATIONS NARRATIVE

A) KING COUNTY OFFICE BUILDING: A total of four (4) – 4" underground conduits will be installed to the Main Telecommunications (MDF) room from the nearest serving utility interface point. Two (2) of these conduits will be supplied from the north end of the building and the remaining two (2) will be supplied from the south end of the office building. This is based on the serving utility providing interface points at these locations. These conduits will be for telephone, fire alarm, and security use. The additional twenty (20) conduits requested by Hanker are excluded and cost approximately $250,000 to add.

B) PARKING GARAGE BUILDING: A single 4" underground conduit will be installed to the Parking Garage's Demarcation location from the nearest serving utility interface point. This conduit will be for telephone, fire alarm, and security use.

SPECIAL SYSTEMS NARRATIVE

A) ACCESS CONTROL SYSTEM OFFICE BUILDING: Card readers shall be provided at the main entrance to the building, in all elevators, and at all underground parking level entrances and exits. Raceways only for the access control system shall be provided in the office building stairwells on each floor. The access control, shell and core "base" system shall have the capability to be expanded for future tenant improvements. The system shall allow for single point control of the entire system. The system shall be coordinated with the fire alarm and elevator systems and the

locking hardware provider. The Structured Parking Garage shall include an access control system at entries and exits.

B) SECURITY (CCTV) SYSTEM OFFICE BUILDING: Provide a "base" shell and core closed circuit television (CCTV) system. The system shall have the capability to be expanded for future tenant improvements. CCTV cameras will be provided at the main entrance to the building, in the main lobby, at the roof access door(s), at the loading dock, and at all garage level entrances and exits. These cameras shall be connected back to a central monitoring location within the building.

C) SECURITY (CCTV) SYSTEM STRUCTURED PARKING GARAGE: Provide a "base" closed circuit television (CCTV) system. CCTV cameras will be provided at all entrances and exits to the garage and at all elevator lobbies. These cameras shall be connected back to a central monitoring location. The system shall have the capability to add additional cameras.

D) ARCHITECTURAL LIGHTING: An allowance for feature lighting has been provided at this time. Fixture types will be determined as the design develops.

1) Canopy lighting at 5th Avenue
2) Indoor/Feature lighting shall be provided in the building lobby.
3) Main entryway and feature wall lighting shall be integrated with the building lighting control panel.

1.03 GENERAL PROVISIONS

GENERAL SHELL AND CORE:

A) Project Design: Provide complete electrical design, including (where applicable):

1) Power and Lighting device layout and circuiting.
2) Mechanical device coordination and circuiting.
3) Complete load calculations.
4) Fault current calculations.
5) Energy Calculations.
6) Procure available SCL rebates.

B) CODES: Comply with:

1) City of Seattle Electrical Code Supplement.
2) Seattle Energy Code.
3) National Electrical Code, latest edition.
4) The City of Seattle Plan Review Requirements.
5) NFPA 110-Standard for emergency and standby power systems.

C) PERMITS: The Electrical Contractor shall obtain and pay for permits.

D) CONSTRUCTION:

1) Perform the electrical construction work as described in the drawings and specifications.

2) Contractor shall visit site prior to bidding. Bids shall serve as evidence of knowledge of visible existing conditions.

E) SUBMITTALS:

1) Submittal Package: Submit one complete package with the following data:
   a) Equipment identification numbers as shown on the drawings.
   b) Manufacturers' names and addresses.
   c) Catalog numbers and trade names.
   d) Detailed description and/or catalog cuts; highlight all significant information such as voltage, current (or wattage), dimensions and colors, if applicable.

2) Required Submittals: Provide descriptive data on the following (as applicable):
   a) Circuit breakers
   b) Switchboards/Panelboards
   c) Transformers
   d) Receptacles
   e) Motor Starters
   f) Control Devices
   g) Lighting Fixtures
   h) Other devices as identified by the building engineer and/or building owner.

F) PROJECT CLOSE-OUT:

1) Leave project clean and free of electrical debris.
2) Demonstrate to Owner satisfactory performance of electrical equipment and satisfactory workmanship.
3) Present Owner with a Certificate of Compliance from Electrical Inspector.
4) Provide accurate "as built" reproducible drawings to Owner, including panel circuit directories. All as-builts shall be produced in AutoCAD 2002.

MECHANICAL/ELECTRICAL COORDINATION:

A) Check mechanical drawings and specifications to ensure proper location and electrical characteristics of outlets serving mechanical equipment. Confer with Mechanical Contractor to determine requirements of equipment furnished. All power wiring shall be provided under Division 16, Electrical. Except as furnished with equipment, motor starters, protective devices, and other means of operation shall be furnished under Division 16, Electrical. All control wiring shall be provided by Division 15.

GUARANTEE:

A) The Electrical Contractor shall guarantee all electrical work for a period of two years from date of substantial completion, and shall repair or replace any materials or equipment identified as defective during this period.

1.04 BASIC MATERIALS AND METHODS

A) GENERAL: This section of specifications includes materials and installation requirements common to more than one system.

B) CONDUIT AND FITTINGS

Shall be rigid steel (zinc-coated) conduit (GRS), rigid nonmetallic conduit (PVC), intermediate metal conduit (IMC), electrical metallic tubing (EMT), plastic coated rigid steel and IMC conduit, flexible metal conduit, liquid-tight flexible conduit, electrical non-metallic tubing (ENT), MC Cable, and PVC coated MC cable conforming to the following:

1) Rigid Steel Conduit (Zinc-Coated) (GRS): ANSI C80.1, UL 6.
2) Rigid Nonmetallic Conduit: (PVC) Type EPC-40 and EPC-80 in accordance with NEMA TC 2.
3) Intermediate Metal Conduit (IMC): UL 1242, zinc-coated steel only.
4) Electrical Metallic Tubing (EMT): UL 797, ANSI C80.3.
5) Plastic-Coated Rigid Steel and IMC Conduit: NEMA RN 1, Type 40 (40 mils thick).
6) Flexible Metal Conduit: UL 1.
7) Liquid-Tight Flexible Metal Conduit, Steel: UL 360.
8) Fittings for Metal Conduit, EMT, and Flexible Metal Conduit: UL 514B. Ferrous fittings shall be cadmium-coated or zinc-coated in accordance with UL 514B.
9) Fittings for Rigid Metal Conduit and IMC: Threaded-type, split couplings unacceptable.
10) Fittings for EMT: Steel compression type or set-screw.
11) Fittings for Rigid Nonmetallic Conduit: NEMA TC 3.

C) WIRES AND CABLES

Wires and cables shall meet applicable requirements of NFPA 70 and UL for type of insulation, jacket, and conductor specified or indicated.

1) Conductors: Conductors No. 8 AWG and larger diameter shall be stranded. Conductors No. 10 AWG and smaller diameter may be solid, except that conductors for remote control, alarm, and signal circuits, classes 1, 2, and 3, shall be stranded unless specifically indicated otherwise.
2) Minimum Conductor Sizes: Minimum size for branch circuits shall be No. 12 AWG; for Class 1 remote-control and signal circuits, No. 14 AWG; for Class

2 low-energy, remote-control and signal circuits; and No. 16 AWG for Class 3 low-energy, remote-control, alarm and signal circuits.

3) Color Coding: Provide for service, feeder, branch, control, and signaling circuit conductors. Conductors to be color coded throughout the project with the same color applying to the same phase throughout.

4) Color codes are as follows for the 208/120 volt, 3 phase, 4 wire systems:
   a) A – phase – black
   b) B – phase – red
   c) C – phase – blue
   d) Neutral – white; except where neutrals of more than one system are installed in the same raceway or box, other neutrals shall be white with colored (not green) stripe
   e) Equipment Ground – green
   f) Isolated Ground – green with yellow stripe

5) Color codes are as follows for the 480/277 volt, 3 phase, 4 wire system:
   a) A – phase – brown
   b) B – phase – orange
   c) C – phase – yellow
   d) Neutral – gray
   e) Equipment Ground green

6) Where these colors cannot be provided in the wire and cable insulation or jacket, color coding tape of the designated color shall be continuously applied in sufficient quantity to ensure permanency at all switchboards, panelboard, exposed terminals of other apparatus, conductor loops, and splices.

7) Insulation: Unless specified or indicated otherwise or required by NFPA 70 power and lighting wires shall be 600-volt, Type THHN or XHHW.

8) Bonding Conductors: ASTM B 1, solid bare copper wire for sizes No. 8 AWG and smaller diameter; ASTM B 8, Class B, stranded bare copper wire for sizes No. 6 AWG and larger diameter.

9) Service Entrance Cables: Service Entrance (SE) and Underground Service Entrance (USE) Cables, UL 854.

PANELBOARDS

1) UL 67 and UL 50. Panelboards for use as service disconnecting means shall additionally conform to UL 869. Panelboards shall be bolt-on circuit breaker equipped. Design shall be such that individual breakers can be removed without disturbing adjacent units or without loosening or removing supplemental insulation supplied as means of obtaining clearances as required by UL. Panelboard locks shall be keyed same. Directories shall indicate load served by each circuit of panelboard. Directories shall also indicate source of

service (upstream panel, switchboard, etc.) to panelboard. Type directories and mount in holder behind transparent protective covering.

2) Panelboard Buses: Bussing shall be copper or tin platted aluminum. Support bus bars on bases independent of circuit breakers. Main buses and back pans shall be designed so that breakers may be changed without machining, drilling, or tapping. Provide isolated neutral bus in each panel for connection of circuit neutral conductors. Provide separate ground bus identified as equipment grounding bus per UL 67 for connecting grounding conductors. In addition to equipment grounding bus, provide second "isolated" ground bus, where indicated.

a) Panelboard Neutrals for Non-Linear Loads: UL listed, and panelboard type shall have been specifically UL heat rise tested for use on non-linear loads. Panelboard shall be heat rise tested in accordance with UL 67, except with the neutral assembly installed and carrying 200 percent of the phase bus current during testing. Verification of the testing procedure shall be provided upon request. Two neutral assemblies paralleled together with cable are not acceptable. Nameplates for panelboard rated for use on non-linear loads shall be marked "SUITABLE FOR NON-LINEAR LOADS". Provide a neutral label with instructions for wiring the neutral of panelboards rated for use on non-linear loads.

b) Panelboards shall be Eaton, Square D, GE, Siemens, or equivalent.

3) Circuit Breakers: UL 489, bolt-on, thermal magnetic type having a minimum short-circuit current rating equal to the short-circuit current rating of the panelboard in which the circuit breaker shall be mounted. Breaker terminals shall be UL listed as suitable for type of conductor provided. Series rated circuit breakers and plug-in circuit breakers are unacceptable.

a) Multi-pole Breakers: Provide common trip-type with single operating handle. Breaker design shall be such that overload in one pole automatically causes all poles to open.

b) Maintain phase sequence throughout each panel so that any three adjacent breaker poles are connected to Phases A, B, and C, respectively.

c) Circuit Breakers shall be Eaton, Square D, GE, Siemens, or equivalent.

E) ENCLOSED CIRCUIT BREAKERS

1) UL 489. Individual molded case circuit breakers with voltage and continuous current ratings, number of poles, overload trip setting, and short circuit current interrupting rating as indicated. Enclosure type as indicated. Provide solid neutral.

2) Enclosed Circuit Breakers shall be Eaton, Square D, GE, Siemens, or equivalent.

F) FUSES

1) NEMA FU 1. Provide complete set of fuses for each fusible switch. Time-current characteristic curves of fuses serving motors or connected in series with circuit breakers shall be coordinated for proper operation. Fuses shall have voltage rating not less than circuit voltage.

2) Cartridge Fuses, Current Limiting Type (Class R): UL 198E, Class RK-5, time-delay type. Associated fuse holders shall be Class R only.

3) Fuses shall be Bussman or approved equal.

G) CABLE TRAYS

1) NEMA VE 1. UL Classified E80034 Control No. 46B8; NEMA Class 8C and RB. Cable trays shall be constructed of Aluminum Alloy 6063-T6. Trays shall include connectors, splice and end plates, dropouts, rung caps and miscellaneous hardware. Edges, fittings, and hardware shall be finished free from burrs and sharp edges. Fittings shall have not less than load-carrying ability of straight tray sections and shall have manufacturer's minimum standard radius, in no case less than 2".

2) Ceiling cable trays may be ladder or center spine type by Mono-Systems, B-Line, Husky, P.W. Industries, or approved equal. Square/rectangular cross rungs shall be spaced 6" o.c.

H) DRY TRANSFORMERS

1) General: Dry transformers shall be totally metal enclosed ventilated two winding type, with six 2-1/2 percent taps, 2-FCAN, 4-FCBN unless otherwise noted. Temperature rise shall be 150 or 115 degrees C and the transformer shall be rated and labeled for 10 percent continuous overload. Oversize or de-rated transformers not acceptable. Sound ratings shall not exceed NEMA Standards for nominal size indicated. Transformers shall be TP-1 rated unless they are feeding high harmonic loads. In this case they shall be K rated in accordance with the loads served.

2) Vibration Mounts: All transformers shall be provided with internal vibration isolators. Transformers rated 30kVA and larger shall be provided with external vibration isolators between the transformer and mounting surface.

3) Transformer Connections: Provide flexible conduit connections to transformer casing for primary and secondary feeders.

4) Dry Transformer shall be Eaton, Square D, GE, Siemens, or equivalent.

I) GROUNDING AND BONDING

1) Ensure that the conduit system is effectively grounded, and that bonding is obtained between conduits, boxes, and receptacles.

2) Utilize equipment grounding conductors in all branch circuit raceways for power and lighting.

3) Provide a separate grounding conductor in all flexible conduit.

J) LIGHTING FIXTURES

1) KING COUNTY OFFICE BUILDING

a) Building standard 2 x 4 fluorescent troffer lighting shall be Lightron 25G-2X4-232T unless otherwise indicated.

b) Restrooms will have Building standard 2 x 4 fluorescent lighting.

c) Hallways will have fluorescent downlights in public areas and surface mounted fluorescent wraparound fixtures in rated "back of house" corridors.

d) Stairwells will have 4' two lamp fluorescent surface mounted fixtures.

e) Shipping / Receiving offices will have building standard 2 x 4 fluorescent troffer lighting.

f) Loading dock will utilize fluorescent lighting.

g) Exit lighting as required by Code.

h) All egress and emergency lighting shall be connected to the building's emergency system.

i) All fluorescent lighting will be equipped with electronic ballasts if applicable.

j) The lighting design shall comply with the latest Seattle energy code and IESNA recommendations.

2) PARKING GARAGE

a) Parking areas will have 4' two lamp fluorescent fixtures.

b) Stairwells will have 4' two lamp fluorescent surface mounted fixtures.

c) Exit lighting as required by Code.

d) All fluorescent lighting will be equipped with electronic ballasts if applicable.

e) The lighting design shall comply with the latest Seattle energy code and IESNA recommendations.

K) LIFE SAFETY GENERATOR

1) Provide an emergency generator – The unit shall be sized to provide power to elevators, pressurization fans, and egress lighting.

2) Generator: Onan, Caterpillar, Kohler, Detroit Diesel or approved equal.

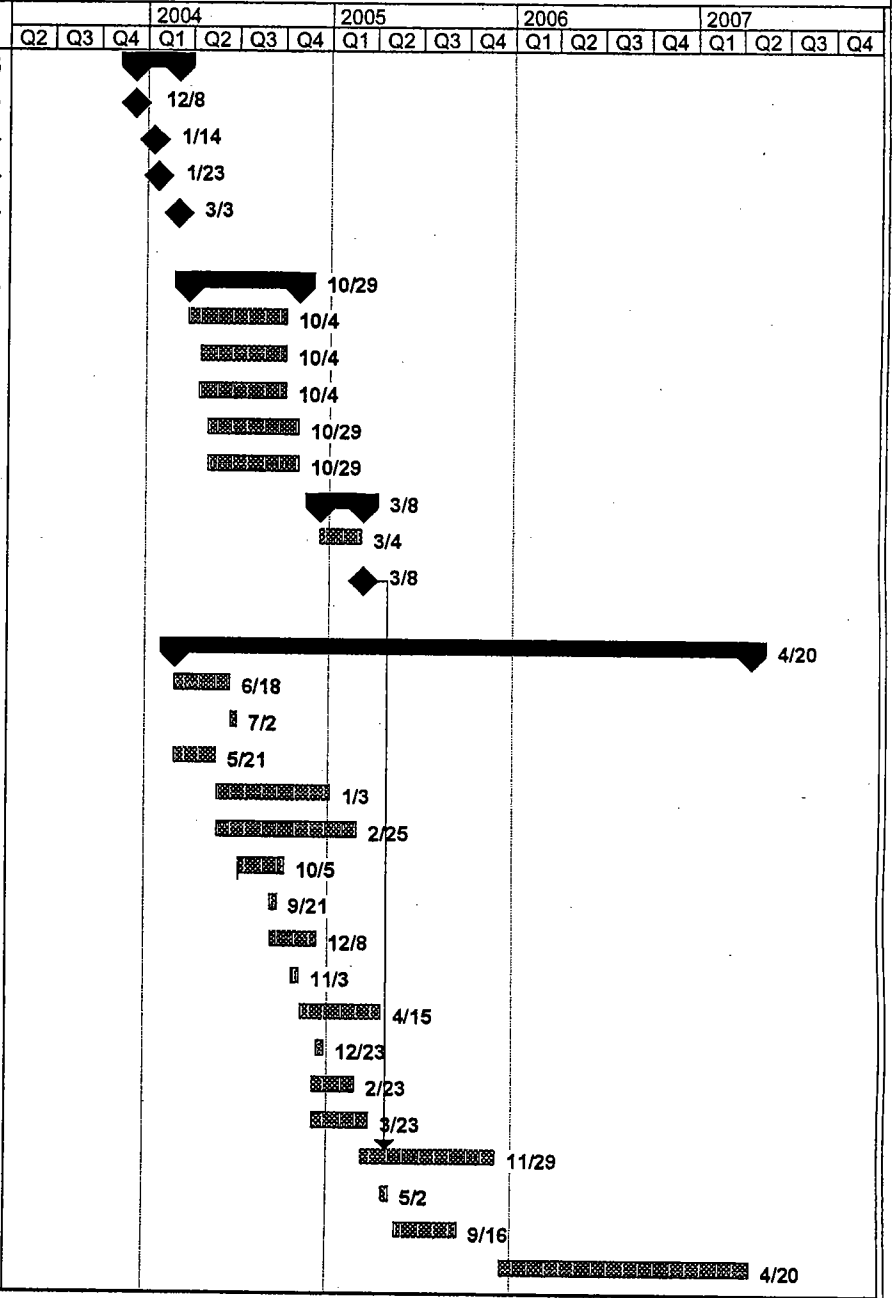
END, SECTION 16000

EXHIBIT C

PROJECT SCHEDULE

King County Goat Hill Schedule

Task Name	Duration	Start
Site Selection	**62 days**	**Mon 12/8/03**
Council Approval	0 days	Mon 12/8/03
Block Studies Complete & Reviewed	0 days	Wed 1/14/04
Studies updated and Priced	0 days	Fri 1/23/04
Site Selection Review & Recommendation	0 days	Wed 3/3/04
Agreements	**157 days**	**Thu 3/25/04**
Ground Lease	27.6 wks	Thu 3/25/04
Office Lease	24.2 wks	Mon 4/19/04
Development Agreement	24.5 wks	Thu 4/15/04
Architect's Agreement	26 wks	Mon 5/3/04
Contractor's Agreement	26 wks	Mon 5/3/04
Financing	**61 days**	**Mon 12/13/04**
Bonds Document Preparation	12 wks	Mon 12/13/04
Bond Pricing	0 days	Tue 3/8/05
Garage/Office: Two Sites Developed	**820 days**	**Mon 3/1/04**
MUP/SD	16 wks	Mon 3/1/04
County Approval SD	2 wks	Mon 6/21/04
Design Review	12 wks	Mon 3/1/04
SEPA	32 wks	Tue 5/25/04
MUP Process	39.8 wks	Tue 5/25/04
DD's	13 wks	Wed 7/7/04
County Approval of Garage Only DD's	2 wks	Wed 9/8/04
Garage CD's	13 wks	Thu 9/9/04
County Approval of Office Only DD's	2 wks	Thu 10/21/04
Office CD's	23 wks	Mon 11/8/04
County Approval of Garage CD's	2 wks	Fri 12/10/04
Garage Shoring Permit	12 wks	Thu 12/2/04
Garage Building Permit	16 wks	Thu 12/2/04
Garage Construction	38 wks	Wed 3/9/05
County Approval of Office CD's	2 wks	Tue 4/19/05
Office Building Permit	18 wks	Mon 5/16/05
Office Construction	71 wks	Mon 12/12/05



040924 Goat Hill Doc Schedule.mpp

Fri 9/24/04 3:01 PM

EXHIBIT C

EXHIBIT D

LAND

GARAGE LAND:

Parcel "A":

Lots 1 through 8, inclusive, in Block 36 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

Except that portion thereof, of Lot 6 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473610;

and Except that portion thereof, of Lot 7 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473611.

Parcel "B":

That part of Lots 2, 3, 6 and 7 in Block 40 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, lying Southwesterly of a line drawn parallel with and 30.0 feet Southwesterly, when measured at right angles and/or radially, from the James-6th F.R. Line Survey of SR 5, Seattle Freeway: Jackson St. to Olive Way, in King County, Washington.

APN: 094200-1050-08

BUILDING LAND:

Lots 2, 3, 6 and 7 in Block 37 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

APN: 094200-1105-03

EXHIBIT E

CONFIRMATION OF COMMENCEMENT AND EXPIRATION DATES

In accordance with the provisions of Section 3 of the Lease as of this _____ day of _____, 2004, Landlord and Tenant acknowledge, agree and confirm the following:

The Commencement Date of the Lease is: _____.

The Expiration Date of the Lease is: _____.

The foregoing agreement and confirmation shall be binding upon Landlord and Tenant and shall supersede and control over any other provision in the Lease regarding the Commencement Date and Expiration Date which might be construed other than as set forth in this Confirmation.

AGREED the day and year first above written.

LANDLORD:

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

By_____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

By_____
Name: _____
Title: _____
Date: _____

TENANT:

KING COUNTY,
a political subdivision of the
State of Washington

By_____
Name: _____
Title: _____
Date: _____

EXHIBIT F

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

HILLIS CLARK MARTIN & PETERSON, P.S.
Attn: Steven R. Rovig
500 Galland Building
1221 Second Avenue
Seattle, WA 98101-2925

MEMORANDUM OF PROJECT LEASE

GRANTOR: GOAT HILL PROPERTIES

GRANTEE: KING COUNTY

Legal Description:

Abbreviated form:

Additional legal on page **Exhibit A** of document

Assessor's Tax Parcel ID No(s):

Reference number(s) of Related Document(s):

(Additional on page ___ of document)

MEMORANDUM OF PROJECT LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is executed this _____ day of _____, 2004 and between **GOAT HILL PROPERTIES**, a Washington nonprofit corporation ("Landlord"), and **KING COUNTY**, a political subdivision of the State of Washington ("Tenant").

1. **Lease.** Landlord has leased to Tenant the Premises described in **Exhibit A** attached hereto and by this reference incorporated herein (the "Premises") at a rent and on the terms and conditions set forth in that certain Project Lease Agreement dated _____, 2004 by and between Landlord and Tenant (the "Lease"). The Lease is for a term expiring _____, 20__ unless sooner terminated pursuant to the terms of the Lease; provided, however, that the Tenant's duty to pay Monthly Rent shall not commence until the Commencement Date.

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

3. **Tax Exemption.** In accordance with RCW 35.42.090, the Lease shall be exempt from any taxes imposed under the authority of RCW ch. 82.45, RCW 82.04.040 or RCW 82.08.090.

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

DATED this _____ day of _____, 2004.

LANDLORD:

GOAT HILL PROPERTIES,
a Washington nonprofit corporation

By_____
Name: John Finke
Title: Vice President
Date: _____

APPROVED AS TO FORM:

By_____
Name: _____
Title: _____
Date: _____

TENANT:

KING COUNTY,
a political subdivision of the
State of Washington

By_____
Name: _____
Title: _____
Date: _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that John Finke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of **GOAT HILL PROPERTIES**, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [he/she] signed this instrument, on oath stated that [he/she] was authorized to execute the instrument and acknowledged it as the _____ of **KING COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2004.

_____
Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

EXHIBIT A

LAND

GARAGE LAND:

Parcel "A":

Lots 1 through 8, inclusive, in Block 36 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

Except that portion thereof, of Lot 6 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473610;

and Except that portion thereof, of Lot 7 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473611.

Parcel "B":

That part of Lots 2, 3, 6 and 7 in Block 40 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, lying Southwesterly of a line drawn parallel with and 30.0 feet Southwesterly, when measured at right angles and/or radially, from the James-6th F.R. Line Survey of SR 5, Seattle Freeway: Jackson St. to Olive Way, in King County, Washington.

APN: 094200-1050-08

BUILDING LAND:

Lots 2, 3, 6 and 7 in Block 37 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

APN: 094200-1105-03

EXHIBIT G

DISPUTE RESOLUTION PROCEDURE

Landlord and Tenant shall act in good faith and deal fairly in performing their respective duties under the Lease in order to accomplish their mutual objectives and avoid disputes. If a dispute arises with respect to design or construction of the Project, the parties agree to utilize the dispute resolution process contained herein, which will be non-binding but a condition precedent to having said dispute decided in court by a judge or jury.

1. Mediation. Pursuant to Section 9.6 of the Lease, in the event a dispute arises between Tenant and Landlord with respect to design and/or construction of the Project the parties shall proceed in good faith to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the parties are unable to resolve the dispute within three (3) business days, either party may refer the dispute to the Mediator named below.

1.1 Mediator. For any dispute which cannot be resolved by the parties, the mediator hereunder ("Mediator") shall be John Beyer of Badger Consulting Services, or in the event he is unable or unwilling to act as such independent mediator, a mediator whom Landlord and Tenant have mutually designated to resolve such dispute. The Mediator is to act impartially and independently in the consideration of facts and conditions surrounding any dispute presented by Tenant and Landlord; however, the Mediator's recommendations concerning any such dispute are advisory only. The Mediator's recommendations shall be based on the pertinent Lease provisions, and the facts and circumstances involved in the dispute. The Mediator's recommendations shall be furnished in writing to the parties.

1.2 Tenant Responsibility. Tenant shall furnish the Mediator one copy of all documents it might have, other than those furnished by Landlord, which are pertinent to the performance of the Mediator's duties hereunder.

1.3 Landlord Responsibility. Landlord shall furnish the Mediator one copy of all Contract Documents, including but not limited to the Preliminary Plans and Outline Specifications, applicable contracts, interpretative reports, progress schedule and updates, monthly progress reports, and other documents pertinent to the performance of the Lease and necessary to the performance of the Mediator's duties hereunder.

1.4 Term. Following execution of the Lease, the Mediator shall have authority to act hereunder upon written request from either Landlord or Tenant and such authority shall terminate upon Final Acceptance, after Final Payment has been made.

1.5 ***Payment.*** The fees charged by the Mediator shall be shared equally by the parties. The Mediator's compensation shall include compensation for all materials, supplies, travel, office assistance and support and incidentals necessary to provide the services described herein. Payment for services rendered by the Mediator will be at the Mediator's standard hourly rate as approved by Landlord and Tenant prior to commencement of the dispute resolution proceeding.

1.6 ***Legal Relationship.*** The Mediator, in the performance of the duties described herein, is acting in the capacity of an independent agent and not as an employee of either Tenant or Landlord. The Mediator is absolved of any personal or professional liability arising from the recommendations made hereunder, unless due to gross negligence or willful malfeasance.

EXHIBIT H

TENANT IMPROVEMENT SCHEDULE

1. **WITH SHELL AND CORE.** In order to have the Tenant Improvements in the Building bid with the Base Shell and Core Building, Tenant must deliver the Final Plans (as defined below) to Developer no later than the date one hundred twenty (120) days after Bond Closing. Notwithstanding the foregoing, with respect to any Tenant Improvements in the Building that are not standard office space improvements (e.g., computer center, print shop, cafeteria, conferencing center), the engineering drawings (but not the architectural drawings) for such Tenant Improvements must be delivered to Developer no later than the date ninety (90) days after Bond Closing in order to have such Tenant Improvements bid with the Base Shell and Core Building.

2. **SEPARATE FROM SHELL AND CORE.** If Tenant does not meet the above dates, the Tenant Improvements in the Building shall be bid separately from the Garage and the Base Shell and Core Building. In order to avoid an Owner-Caused Delay, as described in Section 2(b) of the Development Agreement, Tenant must deliver to Developer the Final Plans for the Building no later than the date three hundred sixty (360) days after Bond Closing. Notwithstanding the foregoing, with respect to any Tenant Improvements in the Building that are not standard office space improvements (e.g., computer center, print shop, cafeteria, conferencing center), the engineering drawings (but not the architectural drawings) for such Tenant Improvements must be delivered to Developer no later than the date ninety (90) days after Bond Closing in order to avoid an Owner-Caused Delay.

3. **DESCRIPTION OF MATERIALS.** The "Final Plans" shall mean plans for the Tenant Improvements that include all of the following information:

(a) **Architectural Floor Plans:** These shall be fully dimensioned floor plans showing partition layout and identifying each room with a number and each door with a number. The Basic Plans must clearly identify and locate equipment requiring plumbing or other special mechanical systems, area(s) subject to above-normal floor loads, special openings in the floor, and other major or special features.

(b) **Electrical and Telephone Outlets:** Locate all power and telephone requirements: Dimension the position from a corner and give height above concrete slab for all critically located outlets. Identify all dedicated circuits and identify all power outlets greater than 120 volts. For the equipment used in these outlets which require dedicated circuits and/or which require greater than 120 volts, identify the type of equipment, the manufacturer's name and the manufacturer's model number, and submit a brochure for each piece of equipment. Also identify the manufacturer's name of the phone system to be used and the power requirements, size, and location of its processing equipment.

(c) **Reflected Ceiling Plan:** Lighting layout showing location and type of all Building Standard and special lighting fixtures.

(d) Furniture Layout: Layout showing furniture location so that Landlord's engineer can review the location of all light fixtures.

(e) Millwork Details: These drawings shall be in final form with Tenant's office planner's title block in the lower right hand corner of the drawing, and shall include construction details of all cabinets, paneling, trim, bookcases, and door and jamb details for non-Building Standard doors and jambs.

(f) Keying Schedules and Hardware Information: This information shall be in final form and include a Keying Schedule indicating which doors are locked and which key(s) open each lock, plus an "X" on the side of the door where the key will be inserted if a keyed door. Complete specifications for all non-Building Standard hardware will also be provided.

(g) Room Finish and Color Schedule: This information shall be in final form and include locations and specifications for all wall finishes, floor covering and base for each room.

(h) Construction Notes and Specifications: Complete specifications for every item included except those specified by Landlord.

Tenant shall be responsible for delays and additional costs in completion of Tenant's work caused by changes made to the Final Plans after the Final Plans have been delivered to Developer or by delays in delivery of special materials requiring long lead times.

EXHIBIT I

FORM OF NOTICE OF ELECTION OF OPTION TO PURCHASE

[date]

To: Landlord

You are hereby notified that King County has elected to exercise on [date of payment] its option to purchase the King County Office Building ("Premises") currently leased by King County pursuant to the Project Lease Agreement ("Lease") by and between King County and Landlord dated _____, 2004. This purchase option is being exercised pursuant to Section 30.1 of the Lease. King County is now, and on the date set forth above for payment will be, in full compliance with all terms and conditions of the Lease. In accordance with Section 30.1 of the Lease, King County shall purchase the Premises for a price of the total outstanding principal portion of the Monthly Rent set forth in Exhibit A to the Lease plus accrued interest thereon to the date of payment at the rates set forth in Exhibit A of the Lease, plus an option fee of $1.00, for a total Purchase Price of $_____. On or prior to the date set forth above, King County shall also pay any Additional Rent then due and owing under the Lease. King County acknowledges that this Option is only valid if exercised simultaneously with the option to purchase the Garage constructed pursuant to the Garage Lease.

APPROVED AS TO FORM:

By_____
Name: _____
Title: _____
Date: _____

TENANT:

KING COUNTY,
a political subdivision of the
State of Washington

By_____
Name: _____
Title: _____
Date: _____

EXHIBIT J

FORM OF NOTICE OF ELECTION
TO PARTIALLY PREPAY MONTHLY RENT

[date]

To: Landlord

You are hereby notified that King County has elected to exercise its option to prepay a portion of the Monthly Rent due under that certain Project Lease Agreement ("Lease") by and between the County and Landlord dated _____, 2004. In accordance with Section 30.4 of the Lease, the date of prepayment shall be _____, and the principal portion of Monthly Rent to be prepaid on such date is _____, representing the maturities (or portions thereof) set forth below. By 10:00 a.m. Seattle time on such date, King County shall pay to Landlord in cash or same-day available funds, an amount equal to the principal portion of Monthly Rent to be prepaid, together with interest thereon accruing to such date, together with any other amounts payable under the Lease on such date. In accordance with that certain Indenture of Trust dated _____, 20__, by Landlord and _____, as Trustee, Landlord shall direct Trustee to cause an optional redemption of the Bonds in principal amounts and maturities corresponding to the principal portion of Monthly Rent set forth below.

APPROVED AS TO FORM:

By_____
Name: _____
Title: _____
Date: _____

TENANT:

KING COUNTY,
a political subdivision of the
State of Washington

By_____
Name: _____
Title: _____
Date: _____

SCHEDULE OF PRINCIPAL COMPONENT OF MONTHLY RENT TO BE PREPAID AND BONDS TO BE REDEEMED

Date Principal Component (of Monthly Rent) Due	Amount of Principal Component to be Prepaid*

*Principal may be prepaid only in increments of $5,000.

EXHIBIT K

MINIMUM INSURANCE REQUIREMENTS FOR DEVELOPER

Coverage:

Coverage shall be at least as broad as:

(i) General Liability: Insurance Services Office form number (CG00 001) covering Commercial General Liability, with a limit of not less than; $5,000,000 combined single limit per occurrence, $5,000,000 aggregate.

(ii) Automobile Liability: Insurance Services Office form number (CA 00 01) covering Business Automobile Coverage, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9, with a limit of not less than; $1,000,000 combined single limit per occurrence.

(iii) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, statutory limits.

(iv) Employer's Liability or "Stop Gap": The protection provided by the Workers' Compensation Policy, Part 2 (Employer's Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the General Liability Policy in the amount of at least $1,000,000.

(v) Builder's Risk Insurance: Builder's All Risk Coverage Form, including earth movement, covering 100% of the replacement value of the Project. Developer shall keep the Builder's Risk Insurance in place from the commencement of construction of the Project until the Commencement Date defined in the Lease.

Deductibles and Self-Insured Retentions:

Any deductibles or self-insured retentions must be declared to and approved by Landlord. The deductible and/or self-insured retention of the policies shall be the sole responsibility of Developer.

Other Insurance Provisions:

The insurance policies required by the Development Agreement are to contain or be endorsed to contain the following provisions where applicable:

(A) Liability Policies:

(i) Landlord and Tenant, 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 Developer in connection with the Development Agreement.

(ii) Developer's insurance coverage shall be primary insurance as respects Landlord and Tenant their officers, officials, employees and agents. Any insurance and/or self-insurance maintained by Landlord and/or Tenant their officers, officials, employees and/agents shall not contribute with Developer's insurance or benefit Developer in any way.

(iii) Developer'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 canceled until after forty-five (45) days' (10 days for non-payment) prior written notice has been given to Landlord.

(C) Acceptability of Insurers.

Unless otherwise approved by Landlord and Tenant, insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated by Best's, with minimum surpluses the equivalent of Best's surplus size VIII.

If, at anytime, any of the foregoing policies shall fail to meet the above minimum standards, Developer shall, upon notice to that effect from Landlord, promptly obtain a new policy, and shall submit the same to Landlord, with certificates and endorsements, for approval.

(D) Verification of Coverage.

Developer shall furnish Landlord with certificates of insurance and endorsements required by the Development Agreement. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer. The certificates are to be on standard insurance industry ACORD form 25-S with required endorsements attached and are to be received and approved by Landlord prior to the commencement of activities associated with the Development Agreement. Landlord and Tenant reserve the right to require Developer to request and deliver complete certified copies of all required policies at any time.

(E) Subcontractors.

Developer shall include all subcontractors as insureds under its policies, or shall furnish separate certificates of insurance and policy endorsements from each subcontractor. Insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of the Development Agreement shall be subject to all of the requirements stated herein.

For All Coverages:

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 (if such approval is required above) and purchased on a "claims made" basis, Developer 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 subject to said insurance.

By requiring such minimum insurance, Landlord and/or Tenant shall not be deemed to, or construed to, have assessed the risks that may be applicable to Developer associated with the Development Agreement. Developer shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits or broader coverage.

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

EXHIBIT L

MINIMUM INSURANCE REQUIREMENTS FOR GENERAL CONTRACTOR

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

Scope and Limits of Insurance:

Coverage shall be at least as broad as:

(i) General Liability: Insurance Services Office form number (CG00 001) covering Commercial General Liability, with a limit of not less than: $10,000,000 combined single, project limit (project specific), per occurrence, $10,000,000 aggregate.

The policy shall include but not be limited to:

(a) coverage for premises and operations;

(b) contractual liability (including specifically liability assumed in the General Construction Contract);

(c) products and completed operations and

(d) Employers Liability or "Stop-Gap" coverage.

The policy shall not exclude:

(a) coverage for lateral support, underground, explosion or collapse hazards

(ii) Automobile Liability: Insurance Services Office form number (CA 00 01) Covering Business Automobile Coverage, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9, for a limit of not less than $10,000,000 combined single limit per occurrence.

(iii) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, statutory limits.

Deductibles and Self-Insured Retentions:

Any deductibles or self-insured retentions must be declared to and approved by Landlord. The deductible and/or self-insured retention of the policies shall not limit or apply to Landlord, Tenant or Developer and shall be the sole responsibility of the General Contractor.

Other Insurance Provisions:

The insurance policies required by the General Construction Contract are to contain or be endorsed to contain the following provisions where applicable:

(A) Liability Policies:

(i) Landlord, Tenant and Developer, 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 General Contractor in connection with the General Construction Contract.

(ii) General Contractor's insurance coverage shall be primary insurance as respects Landlord, Tenant and Developer, their officers, officials, employees and agents. Any insurance and/or self-insurance maintained by Landlord, Tenant and Developer, their officers, officials, employees and/agents shall not contribute with the General Contractor's insurance or benefit the General Contractor in any way.

(iii) General Contractor'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) Builder's Risk Policy.

The Builder's Risk policy shall include Landlord and Tenant as an additional insured in the amount equal to their interest, as such interest may appear.

(C) 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 Landlord.

(D) Acceptability of Insurers.

Unless otherwise approved by Landlord:

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

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

(E) Verification of Coverage.

Contractor shall furnish Landlord with certificates of insurance and endorsements required by the Construction Contract. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms approved by Landlord and are to be received and approved by Landlord prior to the commencement of activities associated with the General Construction Contract. Landlord reserves the right to require complete certified copies of all required policies at any time.

(F) Subcontractors.

Contractor may include all subcontractors as insureds under its policies, or may furnish separate certificates of insurance and policy endorsements from each subcontractor. The limits of liability required to be carried by any subcontractor shall be determined by the General Contractor, subject to the approval of Landlord and Developer.

Contractors Indemnification:

Within the General Construction Contract between Landlord and the General Contractor, Landlord shall include the following the General Contractor's indemnification provision:

Contractor shall protect, defend, indemnify and save harmless Landlord, Tenant and Developer, their officers, officials, employees and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments or costs of any kind whatsoever, (hereinafter "claims"), arising out of or in any way resulting from the General Contractor, its officers, employees agents and/or subcontractors of all tiers, acts or omissions, performance or failure to perform the General Construction Contract, to the maximum extent permitted by law or as defined by RCW 4.24.115, now enacted or as hereinafter amended.

Contractor agrees that it is fully responsible for the acts and omissions of its own subcontractors, their employees and agents, acting within the scope of their employment as such, as it is for the acts and omissions of its own employees and agents. The General Contractor's obligations under this section shall include, but not be limited to:

(a) the duty to promptly accept tender of defense and provide defense to Landlord, Tenant and Developer at the General Contractor's own expense.

(b) the duty to indemnify and defend Landlord, Tenant and Developer from any claim, demand, and/or cause of action brought by or on behalf of any of its employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of the General Contractor's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects Landlord, Tenant and Developer only, and only to the extent necessary to provide Landlord, Tenant and Developer with a full and complete indemnity and defense of claims made by the General Contractor's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

(c) To the maximum extent permitted by law, the General Contractor shall indemnify and defend Landlord, Tenant and Developer from and be liable for all damages and injury which shall be caused to owners of property on or in the vicinity of the work or which shall occur to any person or persons or property whatsoever arising out of the performance of the General Construction Contract, whether or not such injury or damage is caused by negligence of the General Contractor or caused by the inherent nature of the work specified.

In case any suit or legal proceedings is brought against Landlord, Tenant and/or Developer or any of their officers, officials, employees or agents, on account of loss or damage sustained by any person or property as a result of the performance of the General Construction Contract, whether or not such injury or damage is due to the negligence of the General Contractor and whether or not such injury or damage is caused by the inherent nature of the work specified, the General Contractor agrees to assume the defense thereof and to pay all expenses connected therewith on behalf of Landlord, tenant and/or Developer, their officers, officials, employees and agents.

Landlord may, in its sole discretion, (1) withhold amounts sufficient to pay the amount of any property damage or bodily injury claim (claim for injury) and/or (2) pay any property damage claim (for injury) of which Landlord may have knowledge, regardless of the formalities of notice of such claim, arising out of the performance of the General Construction Contract.

An amount withheld will be held until the General Contractor secures a written release from the claimant, obtains a court decision that such claim is without merit, or satisfies any judgment on such claim. In addition, the General Contractor shall reimburse and otherwise be liable for claims costs incurred by Landlord, Tenant and/or Developer including without limitation costs for claims adjusting services, attorneys, engineering and administration.

In the event Landlord, Tenant or Developer incurs any judgment, award and/or costs arising therefrom, including attorney's fees to enforce the provisions of this article, all such fees, expenses and costs shall be recoverable from Developer.

15043

ATTACHMENT D

Dated 9-27-04

UNITED STATES OF AMERICA

The State of Washington

Secretary of State

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

GOAT HILL PROPERTIES

a/an WA Non-Profit Corporation. Charter documents are effective on the date indicated below.

Date: 5/6/2004

UBI Number: 602-393-107

APPID: 87063

Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

Sam Reed

Sam Reed, Secretary of State

15043

602 393 107

05/06/2004 406123
$50.00 Check #103629
Tracking ID: 716316
Doc No: 406123-001

FILED
SECRETARY OF STATE
SAM REED

MAY 6, 2004

STATE OF WASHINGTON

ARTICLES OF INCORPORATION
OF
GOAT HILL PROPERTIES

The undersigned hereby executes the following Articles of Incorporation for the purpose of forming a corporation under the provisions of the Washington Nonprofit Corporation Act (Chapter 24.03 of the Revised Code of Washington).

ARTICLE 1.
NAME

The name of the corporation shall be Goat Hill Properties (the "Corporation").

ARTICLE 2.
DURATION

The Corporation shall have perpetual existence.

ARTICLE 3.
REGISTERED OFFICE AND AGENT

The name of the Registered Agent of the Corporation is Hillis Clark Martin & Peterson, P.S. The street address of the Registered Office, which is also the address of the Registered Agent, is 500 Galland Building, 1221 Second Avenue, Seattle, Washington 98101-2925.

ARTICLE 4.
PURPOSES, POWERS, AND LIMITATIONS

4.1. Purposes. The Corporation shall be organized and operated exclusively for such purposes and activities as permitted by Section 501(c)(3) of the Internal Revenue Code, including, but not limited to, the following purposes:

(1) To assist in the erection and maintenance of public buildings, monuments, facilities, housing, or works;

(2) To combat community deterioration and to carry out neighborhood revitalization and community economic development by receiving and administering funds exclusively for educational and charitable purposes;

(3) To promote social welfare and education through cooperative programs with governmental entities; and

(4) To undertake activities which lessen the burdens of government.

4.2. Powers. In furtherance of its purposes, the Corporation shall have full power and authority:

(1) To acquire or to receive from any individual, firm, association, corporation, trust, foundation or other governmental subdivision, unit or agency, by deed, gift, purchase, bequest, devise, appointment or otherwise, cash, securities and other property, tangible or intangible, real or personal, and to hold, administer, manage, invest, reinvest, and disburse the principal and income thereof solely for the purposes hereof;

(2) To distribute property for such purposes in accordance with the terms of gifts, bequests, or devises to the Corporation not inconsistent with its purposes, as set forth herein;

(3) To distribute property and to extend financial aid and support through grants, gifts, contributions, or other aid or assistance to qualified Section 501(c)(3) organizations or for their purposes in a manner consistent with the purposes set forth herein;

(4) To receive and maintain a fund or funds, to invest or reinvest such fund or funds, and to apply the income and principal of any funds received to promote the goals and purposes set out herein;

(5) To acquire, improve, own, hold, use, lease, develop, and otherwise deal in and dispose of any real or personal property, or any interest therein, situated in or out of this state, consistent with the purposes set forth herein;

(6) To borrow money and to issue evidences of indebtedness in the form of notes, bonds, mortgages, pledges or other instruments, consistent with the purposes set forth herein;

(7) To perform all other acts necessary or incidental to the above and to do whatever is deemed necessary, useful, advisable, or conducive, directly or indirectly, to carry out any of the purposes of the Corporation, as set forth in these Articles, including but not limited to the exercise of all other powers and authority enjoyed by non-profit corporations generally under the Washington Nonprofit Corporation Act, within and subject to the limitations of Section 501(c)(3) of the Internal Revenue Code.

4.3. Limitations.

4.3.1. Generally. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

4.3.2. Lobbying restriction and Political Activities Prohibition. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, except as otherwise permitted to an organization described in Section 501(c)(3) of the Internal Revenue Code. The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

4.3.3. No Distribution of Earnings. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered, to make reimbursement for reasonable expenses incurred on its behalf, and to make payments and distributions in furtherance of its purposes stated in Section 4.1.

ARTICLE 5.
INCORPORATOR

The name of the incorporator is John Finke, whose address is: c/o National Development Council, 1425 - 4th Avenue, Suite 608, Seattle, Washington 98101-2220.

ARTICLE 6.
MEMBERS

The Corporation shall have no members.

ARTICLE 7.
DIRECTORS

The Corporation shall have three (3) directors serving as the initial Board of Directors, whose names and addresses are as follows:

Name	Address
Robert Davenport	51 East 42nd Street, #300 New York, NY 10017-5404
Sara L. Loveland	51 East 42nd Street, #300 New York, NY 10017-5404
Ann Vogt	51 East 42nd Street, #300 New York, NY 10017-5404

The initial directors shall serve until the organizational meeting of the Board of Directors and until their successors are elected and qualified.

The powers and duties, number, qualifications, terms of office, manner of elections, and criteria for removal of directors shall be as set forth in the Bylaws of the Corporation; provided, however, that such powers and duties may not be inconsistent with the status of the Corporation as a non-profit corporation which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE 8.
DIRECTOR LIABILITY LIMITATIONS

To the full extent that the Washington Nonprofit Corporation Act permits the elimination or limitation of the liability of directors, a director of the Corporation shall not be liable to the Corporation for monetary damages for conduct as a director; provided that the liability of a director shall not be eliminated or limited for acts or omissions that involve intentional misconduct or a knowing violation of law, for approval of distributions or loans contrary to law, or for any transaction from which the director has personally received or will personally receive a benefit in money, property, or services to which the director is not legally entitled.

ARTICLE 9.
INDEMNIFICATION

9.1. Indemnitee. The term "Indemnitee" as used in this Article 9 shall mean any person who was or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director or officer of the Corporation or, being or having been a director or officer, he or she is or was serving at the request of the Corporation as a director, trustee, officer, employee, or agent of another corporation or a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee, or agent or in any other capacity while serving as a director, trustee, officer, employee, or agent.

9.2. Right to Indemnification.

9.2.1. Scope. Each Indemnitee shall be indemnified and held harmless by the Corporation, to the full extent permitted by applicable law as then in effect, against all expenses, liability, and loss (including attorneys' fees, judgments, fines, penalties, and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith. Except as provided in Section 9.2.2(b) below, the determination otherwise required by RCW 23B.08.550 shall not be required in connection with indemnification pursuant to this Section 9.

9.2.2. Exceptions.

(a) Such right of indemnification shall not exist where the act or omission of the Indemnitee involves (i) intentional misconduct or a knowing violation

of the law, (ii) a violation of RCW 23B.08.310 (as now in effect or as it may hereafter be amended), or (iii) any transaction in which the Indemnitee has received or will receive a benefit in money, property, or services to which he or she is not legally entitled.

(b) Such right of indemnification shall also not exist where the act or omission of the Indemnitee involves recklessness or gross negligence, unless the Corporation elects by resolution to provide such indemnification pursuant to RCW 23B.08.550(2)(d) (as now in effect or as it may hereafter be amended).

9.2.3. Continuation After Separation. Such right of indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee, or agent and shall inure to the benefit of his or her heirs, executors, and administrators.

9.2.4. Proceeding by Indemnitee. Except as provided in Section 9.3, such right of indemnification shall not exist where the Indemnitee seeks indemnification in connection with a proceeding (or part thereof) initiated by such Indemnitee unless such proceeding (or part thereof) was authorized by the Board of Directors prior to its initiation.

9.2.5. Contract Right; Expenses. The right of indemnification conferred in this Section 9.2 shall be a contract right and shall include the right to have the Corporation pay the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section 9.2 or otherwise.

9.3. Right of Claimant to Bring Suit. If a claim under Section 9.2 is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall also be entitled to reimbursement for the expenses of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article 9 upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the Corporation), and thereafter the Corporation shall have the burden of proving by a preponderance of the evidence that the claimant is not so entitled. Neither the failure of the Corporation (including the Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the Corporation (including the Board of Directors or independent legal counsel) that the claimant is not entitled to indemnification

or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

9.4. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article 9 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles, Bylaws, agreement, vote or consent of disinterested directors, or otherwise.

9.5. Insurance, Contract, and Funding. The Corporation may maintain insurance at its own expense to protect itself and any Indemnitee against any expense, liability, or loss against which the Corporation has the power to indemnify pursuant to this Article 9. In addition, the Corporation may maintain insurance against such expense, liability, or loss whether or not the Corporation would have the power to provide indemnification under the Washington Nonprofit Corporation Act. The Corporation may enter into contracts with any director or officer of the Corporation in furtherance of the provisions of this Article 9 and may create trust funds, grant security interests in corporate assets, provide letters of credit, and use such other means as the Corporation deems necessary or appropriate to ensure that indemnification is provided under this Article 9.

9.6. Indemnification of Employees and Agents of the Corporation. The Corporation may, by action of the Board from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to or on behalf of employees and agents of the Corporation with the same scope and effect as the provisions of this Article 9 with respect to the indemnification and advancement of expenses of directors and officers of the Corporation or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.

ARTICLE 10.
BYLAWS

Bylaws of the Corporation may be adopted by the Board of Directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Articles. The authority to make, alter, amend or repeal Bylaws is vested in the Board of Directors and may be exercised at any regular or special meeting of the Board of Directors.

ARTICLE 11.
DISSOLUTION

Upon the winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation shall be distributed to an organization or organizations recognized as exempt under Section 501(c)(3) of the Internal Revenue Code and used exclusively in a manner consistent with the requirements of Section 501(c)(3) of the Internal Revenue Code.

ARTICLE 12.
INTERNAL REVENUE CODE

All references in these Articles of Incorporation to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue law, and to all regulations issued under such sections and provisions.

ARTICLE 13.
AMENDMENTS

These Articles of Incorporation may be amended at any time and from time to time by the affirmative vote of a majority of all of the directors then in office. Any Articles of Amendment shall contain the following: (i) the date of the meeting of the Board of Directors at which the amendment was adopted, (ii) a statement that the Corporation has no members, and (iii) a statement of the fact that such amendment received the vote of a majority of all the directors then in office.

EXECUTED this 3 day of May, 2004.

John Finke, Incorporator

CONSENT TO SERVE AS REGISTERED AGENT

HILLIS CLARK MARTIN & PETERSON, P.S. hereby consents to serve as Registered Agent, in the State of Washington, for GOAT HILL PROPERTIES. The undersigned understands that, as agent for the Corporation, it will be the Registered Agent's responsibility to receive service of process in the name of the Corporation; to forward all mail to the Corporation; and to immediately notify the Office of the Secretary of State in the event of the Registered Agent's resignation, or of any changes in the registered office address of the Corporation for which it is agent.

EXECUTED this 4th day of May, 2004.

HILLIS CLARK MARTIN & PETERSON, P.S.

By

Steven R. Rovig

15043

ATTACHMENT E

KING COUNTY OFFICE BUILDING

DEVELOPMENT AGREEMENT

Between

GOAT HILL PROPERTIES

a Washington nonprofit corporation

("Owner")

and

WRIGHT RUNSTAD ASSOCIATES LIMITED PARTNERSHIP

a Washington limited partnership

("Developer")

Dated as of

the _____ day of _____, 2004

09/27/04

King County Office Building

Development Agreement

Table of Contents

		Page
Recitals		1
1.	Definitions	2
2.	Development of the Project	12
	a. Fixed Price	12
	b. Tenant Improvement Allowance	13
	c. Diligent Efforts; Relationship of the Parties	13
	d. Mutual Cooperation; Liability of Owner	14
	e. Term	14
3.	Project Financing	14
	a. Issuance of Bonds	14
	b. Disbursal of Proceeds	14
	c. Termination of Agreement	14
4.	Project Design	14
	a. Selection of Development Team for Project	14
	b. Design Contracts	15
	c. Project Budget	15
	d. Construction Drawings	15
	e. ADA Compliance	16
	f. Owner's Review	16
	g. Resubmittals	16
	h. Permit and Construction Documents	16
	i. Tenant's Contingency	16
5.	Construction Management Services	17
	a. Preconstruction Phase	17
	b. Construction Phase	18
6.	Permits	21
	a. Master Use Permit	21
	b. Permits	21
	b. Costs	21
	c. Schedule and Delays	21
7.	Construction	21
	a. Commencement of Construction	21
	b. Delays	22
	c. Guaranteed Maximum Construction Contract	22
	d. Construction Contracts	22

e. Protection of Persons and Property 23
f. Insurance During Construction 23
g. Use of Project Contingency 23
h. Warranties 23
i. Correction of Work 24
j. Stop Work by Owner 24
k. Developer Default 24

8. Changes to Work 24
a. No Changes Without Owner Approval 24
b. Developer Approved Changes in the Work 25
c. Change Proposals Initiated by Owner 25

9. Payment of Project Costs 25
a. Applications for Payment 25
b. Payment Procedures 26
c. Review and Inspections 26
d. Requisition from Project Costs Account 27
e. Application for Payment for Tenant or Owner Costs 27
f. Initial Draw 27
g. Cost Overruns; Sufficiency of Funds to Complete Construction 27

10. Other Services by Developer 28

11. Developer's Fee and Overhead Allowance 28
a. Developer's Fee 28
b. Overhead Allowance 28
c. Payment of Developer's Fee 28

12. Completion of the Project 29
a. Substantial Completion of the Garage 30
b. Substantial Completion of the Project 31
c. Notice of Substantial Completion 31
d. Completion of Punch List Items 31
e. Final Acceptance 31
f. Approval of Final Application for Payment 32
g. Requisition of Final Payment 33
h. Savings; Disbursement of Tenant's Contingency; Project Contingency 33
i. Certificate of Occupancy 33

13. Developer Representations; Warranties 33

14. Developer Obligations 35
a. As-Built Plans 35
b. Manuals 35
c. Warranties 36
d. Permits and Licenses 36

e. As-Built Survey 36

15. Indemnification 36
a. Developer's Indemnification 36
b. Owner's Indemnification 37
c. Notice of Claim 37

16. Insurance Requirements 37
a. Developer's Insurance 38
b. Deductibles and Self-Insured Retentions 38
c. Other Insurance Provisions 38
d. Owner's Insurance 40
e. Other Insurance Provisions 40
f. Verification of Coverage 41
g. Subcontractors 41
h. Factory Mutual Engineering Plan Review 41

17. Representatives 42
a. Developer Representatives 42
b. Owner Representative 42

18. Accounting, Inspection and Audit 42
a. Accounts 42
b. Inspection and Audit 42
c. Preservation of Records 42

19. Construction Liens 42

20. Priority Agreements 43

21. Damage and Destruction; Condemnation 43
a. Damage and Destruction 43
b. Condemnation 43

22. Payment of Taxes/Assessments 44
a. Real Property Taxes 44
b. Other State and Local Taxes 44

23. Default 44
a. Developer Default 45
b. Owner Remedies upon Developer Event of Default 45
c. Owner Default 46
d. Developer Remedies upon Owner Event of Default 46
e. Remedies Not Exclusive 46

24. Disputes 46

25. Miscellaneous 46

a. Waiver 46
b. Neutral Authorship 47
c. Severability 47
d. Relationship of Parties 47
e. No Third Party Rights 47
f. Assignment; Encumbrance or Pledge 47
g. Notices 47
h. Entire Agreement 48
i. Time is of the Essence 48
j. Employees of Developer 49
k. Exhibits 49

Signatures 49

Exhibit	Description	Partial Section Reference
A	Legal Description of Garage Land	Recitals
B	Legal Description of Building Land	Recitals
C	Project Lease Agreement	Recitals; Section 1
D	Base Shell and Core Building	Section 1
E	Project Budget	Sections 1, 4(c)
F	List of Preliminary Plans and Specifications	Section 1
G	Project Schedule	Sections1, 6(d)
H	Tenant Improvement Plans Delivery Date Schedule	Sections 2(b), 6(c)
I	Dispute Resolution Mediation	Section 24
J	List of Additional Warranties	Section 7(h)

KING COUNTY OFFICE BUILDING DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") dated the _____ day of _____, 2004, is by and between **GOAT HILL PROPERTIES**, a Washington nonprofit corporation ("Owner"), and **WRIGHT RUNSTAD ASSOCIATES LIMITED PARTNERSHIP**, a Washington limited partnership ("Developer").

RECITALS

A. Owner is the lessee under that certain Garage Ground Lease dated _____, 2004 (the "Garage Ground Lease"), with King County, a political subdivision of the State of Washington (the "County"), as lessor, pursuant to which Owner leases that certain real property located in the City of Seattle, King County, Washington (the "Garage Land") more specifically described on Exhibit A hereto.

B. Owner is also the lessee under that certain Building Ground Lease dated _____, 2004 (the "Building Ground Lease"), with the County as lessor, pursuant to which Owner leases that certain real property located in the City of Seattle, King County, Washington (the "Building Land") more specifically described on Exhibit B hereto.

C. Owner wishes to construct on the Garage Land an eight-story parking structure containing approximately 829 parking stalls (the "Garage"), and Owner wishes to construct on the Building Land a first-class office building to serve as government offices for the County containing approximately 250,000 to 300,000 square feet of rentable area as more fully described in the Preliminary Plans and Outline Specifications, including all HVAC, electrical and other building systems and Tenant Improvements pursuant to the Preliminary Plans and Outline Specifications (the "Building"). In addition, the Project shall include the construction of a parking garage within the Building which will contain approximately 92 parking spaces. The design and construction of the Garage and the Building are together referred to in this Agreement as the "Project."

D. Owner, as landlord, and the County, as tenant (in its capacity as tenant under the Lease, "Tenant") are parties to that certain Project Lease Agreement dated _____, 2004 (the "Project Lease") whereby Tenant has agreed to leaseback the Garage and the Building upon substantial completion thereof, at the rent and subject to all of the terms, covenants, and conditions set forth in the Project Lease, a copy of which is attached hereto as Exhibit C and by this reference incorporated herein. The Project Lease requires that Owner shall cause Developer to design, develop, construct and complete the Project.

E. Owner hereby engages Developer to develop, oversee and manage the design, permitting and construction phases of the Project in accordance with the terms and conditions of this Agreement for a Fixed Price of $89,711,000. Developer agrees to perform development and construction management services in connection with the construction of the Project in accordance with the terms and conditions of this Agreement. Subject to the terms and conditions hereof, Developer agrees to provide the financial warranty that the Project will be completed for the Fixed Price of $89,711,000.

F. Owner understands that Developer will perform no construction services. The parties intend for the Owner to contract directly and separately with those contractors performing construction services and with the Architect designing the Garage and the Base Shell and Core Building and with the Interior Architect designing the Tenant Improvements. If, during the performance of this Agreement, additional construction service contractors are retained, the Owner shall contract with them directly or Developer shall contract with them on behalf of and acting as the Owner's agent.

G. Owner intends to pay the Fixed Price with the proceeds of tax-exempt obligations which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings.

NOW, THEREFORE, in order to fulfill the foregoing objectives, Owner and Developer desire to enter into this Agreement and proceed in accordance with its terms.

1. Definitions. As used herein, the following terms shall have the following meanings:

"ADA" means the Americans With Disabilities Act of 1990, as amended from time to time.

"Architect" means Zimmer Gunsul Frasca, the architect for the Project selected by Owner and Developer with Tenant's approval.

"Architect's Agreement" means the Agreement between Owner and Architect with respect to the Project.

"Base Shell and Core Building" means the Building to be constructed on the Building Land, exclusive of the Tenant Improvements. The Base Shell and Core Building is more particularly described in the attached Exhibit D.

"Bond Closing" refers to the date the Bond proceeds are made available to the Trustee.

"Bond Insurer" means an insurance company which issues a municipal bond insurance policy at the request of Owner in connection with the issuance of the Bonds, if any. If no Bond Insurer is selected to insure the Bonds, references to the Bond Insurer hereunder shall be deemed to be deleted.

"Bonds" means those tax-exempt obligations to be issued by the Owner which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings, from the proceeds of which Owner intends to pay, among other things, the Fixed Price.

"Building" means the first-class office building to serve as government offices for the Tenant to be constructed on the Building Land containing approximately 250,000 to 300,000 square feet of rentable area as more fully described in the Preliminary Plans and Outline Specifications, including all HVAC, electrical and other building systems and Tenant Improvements.

"Building Ground Lease" means the long-term ground lease entered into, or to be entered into, by Goat Hill Properties as the tenant and the County as landlord for the Building Land described on the attached Exhibit B.

"Building Land" means the real property located in the City of Seattle, King County, Washington, more specifically described on Exhibit B hereto.

"Commencement of Construction" means the date Developer executes and delivers to General Contractor the Release for Construction attached to the General Construction Contract.

"Construction Contracts" means (i) the General Construction Contract and (ii) all other contracts for construction services entered into between Owner, or Developer on the behalf of and acting as agent for Owner, and any Contractor, including General Contractor, for construction of Tenant Improvements or any other portion of the Project not covered by the General Construction Contract.

"Construction Documents" means the Construction Drawings and Detailed Specifications approved by the Owner with input from the Tenant for construction of the Project, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Project and providing information customarily required for the use of the building trades.

"Construction Drawings" means drawings setting forth in detail the requirements for the construction of the Project. As used herein "Construction Drawings" include all graphic and pictorial documents depicting the design, location and dimensions of the elements of the Project (including Tenant Improvements) and include plans, elevations, sections, details, schedules and diagrams for the Project. Construction Drawings may consist of separate Construction Drawings for (i) the Garage and the Base Shell and Core Building prepared by Architect and (ii) the Tenant Improvements prepared by the Interior Architect.

"Contract Documents" means the Construction Documents, the Construction Contracts and the other documents identified as Contract Documents in the General Construction Contract.

"Contractors" means the General Contractor and any other construction contractors with whom Owner enters into direct contracts upon the written recommendation of Developer or with whom the Developer on behalf of and acting as the Owner's agent contracts for the Project.

"Costs Not To Be Reimbursed" means, except as specifically provided in Section 11 hereof (relating to Developer's Overhead Allowance and Developer's Fee), (i) salaries or other compensation of Developer's personnel or of Contractor's personnel normally situated at the Developer's principal office, Contractor's principal office or branch offices, or for any officer of Developer or Contractor; (ii) expenses of Developer's or Contractor's principal office; (iii) overhead or general expenses; and (iv) Project Costs in excess of the Fixed Price.

"Costs Resulting From Owner-Caused Delay" means any increase in costs of constructing the Project resulting from Owner-Caused Delay. Where additional costs are incurred as a result of a

combination of Owner-Caused Delay and (i) failure of Developer to provide, within the time frames allowed hereunder, draw requests, architect's certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Owner is entitled to receive hereunder or which is reasonably requested by Owner in connection with any such decision or response required hereunder, or (ii) delay caused by the existence of reasonable cause to suspect that construction of the Project or Tenant Improvements or any other services provided by Developer hereunder have not been performed in accordance with Construction Documents and other requirements hereunder, Costs Resulting From Owner-Caused Delay shall be only the portion of such costs fairly attributable to Owner-Caused Delay.

"Detailed Specifications" means all written detailed requirements for materials, equipment, construction systems, standards and workmanship for the construction of the Project.

"Developer" means Wright Runstad Associates Limited Partnership, a Washington limited partnership, and its successors and permitted assigns hereunder.

"Developer Obligation Date" means the date thirty (30) months after Bond Closing. The Developer Obligation Date shall be extended to the extent of (i) Unavoidable Delays; provided, however, that extensions due to Unavoidable Delays shall not exceed ninety (90) days; (ii) Owner-Caused Delays; and (iii) delays incurred as a result of the presence of any Hazardous Substances in, on or emanating from the Garage Land or the Building Land as of the Effective Date of the Project Lease (as defined therein) in excess of the time specifically provided in the approved Project Schedule for remediation of any such Hazardous Substances.

"Developer's Fee" means the fee to be paid to Developer subject to the terms and conditions set forth in Sections 11 and 12 of this Agreement.

"Developer's Overhead Allowance" means the monthly allowance to be paid to Developer subject to the terms and conditions set forth in Section 11 of this Agreement.

"Environmental Laws" means, as amended from time to time, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., Federal Hazardous Materials Transportation Control Act, 42 U.S.C. Section 1801 et seq., Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., Federal Water Pollution Control Act, Federal Water Act of 1977, 93 U.S.C. Section 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70.95, Washington Hazardous Waste Management Act, RCW Chapter 70.105, Washington Hazardous Waste Fees Act, RCW Chapter 70.95E, Washington Model Toxics Control Act, RCW Chapter 70.105D, Washington Nuclear Energy and Radiation Act, RCW Chapter 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW Chapter 70.99, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70.148.

"Final Acceptance" means the Owner's written approval and concurrence that certain events, more fully defined in Section 12 of this Agreement, have occurred prior to Final Payment being made.

"Final Payment" means payment to Developer, General Contractor and any other Contractors following Final Acceptance of the Project pursuant to Section 13 of this Agreement.

"Financing Costs" means all financing costs approved by bond counsel in connection with the issuance of the Bonds.

"Fixed Price" means $89,711,000, the total amount to be paid by Owner for the completion of the design, development, permitting and construction of the Project, and is the price to be paid by Owner for Project Costs. The Fixed Price includes the amount of the Tenant Improvement Allowance. A detailed description of Project Costs by line item and category is set forth in the Project Budget.

"Garage" means the eight-story parking structure containing approximately 829 parking stalls to be constructed on the Garage Land, including any applicable Tenant Improvements. The Garage is more particularly described in the Preliminary Plans and Outline Specifications.

"Garage Ground Lease" means the long-term ground lease entered into, or to be entered into, by Goat Hill Properties as the tenant and the County as landlord for the Garage Land described on the attached Exhibit A.

"Garage Land" means the real property located in the City of Seattle, King County, Washington, more specifically described on Exhibit A hereto.

"General Construction Contract" means the agreement between Owner and the General Contractor for construction of the Garage, the Base Shell and Core Building and Tenant Improvements for the Project.

"General Contractor" means Turner Construction Company, the general contractor for the Project selected by Owner with Tenant's approval.

"Guaranteed Maximum Construction Price" means the maximum cost for construction of the Garage, the Base Shell and Core Building and Tenant Improvements as guaranteed by the General Contractor pursuant to the terms of the General Construction Contract.

"Hazardous Substances" means any material, waste, substance, industrial waste, toxic waste, chemical contaminant, petroleum, asbestos, polychlorinated biphenyls, radioactive materials or other substances regulated or classified by Environmental Laws as hazardous, toxic or lethal to persons or property.

"Indenture" means the trust indenture pursuant to which Owner will cause the issuance of the Bonds, a copy of which shall be provided to Developer by Owner at Bond Closing.

"Initial Draw" refers to Developer's first application for payment of Project Costs, which shall not occur before Bond Closing.

"Interior Architect" means Zimmer Gunsul Frasca, the interior architect for the Project selected by Owner and Developer with Tenant's approval.

"Interior Design Contract" means the contract for space planning design services in connection with the design of Tenant Improvements entered into by Owner and the Interior Architect.

"Land" means both the Garage Land and the Building Land.

"Laws" means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Premises, including without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities) and all rules, laws and regulations issued thereunder, as the same may be amended from time to time.

"Master Use Permit" or "MUP" means the Master Use Permit for the Project issued by the City of Seattle.

"Overhead Allowance" means the overhead allowance to be paid to Developer in accordance with the provisions of Section 11(b) of this Agreement.

"Owner" means Goat Hill Properties, a Washington nonprofit corporation, its successors and permitted assigns.

"Owner-Caused Delay" means any period of delay in the overall progress of design, construction, and completion of the Project, including Tenant Improvements, that is caused by Owner-initiated change orders to the General Construction Contracts or by Owner's failure to approve, disapprove, decide, or otherwise respond to Developer with respect to a particular item for which Owner's response is required hereunder or under the General Construction Contract, or failure to deliver plans, information, specifications, or other information within the time frames required under this Agreement or the General Construction Contracts. However, Owner-Caused Delay shall not include: (i) delay for which a substantially contributing cause is Developer's failure to provide, within the time frames allowed hereunder, draw requests, architect's certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Owner is entitled to receive hereunder or which is reasonably requested by Owner in connection with any such decision or response, or (ii) delay caused by the existence of reasonable cause to suspect that construction of the Project or Tenant Improvements or any other services provided by Developer hereunder have not been performed in accordance with Construction Documents and other requirements hereunder, in which case Owner-Caused Delay shall not include the amount of additional time reasonably needed by Owner to determine whether such construction or other services conform to all requirements hereunder, so long as Owner proceeds with all reasonable diligence to make such determination. To facilitate timeliness in Owner's communications with Developer over matters relating to design or construction of the Project and to minimize the possibility of Owner-Caused Delay, Developer shall alert Owner to deadlines for approvals, decisions or other responses that Owner must provide hereunder, including, among other methods, attachment of "deadline cover sheets" on any

submissions to Owner that require response by a particular deadline or distribution of weekly calendars that show deadlines imposed on Owner. If Developer at any time believes that an instance of Owner-Caused Delay has occurred that has directly caused or will directly cause an increase in Project Costs or extension of the Developer Obligation Date, Developer shall send a written notification to Owner within five (5) days of the occurrence of such alleged Owner-Caused Delay explaining the alleged event that constituted such Owner-Caused Delay, specifying the period of alleged Owner-Caused Delay, describing how the alleged Owner-Caused Delay adversely impacted the Project Schedule and identifying any incremental increase in Project Costs that are identifiable or reasonably foreseeable as a direct result of such Owner-Caused Delay. Any disputes between Developer and Owner over Project Costs attributable to Owner-Caused Delay shall not be a reason to stop or delay construction of the Project and shall be resolved by the parties as expeditiously as possible, either by mutual agreement of the parties or in accordance with the dispute resolution mechanisms described in Section 24 hereof.

"Permits" means all land use approvals, permits and approvals required for construction of the Project.

"Permitted Use" means the intended use of the Project by Tenant for government office purposes, parking, retail space and any other lawful use consistent with the provisions of Section 7 of the Project Lease.

"Preliminary Plans and Outline Specifications" are the initial renditions for the Garage and Base Shell and Core Building, schedules of which plans and specifications is attached hereto as Exhibits D and E and incorporated herein by this reference.

"Premises" means the entirety of the Garage to be constructed on the Garage Land and the Building to be constructed on the Building Land together with a leasehold interest in the Garage Land pursuant to the Garage Ground Lease and a leasehold interest in the Building Land pursuant to the Building Ground Lease

"Project" means the total design and construction, including demolition of existing improvements on the Building Land, all professional design services, and all labor, materials and equipment used or incorporated in such design and construction of (i) the Garage to be constructed on the Garage Land; and (ii) the Building to be constructed on the Building Land. The Project shall include work which is consistent with and reasonably inferable from the approved Project Requirements as being necessary to produce the intended results and may include the acquisition of certain light, view or other easements or property interests benefiting the Project not included in the Project Requirements to the extent that the cost thereof is paid from the Tenant's Contingency.

"Project Application for Payment" means the procedures by which requests for payment for Project Costs and other costs shall be made in accordance with Section 9 of this Agreement.

"Project Budget" means the budget for development of the Project attached to this Agreement as Exhibit F, as revised from time to time in accordance with this Agreement.

"Project Contingency" means the contingency by that name set forth in the Project Budget. The amounts of the various line items of the Project Budget are estimates only of the Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Project Budget exceed the amount shown for such line item, Developer shall first allocate amounts in other line items, in which the actual known Project Costs will be less than the amount of the Project Budget, to the line item in which the excess Project Cost has been incurred. Following the allocation by Developer as set forth in the preceding sentence with respect to all line items, Developer is entitled to draw upon the Project Contingency for such excess Project Costs.

"Project Costs" means all costs for the completion of the development, design, permitting and construction of the Project, including, without limitation, all demolition costs, all permit fees, all costs of the Garage, Base Shell and Core Building, HVAC, electrical and other building systems, all costs of Tenant Improvements, all costs of fixtures, furnishing and equipment described in the Construction Documents, all costs of architectural services provided by the Architect under the Architect's Agreement, all costs of services provided by the Interior Architect under the Interior Design Contract with respect to the Tenant Improvements, all other professional design and other services provided by Contractors or other professionals engaged by the Developer or General Contractor, all amounts paid to General Contractor under the General Construction Contract including all labor, material, and equipment used or incorporated in such design and construction, all amounts paid to other Contractors and subcontractors, if any, under any other Construction Contract or subcontract entered into by Owner upon the written approval of Developer or by the Developer on behalf of and acting as the Owner's agent in connection with the Project, including all labor, material, equipment used or incorporated in such design and construction, services provided by engineers, environmental consultants, surveyors and other professionals and consultants retained by Developer in connection with the Project, Developer's Overhead Allowance, Developer's Fee, insurance (other than Bond insurance), bonds (other than the Bonds), applicable state and local retail sales, business and occupation and other taxes (including real property taxes and assessments accruing from Commencement of Construction to Substantial Completion of the Project), plus the Project Contingency; excluding only (a) Tenant's Personal Property and any taxes thereon (which shall be paid by Tenant at its sole cost and expense), (b) Financing Costs, (c) costs for art or similar enhancements that are not included in the Project Requirements and not paid from the Tenant's Contingency; (d) costs of acquiring certain light, view or other easements or property interests benefiting the Project that are not included in the Project Requirements and are not paid from the Tenant's Contingency; (e) costs of removing or remediating any Hazardous Substances in, on or emanating from the Garage Land or the Building Land in excess of the amount specifically set forth in the Project Budget for environmental remediation; (f) to the extent not reflected in the Preliminary Plans and Outline Specifications, costs of any off-site improvements required as a condition to or in connection with the development or construction of the Project; (g) notwithstanding the above, real property taxes and assessments, utilities and other operating costs attributable to the Garage accruing after Substantial Completion of the Garage; and (h) Costs Not To Be Reimbursed.

"Project Fund" means the fund of that name established under the Indenture for the purpose, among others, of paying Project Costs.

"Project Lease" means the lease agreement between Owner and the Tenant for occupancy of the Project in the form attached hereto as Exhibit C.

"Project Requirements" means the Preliminary Plans and Outline Specifications as set forth in Exhibit G and as otherwise specifically agreed to by Owner and Developer.

"Project Schedule" means the schedule for development and construction of the Project as set forth on Exhibit H to this Agreement, as revised from time to time in accordance with this Agreement, provided, however, that in no event shall the Project Schedule provide for Substantial Completion of the Project to occur later than the date thirty (30) months after Bond Closing without the concurrence of Tenant. The initial Project Schedule is set forth in Exhibit H attached hereto and by this reference incorporated herein.

"Punch List" means a list of items required to be completed prior to Final Acceptance that are minor items which do not affect Owner's ability to lease the Premises to Tenant and do not affect Tenant's ability to use the Premises for the Permitted Use.

"Requirements of Law" means all requirements relating to land and building construction (including those specifically applicable to Tenant's contemplated use of the Premises as a government office building and a parking garage), including, without limitation, planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, accessibility, and other governmental approvals, permits, licenses and/or certificates as may be necessary from time to time to comply with all the foregoing and other applicable statutes, rules, orders, regulations, laws, ordinances, and covenants, conditions and restrictions, which now apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Garage Land, the Building Land, the Premises or any part thereof.

"Sale of the Bonds" means execution and delivery by Owner and a responsible bond underwriter of an agreement providing for the purchase and sale of the Bonds on terms consistent with the terms of the Lease and with no conditions to the underwriter's obligation to pay for and accept delivery of the Bonds other than those conditions contained in said agreement between Owner and the responsible bond underwriter.

"Substantial Completion" has the meaning set forth in Section 12 of this Agreement.

"Substantially Complete" or **"Substantially Completed"** means that the Project has been constructed in substantial accordance with the Contract Documents and: (a) all elements required for the functioning of the Project shall be operational and in good working order and condition including satisfying applicable ADA building requirements and the Washington State Law Against Discrimination, RCW ch. 49.60, as well as regulations adopted thereunder; (b) the Project shall be weather tight and waterproof; (c) the fire and life safety systems within the Project shall be operational and in good working order and condition; (d) the elevators shall operate and function in good working order and condition, but may still require touch up installation and cleaning; (e) the mechanical and electrical systems, including the HVAC system, shall be individually tested and in good working order able to support the Project and shall also be tested to assure that Project systems operate on an integrated basis, but the HVAC system may still require final balancing work; (f) the finish work is substantially completed, including, but not limited to public lobby, elevator, HVAC, plumbing, fire and life safety, sprinkler and electrical systems, doors, partitions, cabinetry, carpet and base, including removal of all construction debris; (g) all site utilities, sidewalks and landscaping are substantially completed and construction barricades and

equipment have been removed; (h) the Garage and the parking garage in the Building, including parking garage elevators and lobbies, and all entrances and exits thereto are completed; and (i) the access and security systems for the Project are installed and operational, except in each case for minor Punch List items which do not materially affect use and occupancy of the Project for government offices and parking.

"Tenant" means King County and its successors and permitted assigns as tenant under the Project Lease.

"Tenant Improvement Allowance" means, within the Fixed Price, an allowance of $14,926,000 to cover the design and construction costs of the Tenant Improvements. If any portion of this allowance is not used, it shall remain the property of Owner. Prior to commencement of construction of the Tenant Improvements under the General Construction Contract, Owner and General Contractor intend to agree upon a guaranteed maximum price for construction of the Tenant Improvements, which guaranteed maximum price shall contain a construction contingency line item. Any excess of the Tenant Improvement Allowance over the guaranteed maximum price (the "Excess Tenant Improvement Allowance") shall, upon agreement of the guaranteed maximum price, be automatically transferred to the Tenant's Contingency.

"Tenant Improvements" means any improvements to the interior of the Building beyond the Base Shell and Core Building, including data wiring, all or which are more specifically described in the Construction Documents.

"Tenant's Contingency" means the contingency in the amount of $1,500,000 which may be used to cover any changes in the Project resulting from any material improvements or deviation required by Owner from the design or level of quality reflected in the Preliminary Plans and Outline Specifications as set forth in Section 4(i) below or for Tenant Improvements requested by Tenant which exceed the Tenant Improvement Allowance.

"Tenant's Personal Property" means Tenant's furniture, equipment, and movable personal property placed in the Premises; provided, however, that fixtures, furnishing and equipment described in the Construction Documents as being part of the Project are not deemed to be part of Tenant's Personal Property. Tenant shall provide Tenant's Personal Property at Tenant's sole cost and expense.

"Title Policies" shall mean the policy of title insurance issued to Owner upon its leasehold of the Land (herein called the "Title Policy") and the lender's policy of title insurance issued to the Trustee upon the recording of the mortgage or deed of trust in favor of the Trustee (the "Lender's Title Policy").

"Trustee" shall mean a national bank or other financial institution with trust powers selected by Owner to serve as the bond trustee under the Indenture or any duly authorized successor thereto appointed pursuant to the Indenture.

"Unavoidable Delays" means any delay in the performance by Developer or General Contractor of its obligations with respect to construction of the Project caused by strikes (other than those directly caused by Developer's acts, omissions or failure to negotiate in good faith), acts of God, Unusually Severe Weather Conditions, unavoidable casualties, acts of the public enemy, acts of

terrorists, governmental embargo restrictions, or similar causes beyond the reasonable control of Developer or General Contractor, which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Project, other than such delays resulting from (a) Developer's or General Contractor's failure to comply with the terms and provisions of this Agreement or the General Construction Contracts, (b) increased prices, or (c) unavailability of funds, provided the Fixed Price is paid in accordance with Section 10 of this Agreement. Unavoidable Delays will entitle Developer and General Contractor to an extension of the Developer Obligation Date but will in no way entitle Developer to additional compensation. Nothing contained herein shall prevent Developer from allocating the Project Contingency to increased costs of constructing the Project caused by Unavoidable Delays. In the event of any Unusually Severe Weather Conditions, the length of Unavoidable Delay to become effective under this Agreement as a result of such conditions shall be the period of time (not less than one day) by which Developer's progress in constructing the Project has reasonably been delayed as a result of such Unusually Severe Weather Conditions. Developer shall notify Owner in writing as soon as possible but in no event later than 35 days after any Unusually Severe Weather Conditions have occurred, shall provide in such notice a specification as to which of the listed conditions has occurred and the data supporting such determination, and shall provide an explanation of Developer's position as to the length of Unavoidable Delay to be granted as a result of such conditions, explaining how such conditions delayed Developer's construction progress. Owner shall respond within 10 days thereafter as to whether Owner accepts or disagrees with Developer's position. Any disagreements that cannot be resolved by Developer and Owner shall be resolved in accordance with Section 24 hereof, but work shall continue pending resolution of such dispute.

"Unusually Severe Weather Conditions" means the occurrence of any of the following scenarios of precipitation, low temperature, windstorms, or snow or ice, but only if the building shell has not been sealed from weather and there remains substantial external work or other conditions that are affected by adverse weather and that will adversely affect the Developer's ability to achieve Substantial Completion by the Developer Obligation Date:

(a) Daily rainfall equal to or greater than .80 inch within any 24 hour period.

(b) Daily rainfall equal to or greater than .50 inch during any "rainy season month" (i.e., October through June) in which the total monthly rainfall (at the end of such month) is at least 115% but less than 150% of the total average monthly rainfall for such month.

(c) Daily rainfall equal to or greater than .30 inch during any rainy season month in which the total monthly rainfall (at the end of such month) is at least 150% but less than 200% of the total average monthly rainfall for such month.

(d) Daily rainfall equal to or greater than .20 inch during any rainy season month in which the total monthly rainfall (at the end of such month) is at least 200% of the total average monthly rainfall for such month.

(e) Daily maximum temperature less than 35 degrees Fahrenheit for two or more consecutive weekday days which impacts critical components of the work.

(f) A combination of temperature and precipitation that results in snowfall in excess of 3 inches on a particular day that does not melt and substantially disappear (but for isolated shaded areas) by 7:00 a.m. on the next work day, or that results in a coating of ice during the bulk of the workday (not merely morning frost) that makes walking, transporting or loading of materials, or operation of equipment or vehicles hazardous or significantly slowed.

(g) Maximum wind gusts exceeding 50 mph at any time during the work day.

(h) Maximum wind gusts exceeding 35 mph during each hour of a continuous four hour period during the work day.

(i) Any other unusually inclement weather condition which causes the construction site to be in a condition such that the General Contractor orders the workers to not work on the construction site.

Weather conditions shall be measured at Sea-Tac International Airport by the Environmental Data and Information Service of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce. However, if Developer wishes to monitor weather at a location on or nearer to the Project site, Developer may make a proposal to install and operate, at its expense through Project Contingency, a weather monitoring station at the Property or in the vicinity of the Property, monitored by an independent consultant, and Owner shall not unreasonably withhold its approval to utilization of the weather data from such closer site so long as the equipment and independent consultant appear to be capable and trustworthy and the results obtained from such monitoring appear to be reasonably reliable.

"Warranty Period" shall mean that period commencing on the date of Substantial Completion of the Project and expiring two (2) years thereafter.

2. Development of the Project.

(a) Fixed Price. Owner hereby retains Developer and Developer shall, in accordance with the terms of this Agreement, develop, oversee and manage the design, permitting and construction phases of the Project in accordance with the terms and conditions of this Agreement. Subject to the terms of this Agreement, and provided the Fixed Price is paid in accordance with Section 9 of this Agreement, Developer warrants (i) the delivery of the Project for a Fixed Price of $89,711,000, constructed in a good and workmanlike manner and in substantial accordance with the Contract Documents on or before the Developer Obligation Date, free and clear of all liens. Project Costs exceeding the Fixed Price shall be paid by Developer, with Developer depositing any required funds with Trustee pursuant to Section 9(f) below. Upon compliance by Developer with its obligations under this Agreement, Owner shall cause the Trustee to disburse money from the Project Costs Account in the Project Fund (as those terms are defined in the Indenture) to Developer or any other party entitled to receive such disbursement as set forth in Section 9 of this Agreement to pay the Project Costs, until money in an amount equal to the Fixed Price has been disbursed.

(b) Tenant Improvement Allowance. The Fixed Price will include the Tenant Improvement Allowance of Fourteen Million Nine Hundred Twenty Six Thousand Dollars

($14,926,000) for the design and construction of Tenant Improvements. Notwithstanding any other provision in this Agreement to the contrary, payment for the construction of Tenant Improvements shall be governed by the terms of this Section 2(b). Exhibit I hereto sets forth the dates for delivery of the space plans by which Owner (i) must deliver the plans if Owner wishes to have the Tenant Improvements bid as a part of the Base Shell and Core Building; or (ii) must deliver the plans to avoid potentially jeopardizing the Project Schedule. Owner's failure to meet those dates shall constitute an Owner-Caused Delay that may result in Costs Resulting From Owner-Caused Delay for which Developer shall not be held responsible. Owner shall pay any Costs Resulting From Owner-Caused Delay unless Owner elects to allocate Tenant's Contingency to pay such costs. Any Owner-Caused Delay shall also result in an adjustment of the Developer Obligation Date under Section 7(b) below.

Developer shall work with Owner to develop the pricing on Owner's desired Tenant Improvements. If the total cost of designing and constructing the Tenant Improvements is less than the Tenant Improvement Allowance, then all excess funds in the Tenant Improvement Allowance shall be retained by Owner upon Final Acceptance. If the total cost of designing and constructing the Tenant Improvements exceeds the Tenant Improvement Allowance, such excess costs shall be paid solely by Owner.

(c) Diligent Efforts; Relationship of the Parties. Developer accepts the relationship of trust and confidence established with Owner by this Agreement and agrees that in providing the services set forth in this Agreement, Developer shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and oversee the General Contractor, Architect, Interior Architect, all other Contractors, all other engineers, design consultants, managers and other persons retained in connection with the design, permitting, development and construction of the Project so as to cause Substantial Completion of the Project in an expeditious and economic manner consistent with the best interests of Owner, and otherwise in a good and workmanlike manner and in substantial accordance with the Contract Documents on or before the Developer Obligation Date, free and clear of liens (provided the Fixed Price is paid in accordance with Section 9 of this Agreement). Developer shall perform its services in accordance with the terms of this Agreement, including, without limitation, all services to be provided by Developer as described in Section 5 herein. Developer shall not perform any construction services in connection with this Agreement. By the terms of this Agreement, Developer is not obligated to perform services for which Owner has contracted with a third party without Developer's prior written consent, nor obligated to pay for such services for which Owner has contracted with third parties without Developer's prior written consent, and such services shall be paid for directly by Owner and shall not be considered Project Costs unless they are pre-approved by Developer in writing.

(d) Mutual Cooperation; Liability of Owner. Developer and Owner shall fully and in good faith cooperate with each other to accomplish each of the activities provided herein. Developer acknowledges and agrees that Owner shall have no liability or responsibility whatsoever with respect to the activities provided to be performed by Developer herein, except to pay the Fixed Price pursuant to the terms and conditions contained herein.

(e) Term. The rights and obligations of the Developer and Owner hereunder shall commence on the date of execution of this Agreement and shall continue, subject to early termination pursuant to Section 3(c), until expiration of the Warranty Period, except with respect to those specific obligations of Developer which may survive the Warranty Period.

3. Project Financing.

(a) Issuance of Bonds. Owner intends to issue Bonds in a principal amount sufficient to pay the Project Costs, Financing Costs and other costs payable pursuant to the terms of the Indenture pursuant to and in compliance with the requirements of Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service (collectively, the "Ruling") and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings. Owner intends to have the payment of principal and interest on the Bonds insured by the Bond Insurer selected by Owner upon recommendation by the underwriter retained by Owner to sell the Bonds. The proceeds of the Bonds shall be used to pay Project Costs (in an amount not in excess of the Fixed Price), Financing Costs and other costs.

(b) Disbursal of Proceeds. A portion of the proceeds from the sale of the Bonds shall be deposited into the Project Fund held by the Trustee and shall be used to pay Project Costs and other costs in accordance with the terms of the Indenture and this Agreement.

(c) Termination of Agreement. In the event the Sale of the Bonds has not occurred on or before December 31, 2005, this Agreement shall terminate and neither Owner nor Developer shall have any further rights, duties or obligations hereunder except as provided below, provided that either Owner or Developer may extend the December 31, 2005 date by up to three (3) periods of thirty (30) days each by delivering written notice to the other of its intention to extend prior to the then-applicable termination date (provided such extension shall be effective only if the Project Lease is similarly extended in accordance with its terms).

4. Project Design. Developer shall cause design services to be performed by qualified architects, engineers and other professionals recommended by Developer, approved by Owner and paid as part of the Project Costs.

(a) Selection of Development Team for Project. The following entities are intended to be retained in connection with the Project:

(i) Architect: Zimmer Gunsul Frasca

(ii) General Contractor: Turner Construction Company

(iii) Structural Engineers: Magnusson Klemencic Associates

(iv) Land Surveyors: Dowl Engineers

(v) Mechanical Design Build Engineers: MacDonald Miller

(vi) Geotechnical Engineers: Geo Engineers

(vii) Environmental Consultants: Geo Engineers

(viii) Interior Architect: Zimmer Gunsul Frasca

(ix) Electrical Design/Build Engineers: Holmes Electric

In order to complete the Project, Developer shall have the right to select other professionals as necessary or desirable for the design, permitting, and development of the Project and

shall have the obligation to recommend other Contractors for Owner's approval. All amounts paid to the entities outlined above and any others hereinafter engaged by Developer in connection with the performance of its duties and responsibilities under this Agreement, or as agent for Owner, shall be part of the Fixed Price.

(b) Design Contracts. Owner shall enter into the Architect's Agreement with the Architect and the Interior Design Contract with the Interior Architect.

Consistent with the terms and conditions of the respective General Construction Contract, Interior Design Contract and the Architect's Agreement, there shall be no amendment to those or any other design contract or Construction Contract, without the prior written consent of Owner. All rights of Owner and Developer, respectively, under the Architect's Agreement, the Interior Design Contract and the General Construction Contract and any other contract designated by either Trustee or Bond Insurer shall be assigned to Trustee and/or Bond Insurer as appropriate under assignment agreements in form and substance satisfactory to Trustee and Bond Insurer. Developer shall obtain, at no cost to Owner, the consent of Architect, Interior Architect, General Contractor and other design professionals and Contractors as necessary to each such assignment.

(c) Project Budget. The Project Budget sets forth a detailed itemization by line item and category of all Project Costs, including Tenant's Contingency, Project Contingency, the Overhead Allowance and Developer's Fee. The Project Budget is attached hereto as Exhibit F.

(d) Construction Drawings. Developer shall cause the Architect to prepare the Construction Drawings and Detailed Specifications for the Garage and the Base Shell and Core Building and cause the Interior Architect to prepare such necessary plans and specifications for the Tenant Improvements, in each case for Developer's review and Owner's approval. The intention of the parties is to cooperate in good faith to provide a completed design which meets all Requirements of Law and is consistent with all Project Requirements and the building quality reflected therein. The Construction Drawings and Detailed Specifications for the Garage, the Base Shell and Core Building construction and Tenant Improvements shall include, at a minimum, all architectural services set forth under Basic Services in the Architect's Agreement and such other architectural services as may be necessary to provide Construction Documents for the Garage, the Base Shell and Core Building and Tenant Improvements portions of the Project.

(e) ADA Compliance. Each design contract shall include a provision requiring that upon Substantial Completion of that portion of the work covered by that design contract, the work and the portion of the Project so constructed shall comply with the applicable Americans With Disabilities Act requirements referenced herein.

(f) Owner's Review. Owner may participate in all design meetings with Developer, Architect, Interior Architect and other design professionals as appropriate in the course of the development of all Construction Documents in order to facilitate the approval of such Construction Documents in accordance with the terms of this Agreement. Owner shall promptly review the Project Budget and all Construction Drawings and Detailed Specifications submitted in accordance with this Agreement and shall give Developer written notice within ten (10) business days following its receipt of the Project Budget and/or Construction Drawings and Detailed Specifications of its approval or disapproval thereof, specifying in the case of its disapproval, its reason therefor. Owner shall have the

right to disapprove such Construction Drawings and Detailed Specifications which (i) do not meet the Project Requirements, (ii) do not comply with Requirements of Law, (iii) do not comply with previous Construction Drawings and Detailed Specifications in all material respects, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Project. If no objections or comments are received within such ten (10) business day period, then the submittals shall be deemed approved.

(g) Resubmittals. If objections or comments are submitted in writing within the time frame and in accordance with the requirements set forth in the preceding subsection, Developer shall cause the Architect and/or the Interior Architect to make changes in the Construction Drawings and/or Detailed Specifications consistent with reasonable objections or comments made by the Owner and shall resubmit the same to Owner in accordance with the foregoing schedule for further review. The process of resubmittal and review shall continue until the submittals have been approved by all the parties. The final Construction Drawings and Detailed Specifications setting forth in detail the requirements for the construction of the Project which have been approved by Owner are called the Construction Documents. There shall be no material change in the Construction Documents except as set forth in Section 8 below.

(h) Permit and Construction Documents. Developer shall cause the Architect and other design professionals to prepare Construction Documents as required for submittal of the building permit and other permit applications in accordance with Section 6 hereof, and as required for construction of the Project by the Contractors.

(i) Tenant's Contingency. The Fixed Price includes a Tenant's Contingency in the amount of $1,500,000 which shall be allocated to Project Costs as provided herein. If Owner requires any material improvement or material deviation in the Construction Drawings or the Detailed Specifications from the design or level of quality reflected in the Preliminary Plans and Outline Specifications, any resulting increase in design or construction Project Costs shall be charged against the Tenant's Contingency up to a maximum of $1,500,000, after which no further design changes shall be permitted hereunder unless Owner agrees to pay for any resulting increase in Project Costs. To the extent that the Construction Drawings and Detailed Specifications are consistent developments of the Preliminary Plans and Outline Specifications, the Fixed Price shall not be adjusted for any changes in Project Costs required to construct the Project in accordance with such Construction Documents. Additionally, at Owner's option, the Tenant's Contingency may be used for the design and/or construction of Tenant Improvements desired by Owner in excess of Tenant Improvement Allowance.

5. Construction Management Services. Developer shall provide Owner with all construction administration and construction management services necessary or desirable to cause Substantial Completion of the Project on or before the Developer Obligation Date in a good and workmanlike manner and in substantial accordance with the Contract Documents, including, without limitation, the following:

(a) Preconstruction Phase.

(i) Developer shall oversee all design work done by Architect, Interior Architect and other design professionals for the design and development of the Project. Developer shall expeditiously review design documents during their development and advise on proposed site use

and improvements, selection of materials, building systems and equipment and methods of Project delivery. Developer shall provide recommendations on relative feasibility of construction methods, availability of materials and labor, and time requirements for procurement, installation, construction and factors related to construction costs including, but not limited to, costs of alternative designs or materials, budgets and possible economics.

(ii) Developer shall prepare and periodically update the Project Schedule for Owner's acceptance. Developer shall obtain the Architect's and Interior Architect's approval for the portions of the preliminary Project Schedule relating to the performance of their services. Developer shall coordinate and integrate the Architect's and Interior Architect's services into the Project Schedule and Developer's and Owner's responsibilities with anticipated construction schedules, highlighting critical and long lead time items.

(iii) Developer shall consult with Owner and Architect regarding the Construction Documents and make recommendations whenever design details adversely affect constructibility, cost or schedules.

(iv) Developer shall cause the General Contractor to establish the assignment of responsibilities for temporary Project facilities and equipment, materials and services for common use of the Contractors. Developer shall verify that such requirements and assignment of responsibilities are included in the proposed Contract Documents.

(v) Developer shall cause the General Contractor to determine the division of the Project into individual contracts for various categories of work, including the method to be used for selecting Contractors and awarding Construction Contracts. Developer shall cause the General Contractor to review the Construction Documents as required to provide that (1) the work of the Contractors is coordinated; (2) all requirements for the Project have been assigned to the appropriate Construction Contract; (3) the likelihood of jurisdictional disputes has been minimized; and (4) proper coordination has been provided for phased construction.

(vi) Developer shall prepare a Project Schedule providing for the components of the work and shall consult with the General Contractor in connection with the preparation and updating of the Project Schedule, including phasing of construction, times of commencement and completion required of each Contractor, ordering and delivery of products requiring long lead time, and the occupancy requirements of Owner. Developer shall provide the current Project Schedule to the General Contractor for each set of bidding documents.

(vii) Developer shall work with the General Contractor to expedite and coordinate the ordering and delivery of materials requiring long lead times.

(viii) Developer shall select and coordinate the professional services of surveyors, special consultants and testing laboratories required for the Project.

(ix) Developer shall cause the General Contractor to provide an analysis of the types and quantities of labor required for the Project and shall review with the General Contractor the availability of appropriate categories of labor required for critical phases. Developer shall make recommendations for actions designed to minimize adverse effects of labor shortages.

(x) Following Owner's approval of the Construction Documents, the Developer shall update and submit the latest estimate of Project Costs, Project Budget and the Project Schedule for Owner approval.

(xi) Developer shall direct the General Contractor to develop bidders' interest in the Project, establish bidding procedures, issue bidding documents to bidders and conduct pre-bid conferences with prospective bidders. Developer shall cause the General Contractor to submit the list of prospective bidders for Owner's review. Owner shall have the right to reject any bidder if there exists substantial and reasonable cause for such rejection. Developer shall assist the General Contractor with respect to questions from bidders and the issuance of addenda.

(xii) Developer and General Contractor shall receive bids, prepare bid analyses and award contracts or reject bids.

(b) Construction Phase.

(i) Developer shall administer all Construction Contracts for the Project in cooperation with the Architect.

(ii) Developer shall provide administrative, management and related services to coordinate scheduled activities and responsibility of the Contractors with each other and with those of the Developer, Owner and Architect to manage the Project substantially in accordance with the Project Schedule and Contract Documents.

(iii) Developer shall cause the General Contractor to update the Project Schedule incorporating the activities of the Contractors on the Project, including activity sequences and duration, allocation of labor and materials, processing of shop drawings, product data and samples and delivery of products requiring long lead time and procurement. The Project Schedule shall include Owner's occupancy requirement showing portions of the Project (e.g., the Garage) having occupancy priority. Developer shall update and reissue the Project Schedule as required to show current conditions. If an update indicates that the previously approved Project Schedule may not be met, Developer shall cause the General Contractor to take corrective action so as to cause the Project to be Substantially Completed on or before the Developer Obligation Date.

(iv) Developer shall cause the General Contractor to schedule and coordinate the sequence of construction so as to cause Substantial Completion of the Project on or before the Developer Obligation Date.

(v) Developer shall dutifully administer and enforce the Architect's Agreement and the Interior Design Contract and Developer shall cause the General Contractor to dutifully administer and enforce all Construction Contracts with subcontractors and, provided that Owner authorizes Developer to do so and assigns to Developer any rights necessary in connection therewith, Developer shall fully enforce, administer and take such actions as are necessary to implement contracts with the Architect, Interior Architect, and General Contractor. Developer shall notify and consult with Owner regarding any material breaches or defaults by any party to a Construction Contract relating to the Project. Developer shall, with respect to such breach or default by such contracting party, follow

the instructions or directions of Owner so long as such instructions or directions do not, in the reasonable professional judgment of Developer, restrict, delay, impair or otherwise jeopardize the Substantial Completion of the Project by the Developer Obligation Date.

(vi) Developer shall develop cash flow reports and forecasts for the Project (including variances between actual and budgeted costs) and provide Owner with copies of same.

(vii) In consultation with the Architect, Developer shall oversee the course of construction and shall conduct such inspections of the course of construction and testing of work to insure that the work of each Contractor is being performed in substantial accordance with the requirements of the Contract Documents in a good and workmanlike manner, free of defects and deficiencies in work, and free and clear of all liens. Developer shall reject all work which does not conform to the requirements of the Contract Documents and cause corrective action to be taken.

(viii) Developer shall transmit to Architect requests for interpretations of the meaning and intent of Construction Drawings and Detailed Specifications and assist in the resolution of questions that arise.

(ix) Developer shall expedite the processing and approval of shop drawings, product data, samples and other submittals.

(x) Section 8 of this Agreement shall control with regard to changes in the work.

(xi) Developer shall record the progress of the Project. Developer shall cause the General Contractor to submit written monthly progress reports to Owner and Developer, including information on each Contractor and each Contractor's work, as well as the entire Project, showing percentages of completion. Developer shall maintain or cause the General Contractor to maintain a daily log, containing a record of weather, each Contractor's work on the site, number of workers, identification of equipment, work accomplished, problems encountered and such other information as Owner may require.

(xii) Developer shall maintain at the Project site or at Developer's offices in Seattle, Washington, for Owner one record copy of all Contract Documents, all drawings, specifications, addenda, change orders and other modifications, in good order and marked currently to record changes and selections made during construction together with approved shop drawings, product data, samples and similar required submittals. Developer shall maintain records, in duplicate, of principal building layout lines, elevations of the bottom of the footings, floor levels and key site elevations certified by a qualified surveyor or professional engineer. All such records shall be made available to Architect, Interior Architect and Owner upon request and, upon completion of the Project, duplicate originals shall be delivered to Owner.

(xiii) Although Developer shall not be responsible for the purchase of materials, systems and/or equipment, Developer shall assure that the General Contractor is responsible for the delivery and storage, protection and security of such materials, systems and equipment that are part of the Project until such items are incorporated into the Project.

(xiv) Developer shall develop and implement procedures for the review and processing of applications by Contractors for progress and final payments.

(xv) Based on the Developer's observations and evaluations of each Contractor's Application for Payment, the Developer shall review and certify the amounts due the respective Contractors. The Developer shall prepare Project Applications for Payment based on the Contractors' Applications for Payment.

(xvi) Each Project Application for Payment and certification of the Contractor(s)' certificates for payment shall constitute a representation to Owner based on the Developer's overall supervision of the course of construction, inspections conducted at the site, and review of the data comprising the Contractors' Application for Payment that, to the best of Developer's knowledge, information and belief, the work has progressed to the point indicated and the quality of the work is in substantial accordance with the Contract Documents (subject to minor deviations from the Contract Documents correctable prior to completion and to specific qualifications expressed by Developer in Developer's Project Application for Payment).

(xvii) Developer shall supervise the final testing and start-up of utilities, operational systems and equipment.

(xviii) When Developer considers each Contractor's work or a designated portion thereof substantially complete, the Developer shall, jointly with the Architect, prepare for the Contractor a list of incomplete or unsatisfactory items (Punch List) and a schedule for their completion. The Developer shall assist Architect in conducting inspections to determine whether the work or designated portion thereof is substantially complete.

(xix) Developer shall cause the General Contractor to coordinate the correction and completion of the work, including all Punch List items, and shall evaluate the completion of the work of the Contractors and make final recommendations to the Architect when the Project or any designated portion thereof has achieved Final Acceptance. Developer shall assist Architect in conducting final inspections of the work.

(xx) Developer shall take such other and further action as may be necessary or desirable to cause the Project to be Substantially Completed on or before the Developer Obligation Date.

6. Permits.

(a) Master Use Permit. A Master Use Permit will be obtained by the Developer.

(b) Permits. Developer shall obtain all Permits necessary to construct the Project. For those Permits yet to be acquired as of the date of the execution of this Agreement, Owner shall have ten (10) business days to review any Permit application Developer intends to submit. Owner's failure to object to terms or conditions of a Permit application shall not be construed as approval of the same but shall constitute Owner's authorization for Developer to submit the Permit application. For those Permit applications already submitted by Developer prior to the execution of this Agreement, Owner shall receive a copy upon request. Owner shall join in any application for Permits as required,

at the expense of Developer. Developer shall pursue issuance of such Permits with all due diligence.

(c) Costs. All costs associated with issuance of the Permits shall be Project Costs.

(d) Schedule and Delays. Owner and Developer anticipate issuance of Permits by the City of Seattle and commencement of construction of the Project within the time set forth in the Project Schedule set forth as Exhibit H hereto. The Project Schedule shall be updated by Developer and Owner from time to time as reasonably required to reflect the current status of the Project. There shall be no increase in the Fixed Price as a result of any delay in issuance of the Permits or commencement or completion of construction of the Project.

7. Construction.

(a) Commencement of Construction. Developer shall cause Substantial Completion of the Project on or before the Developer Obligation Date in a good and workmanlike manner, free from defects in work or materials and in substantial accordance with the Contract Documents, free and clear of all liens, provided the Fixed Price is paid in accordance with Section 9 hereof. As soon as reasonably practical following issuance of the Permits, Developer shall cause Commencement of Construction to occur and to diligently and continuously prosecute such work to Final Acceptance. Developer shall coordinate the sequencing of all construction and shall cause all other Contractors to commence construction of that portion of the work covered under their respective Construction Contracts and diligently and continuously prosecute such work to Final Acceptance. Developer warrants to the Owner that materials and equipment incorporated into the Project shall be new unless otherwise specified.

(b) Delays. The Developer Obligation Date shall be extended to the extent of (i) Unavoidable Delays, provided however that extensions due to Unavoidable Delays shall not exceed ninety (90) days; (ii) Owner-Caused Delays and (iii) delays incurred as a result of the presence of any Hazardous Substances in, on or emanating from the Garage Land or the Building Land as of the Effective Date of the Project Lease (as defined therein) in excess of the time specifically provided in the approved Project Schedule for remediation of any such Hazardous Substances. The existence of Unavoidable Delays of up to 90 days shall excuse General Contractor and Developer for resulting delays and changes in the Project Schedule, provided however that there shall not be any adjustment to the Fixed Price for additional costs resulting therefrom. If Substantial Completion of the Project fails to occur by the Developer Obligation Date, as extended pursuant to the first sentence of this Section 7(b), then Developer shall pay to Trustee on the first day of each month an amount equal to the sum of the Monthly Rent payable under the Project Lease, until the earlier of Substantial Completion or termination of the Project Lease pursuant to Section 9.18 thereof, provided, however, that to the extent Owner receives insurance proceeds under the Builders Risk Insurance Policy described in Section 17(b)(iv) below to reimburse Owner for loss of income and rents, such sums shall be credited against Developer's obligation to pay Monthly Rent to the Trustee. The Monthly Rent paid by Developer shall be prorated if a partial month elapses before Substantial Completion of the Project occurs. Upon Final Acceptance, if there are funds remaining in the Project Costs Account (as defined in the Indenture) prior to the final distribution of said Account (i.e., the sharing of contingency money), if Substantial Completion of the Project has failed to occur by the Developer Obligation Date, and if Developer has made the payments it is required to make pursuant to this Section 7(b), the Developer and the Owner, with concurrence by the Tenant, shall determine and direct Trustee to pay

to the Developer any additional interest earnings that accrued on the undisbursed Bond proceeds as a direct result of such delay in excess of interest that would have accrued absent such delay.

(c) Guaranteed Maximum Construction Contract. As part of the Fixed Price, the Garage, the Base Shell and Core Building (which constitutes a portion of the Project) and the Tenant Improvements, subject to Section 2(b), shall be constructed pursuant to the General Construction Contract, containing the Guaranteed Maximum Construction Price, between Owner and the General Contractor. The General Construction Contracts shall contain a provision for payment and performance bonds issued by a surety reasonably acceptable to Owner pursuant to which Owner and Trustee shall be named as obligees pursuant to a rider or riders reasonably acceptable to Owner and Trustee.

(d) Construction Contracts. All Construction Contracts shall include recitations or provisions requiring the following:

(i) Owner intends to lease the Project to Tenant, a public agency, and desires that the Project incorporate and include public art, consistent with the spirit and intent of King County's Public Art Program. Tenant shall have the right to review and approve the process for, and selection of, public art for the Project, which approval shall not be unreasonably withheld; provided, however, that Owner may condition or withhold approval for the installation of any public art in the Project if it would have a material and adverse effect on the construction of the Project or on the Project Schedule.. The cost of any such public art shall not be a Project Cost and shall not be included in the Fixed Price.

(ii) All Contractors and subcontractors employed on the Project shall pay the prevailing rate of wages as defined in Chapter 39.12 of the Revised Code of Washington.

(iii) Provisions for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Project.

(e) Protection of Persons and Property.

(i) Developer shall be responsible for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Project.

(ii) Developer shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to: (1) all persons working on the Project construction site and all other persons who may be affected thereby; (2) the Project and materials and equipment to be incorporated therein; and (3) other property at or adjacent to the site.

(iii) Developer shall or shall cause the General Contractor and all other Contractors to give notices and comply with all applicable laws, ordinances, rules, regulations, and orders of public authorities bearing on the safety of persons and property and their protection from damage, injury or loss.

(iv) Developer shall be liable for all damage or loss (other than damage or loss insured under the property insurance) to the Project except to the extent caused by the negligent actions of Owner, its agents or employees or by Tenant.

(f) Insurance During Construction. Insurance shall be provided by Developer, Owner, Architect and Contractors in accordance with the provisions of Section 16 of this Agreement.

(g) Use of Project Contingency. The amounts set forth in the various line items of the Project Budget are estimates only of Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Project Budget exceed the amount shown for such line item, Developer shall first allocate amounts in other line items, in which the actual known Project Costs shall have been less than the amount in the Budget, to the line item in which the excess Project Cost(s) has occurred. Following the allocation by Developer as set forth in the preceding sentence with respect to all line items, except Project Contingency, Developer shall be fully entitled to draw upon the Project Contingency line item of the Project Budget and use the Project Contingency in its entirety, if necessary to pay the Project Costs.

(h) Warranties. Developer shall cause the General Contractor to secure for the benefit of Owner all warranties and guarantees of the work by Contractors, suppliers and manufacturers of components of the Project. Upon Final Acceptance, Developer shall cause the General Contractor to assign such warranties to Owner. After Final Acceptance of the Project and during the Warranty Period, Developer shall assist Owner to enforce any warranties or guarantees with respect to the Project upon request. The General Construction Contract shall provide a warranty of materials and workmanship for a period of two (2) years with respect to each major component of the work following Substantial Completion of the Project. Without increasing the Fixed Price, Developer and Owner have agreed that Developer shall cause the General Contractor to obtain warranties of longer periods from Contractors and material suppliers for the fixtures, services, or subcontracts set forth in Exhibit K, provided, however, that the Developer shall not be required to assist Owner to enforce any warranties or guarantees that extend beyond the Warranty Period.

(i) Correction of Work. During the Warranty Period, Developer shall promptly correct or cause to be corrected work properly rejected by Owner or known by Developer to be defective or failing to conform to the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed, and shall correct or caused to be corrected work found to be defective or non-conforming within the Warranty Period. Such costs (to the extent not borne by insurance) shall be Project Costs. It is intended that at Final Acceptance, there shall remain at least $50,000 in the Project Costs Account in the Project Fund to cover these items during the Warranty Period; said $50,000 shall be held by Trustee in trust upon Final Acceptance to be applied toward warranty work in accordance with the General Construction Contract, with any amounts not so expended to be treated as savings in accordance with, and subject to the limitations in, Section 12(g)(ii) below; however if there are no funds left in the Project Costs Account in the Project Fund (including the Project Contingency) to pay for the corrective action, such costs shall be paid by Developer from its own funds.

(j) Stop Work by Owner. If General Contractor fails to correct defective work as required, or persistently fails to carry out work in accordance with the Construction Documents,

Owner, by written order, may order Developer and General Contractor to stop the work, or any portion thereof, until the cause for such order has been eliminated.

(k) Developer Default. If Developer defaults or neglects to carry out the work in accordance with the Contract Documents and fails within seven calendar days after receipt of written notice from Owner to commence and continue correction of such default or neglect with diligence and promptness, Owner may give a second written notice to Developer and, if Developer fails within such second seven calendar day period to commence and continue correction of such default or neglect with diligence and promptness, then Owner may, without prejudice to other remedies Owner may have, act to correct such deficiencies. In such case an appropriate change order shall be issued deducting from the Fixed Price the costs of correcting such deficiencies. If the payments then or thereafter due Developer are not sufficient to cover the amount of the deduction, Developer shall pay the difference to the Owner. Such action by the Owner shall be without prejudice to any other rights or remedies to which Owner may be entitled under this Agreement or applicable law.

8. Changes to the Work.

(a) No Changes Without Owner Approval. Following approval of the Construction Documents by Owner there shall be no changes in the work except in accordance with this Section 8. Changes in the work covered by the General Construction Contract and approved by Owner shall be processed in accordance with the General Construction Contract.

(b) Developer Approved Changes in the Work. It is anticipated that there will be field orders and change orders which shall result in changes to the scope of work. Developer shall use its reasonable efforts to apprise Owner of proposed changes in the work and its recommendations regarding them prior to any action being taken. It is anticipated that it may not always be possible to receive Owner's prior approval to these changes in a timely manner. Therefore, field orders and change orders may be approved by the Developer, without prior Owner approval, but only if the changes authorized by these field orders and change orders shall not have the effect of extending the Developer Obligation Date or materially altering the work. As soon as practical, but no later than with the next Project Application for Payment, Developer shall provide Owner with all field orders and/or change orders approved by Developer. For the purposes of this Section a material alteration would reduce the intended quality of the Project, result in an increase of Owner's operational costs over time, or result in a substitution of any of the systems in the Project (including but not limited to HVAC, plumbing, electrical, elevators, roofing, fire and life safety, infrastructure components). In the case of either a material alteration or a change that would result in failure to Substantially Complete the Project by the Developer Obligation Date, prior written approval by the Owner of the proposed change must be received.

(c) Change Proposals Initiated by Owner. In accordance with the provisions governing Tenant's Contingency, Owner may initiate change proposals which shall be processed in accordance with the General Construction Contract.

9. Payment of Project Costs. Trustee will act as disbursing agent and hold and disburse money on deposit in the Project Fund to pay Project Costs and other costs in accordance with the Indenture and this Agreement. The parties intend that there occur monthly disbursements from the Project Costs Account in the Project Fund to the Architect and Contractors with whom Owner has

contracted and to Developer in order that Developer be able to pay other Project Costs. So long as there has not occurred an Event of Default by Developer under this Agreement, such disbursements of money from the Project Costs Account in the Project Fund shall continue until the Fixed Price has been disbursed. Disbursements received by Developer from the Project Costs Account in the Project Fund shall, except as otherwise expressly provided herein, be used solely to pay the Project Costs. Upon Developer's compliance with its obligations under this Agreement, Owner shall take all such action as is necessary and required to obtain such disbursements of money from the Project Costs Account in the Project Fund by the Trustee.

(a) Applications for Payment. Developer shall submit to Owner and Tenant on or before the last business day of each month a Project Application for Payment signed by Developer, which shall also include a pay application submitted by the General Contractor consistent with the terms of the General Construction Contracts. The Project Application for Payment shall request payment of a specified dollar amount, which shall constitute a portion of the Fixed Price, reasonably detailed to reflect the amount of the Project Costs expended in each category of the Project Budget. Such Project Application for Payment shall request the appropriate amount of hard or soft costs based on a percentage of completion basis with respect to such work as of the date of such Project Application for Payment, less retainage being withheld by the General Contractor from any of the Contractors. When retainage that has been previously withheld from a pay application submitted by the General Contractor is to be paid by the General Contractor to a Contractor, it shall be added to the next pay application of the General Contractor submitted to the Developer. Project Costs other than hard and soft construction costs that are incurred or paid on a schedule that is not related to percentage of completion (e.g., property taxes payable twice per year, Developer's Contingency paid only as allocated by Developer to specific costs incurred, Owner's Contingency paid only as allocated by Owner to specific costs incurred, Developer's Fee paid as described in Section 12(c), Developer's Overhead paid as described in Section 12(b), reserves for warranty work paid only after Substantial Completion, the 150% holdback for uncompleted Punch List items, payment of unutilized contingency accounts or construction savings to Owner and/or Developer, etc.) shall be included in the Project Application for Payment only when such items are to be paid in accordance with other provisions of this Agreement, without regard to the percentage completion of the Project. Developer shall also provide a reconciliation between the total of all draw amounts requested (including such draw request) under a Project Application for Payment and the then current Project Budget and include all the information and documentation required to be provided by the General Contractor to the Owner pursuant to the General Construction Contracts, as well as a conditional partial lien release from the General Contractor to become effective upon payment to the General Contractor of the amount of the payment specified in said Contractor's Application for Payment, and Endorsement No. 122 to the Lender's Title Policy and a similar endorsement to the Owner's Title Policy showing no liens or claims of lien; provided, that if a lien has been filed, Developer and/or General Contractor may resolve such lien in accordance with Section 20 below. Developer shall provide copies of all conditional partial lien releases to the title company issuing the Title Policies and shall execute an indemnity agreement with the title company in a form sufficient to enable the title company to issue the foregoing endorsements.

(b) Payment Procedures. Architect shall certify General Contractor's application for payment. Owner and Tenant shall have the opportunity to attend all meetings between Developer and Contractors at which applications for payments are to be discussed (e.g. Developer shall be available and shall require the General Contractor to be available for a monthly meeting for review of the current month's application for payment, if requested by Owner). Owner and Tenant shall receive

with the Project Application for Payment any documentation submitted to Developer supporting the General Contractor's application for payment. So long as Owner and Tenant shall have received the Project Application for Payment on or before the last business day of a calendar month, Owner shall make any objections regarding such Project Application for Payment in writing prior to the twelfth (12th) day of the succeeding calendar month or the Owner shall be deemed to have waived its right to object to such Project Application for Payment. Owner shall be obligated to pay those portions of the Project Application for Payment as to which there was no objection in accordance with Section 10(d) hereof on or before the twelfth (12th) day of the succeeding calendar month. If Owner fails to receive the Project Application for Payment on or before the last business day of the month, Owner shall have a period of at least 12 days from its receipt of such Project Application for Payment to review, approve and pay the same. If Owner objects to any portion of a Project Application for Payment, Owner shall provide detailed written comments explaining the nature of the disapproval, whereupon (i) Project Costs which are approved by Owner shall be paid in accordance with Section 10(d), and (ii) Developer and Owner shall meet within two (2) business days to determine mutually acceptable revisions to the Project Application for Payment. Failure of Developer and Owner to determine mutually acceptable revisions to the Project Application for Payment within the two business day period shall entitle either Owner or Developer to commence the dispute resolution process described in Section 24 hereof and then, if necessary, litigation.

(c) Review and Inspections. Owner, Tenant and/or Trustee shall have the right, but not the obligation, to have such additional independent consulting architects, engineers or any other appropriate consultants retained and paid by such party (not as a Project Cost), to inspect the construction work as it progresses and to review the Contract Documents. Such inspections shall be coordinated with Developer so as to not interfere with or delay construction of the Project and, if Owner receives any written report from any such consultant that Owner believes would be helpful to Developer in administering and enforcing any of the Contracts or in completing the Project, Owner shall provide Developer with a copy of such written inspection report. If during the course of such construction Owner, Tenant and/or Trustee shall determine that the construction is not proceeding in accordance with the Contract Documents, Owner shall give notice in writing to Developer that includes Owner's best efforts to specify the particular deficiency or omission and Developer shall thereupon take, or cause to be taken, all steps necessary to correct same. The failure to give such notice shall not give rise to any liability for Owner and shall not be considered a waiver of any right of Owner under this Agreement, including, without limitation, the enforcement of the representations and warranties of Developer under this Agreement and the requirements with respect to construction of the Project in accordance with the Contract Documents, but such failure may limit any recovery against Developer if such failure is determined to constitute a breach of a contracting party's duty to take reasonable actions to mitigate its damages caused by another party's breach.

(d) Requisition from Project Costs Account. Owner shall execute and deliver the requisition to the Trustee for the amount of the Project Application for Payment, or such undisputed portion thereof under Section 9(b), on or before expiration of the 12-day period specified in Section 9(b) above. Owner shall take all reasonable steps to cause Trustee to disburse the amount shown on such requisition to Developer for disbursement to applicable Contractors and others on the 10th day of each calendar month and no later than the 12th day of the month if the Project Application for Payment was received by the last business day of the previous month.

(e) Application for Payment for Tenant or Owner Costs. Upon the prior written

request of Owner, Developer shall include in any Project Application for Payment a request that the Trustee disburse to Developer, Owner or Tenant, as appropriate, Bond proceeds held in the Tenant's Contingency Account in the Project Fund or Bond proceeds to be applied to the cost of art or similar Building enhancements that are not Project Costs. Developer shall have no right or responsibility to review or determine the appropriateness of the requests for such costs or the amount thereof.

(f) Initial Draw. The Initial Draw shall include a mutually agreed amount to reimburse Developer and Tenant for Project Costs actually incurred or paid by those parties (including, without limitation, fees and costs incurred prior to this Agreement for the General Contractor, Architect and other design professionals) on and before the date of Bond Closing. Developer and Owner shall agree on the maximum amount of the Initial Draw and shall notify Tenant of that agreed maximum amount by no later than three (3) business days prior to the Sale of the Bonds; in addition, Developer and Owner shall agree on the exact amount of the Initial Draw and shall notify Tenant of that agreed Initial Draw amount by no later than seven (7) business days prior to the Bond Closing.

(g) Cost Overruns; Sufficiency of Funds to Complete Construction. Owner shall have no obligation to request any disbursement of money on deposit in the Project Costs Account in the Project Fund unless and until the Project is in balance. The Project shall be deemed to be in balance only when the undisbursed portion of Bond proceeds in the Project Costs Account in the Project Fund together with funds deposited by Developer with Trustee and expected earnings on the Project Costs Account in the Project Fund to the date of their anticipated disbursement after provision for all contingencies shall equal or exceed the amount reasonably estimated by Owner to pay for all work done or to be done but not yet paid for by Developer and all other Project Costs required to cause Final Acceptance of the Project. In the event Owner advises Developer that the Project is not in balance, Developer shall deposit into the Project Costs Account in the Project Fund held by the Trustee the amount necessary to bring the Project into balance, and such funds shall be disbursed in their entirety prior to any further disbursement of Bond proceeds from the Project Costs Account in the Project Fund, provided that if the shortfall in the Project Costs Account is due to Owner's failure to deposit funds as required in connection with any Owner-initiated change orders, Owner shall deposit the necessary funds into the Project Costs Account in the Project Fund held by the Trustee.

10. Other Services by Developer. Services may be performed by the Developer at the written request of Owner which are not included as part of the Project. Such services shall be performed pursuant to a separate written agreement between Owner and Developer.

11. Developer's Fee and Overhead Allowance.

(a) Developer's Fee. The Fixed Price includes a fee payable to Developer in the amount of Two Million Seven Hundred Forty Thousand Dollars ($2,740,000) (the "Developer's Fee").

(b) Overhead Allowance. Developer shall be paid an Overhead Allowance in connection with the work in the amount of One Million Four Hundred Seventy Thousand Dollars ($1,470,000), payable in installments of Forty Four Thousand Five Hundred Forty Five ($44,545) per month from April 1, 2004 (the commencement of pre-construction activity for the Project) through occupancy of the Project by Tenant (which amount shall not be changed notwithstanding any change to the Fixed Price). Such amount shall be paid to Developer as follows:

(i) At Bond Closing, an amount equal to $44,545 multiplied by the number of months elapsed from April 1, 2004 to the date of the Bond Closing;

(ii) With each monthly Project Application for Payment prior to Final Acceptance, $44,545 (not to exceed in the aggregate, including the payment following Bond Closing, the sum of $1,470,000; and

(iii) Any unpaid balance shall be paid with the Final Payment.

(c) Payment of Developer's Fee.

(i) As part of a Project Application for Payment, Developer shall be entitled to a portion of the Developer's Fee as determined by the following formula: (A) determine the percentage that Developer's Fee is of the sum of Shell and Core Construction Costs and Tenant Improvement costs (up to the Tenant Improvement Allowance) to be incurred through Substantial Completion of the Project (together, the "Hard Costs"), as shown in the Project Budget; (B) identify seventy-five percent (75%) of that percentage (the "Payment Percentage"); and (C) for each payment made on the Project Application for Payment submitted after each of the milestones described below has been achieved (as reasonably determined by Owner and Developer), Developer shall be entitled to a portion of its fee equal to (i) the sum of the Hard Costs incurred to date, multiplied by the Payment Percentage; less (ii) the Developer's Fee previously paid to Developer hereunder; provided, however, that Developer shall be entitled to such payment only if the Hard Costs incurred as of any of the milestone dates set forth below do not exceed the percentage of the Hard Costs budgeted to be incurred as of such milestone date, as also set forth below. If the Hard Costs incurred as of a date a milestone is achieved exceed the budgeted percentage of Hard Costs, as set forth below, Developer shall not be entitled to draw that portion of its Development Fee until the next milestone is achieved, and then only if the Hard Costs incurred as of such milestone do not exceed the budgeted percentage of Hard Costs to be incurred by such milestone date. Any unpaid portion of the Developer's Fee shall be paid with the Final Payment.

The milestone dates and percentages of Hard Costs budgeted to be incurred by each such milestone date are as follows:

Milestone	Budgeted Percentage of Hard Costs
1. Substantial Completion of the Garage	30%
2. Completion of excavation for the Building	35%
3. Completion of structural steel framing of the Building	60%
4. Completion of installation of all exterior curtain walls of the Building	80%
5. Substantial Completion of the Project	100%

(ii) By way of example only, if Hard Costs are $60,000,000, the Developer's Fee is 4.57% of that total ($2,740,000/$60,000,000). Seventy five percent of that percentage is 3.43% (the "Payment Percentage"). If the budgeted Hard Costs as of the first milestone

are ten percent (10%) of the total Hard Costs, or $6,000,000, and provided the Hard Costs incurred as of the date that milestone is achieved are less than or equal to $6,000,000 (for this example assume the Hard Costs incurred as of that milestone are exactly $6,000,000), Developer shall be entitled to a portion of its Developer's Fee equal to $205,200 (3.42% x $6,000,000).

12. Completion of the Project.

(a) Substantial Completion of the Garage. "Substantial Completion of the Garage" means that each of the following events shall have occurred with respect to the Garage:

(i) Developer shall have notified Owner in writing that the Garage is Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items.

(ii) Architect shall have issued its "Certificate of Substantial Completion" (AIA Document G704) stating that the work under the General Construction Contract related to the Garage is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Garage for vehicle parking;

(iii) The City of Seattle has issued a temporary certificate of occupancy such that the Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Garage for vehicle parking.

(iv) Owner has received evidence from Developer satisfactory to Owner that all real property taxes and assessments on the Garage Property payable by Developer that were due and owing have been paid.

(v) Each Contractor shall have issued its "Certificate of Substantial Completion" together with its "Affidavit of Payment of Debts and Claims," (AIA Forms 706 and 706A) together with partial waivers and releases of lien for work performed with respect to the Garage prior to the date of its "Certificate of Substantial Completion" in form satisfactory to Owner, from such materialmen, laborers, contractors and subcontractors as Owner, with Tenant's concurrence, may require; and

(vi) Owner, with Tenant's concurrence, shall have accepted the Garage as Substantially Complete, subject to completion of the Punch List items agreed upon by Owner, with Tenant's concurrence.

Notwithstanding that Substantial Completion of the Garage shall have occurred, Owner shall be entitled to provide Developer with a Punch List, in accordance with the provisions of this Section 12.

(b) Substantial Completion of the Project. "Substantial Completion" or "Substantial Completion of the Project" means that each of the following events shall have occurred with respect to the Project:

(i) Developer shall have notified Owner in writing that the Project, including the Tenant Improvements, are Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items.

(ii) Architect shall have issued its "Certificate of Substantial Completion" (AIA Document G704) stating that the work under the General Construction Contract is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Project for government office purposes;

(iii) The City of Seattle has issued a temporary certificate of occupancy such that the Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Project for normal government office purposes, including parking in both the Garage and the Building.

(iv) Owner has received evidence from Developer satisfactory to Owner that all real property taxes and assessments on the Project payable by Developer that were due and owing have been paid.

(v) Each Contractor shall have issued its "Certificate of Substantial Completion" together with its "Affidavit of Payment of Debts and Claims," (AIA Forms 706 and 706A) together with partial waivers and releases of lien for work performed prior to the date of its "Certificate of Substantial Completion" in form satisfactory to Owner, from such materialmen, laborers, contractors and subcontractors as Owner, with Tenant's concurrence, may require; and

(vi) Owner, with Tenant's concurrence, shall have accepted the Project as Substantially Complete, subject to completion of the Punch List items agreed upon by Owner, with Tenant's concurrence.

Notwithstanding that Substantial Completion of the Project shall have occurred, Owner shall be entitled to provide Developer with a Punch List, in accordance with the provisions of this Section 12.

(c) Notice of Substantial Completion. Developer shall give notice in writing to Owner at least thirty (30) days prior to the date upon which Developer anticipates the each of Garage and the Project shall be Substantially Complete. During the fifteen (15) business day period after the delivery of the estimated completion notice, Owner, Developer, Architect, General Contractor and Tenant shall meet on one or more occasions, if necessary, and tour to inspect and review the Garage or the Project, as applicable, to determine whether it is Substantially Complete. The parties shall prepare the Punch List to be completed prior to Final Acceptance. The completion of the Punch List shall not be required in order for the Project to be Substantially Complete.

(d) Completion of Punch List Items. Following Substantial Completion, Developer shall cause all Punch List items to be completed promptly in accordance with the Contract Documents.

(e) Final Acceptance. Upon Final Acceptance, Developer shall be entitled to payment of the balance of Developer's Fee as well as all other Project Costs incurred in connection

with the work, not to exceed the Fixed Price. Developer shall give notice in writing to Owner at least thirty (30) days prior to the date upon which the Project shall be ready for Final Acceptance. "Final Acceptance" means that each of the following items shall have occurred with respect to the Project:

(i) The City of Seattle, Washington has issued all Temporary Certificates of Occupancy.

(ii) Each Contractor shall have issued its "Certificate of Substantial Completion" together with its "Affidavit of Payment of Debts and Claims" (AIA Forms 706 and 706A) together with final waivers and releases of lien in form satisfactory to Owner from such materialmen, laborers, contractors and subcontractors as Owner may require.

(iii) The parties shall have agreed upon the estimated costs of the Punch List items and 150% of such estimated cost shall be withheld by the Trustee in the Project Costs Account until the Punch List items have been completed to the reasonable satisfaction of Owner. When the Punch List items have been completed, Developer shall notify Owner and, upon Owner's reasonable satisfaction that the Punch List items have been completed, Owner shall deliver its requisition to the Trustee for payment of the funds withheld by the Trustee under this Section 13(d)(iii).

(iv) Developer shall have submitted its final Project Application for Payment together with evidence reasonably satisfactory to Owner that all construction costs have been paid in full, including evidence of full payment for any personal property installed on the Garage Land or the Building Land as part of the Project Costs.

(v) The period for filing construction liens has expired or releases or discharges of construction liens in form and substance satisfactory to Owner have been obtained by the Developer from all Contractors in accordance with all Construction Contracts.

(vi) Architect shall have issued its "Certificate of Final Completion" and Owner shall have received the certificate of any other architect or engineer requested by Owner.

(vii) General Contractor shall have issued a certificate that (1) the Project has been finally completed in substantial accordance with the Contract Documents, and (2) no Hazardous Substances as defined in said certificate were incorporated into the structure of the Project.

(viii) Developer shall have delivered to Owner a written report showing the allocation of Project Costs among the categories of the Project Budget and the remaining specified dollar amount of the Tenant's Contingency, Project Contingency and the undisbursed portion of the Developer's Fee.

(ix) Owner shall have received an endorsement to its Title Policy dated as of and issued on the date of Final Acceptance, which shall insure Owner and Trustee (1) against any liens for labor or materials, whether or not of record, which may have arisen in connection with the construction of the Project, and (2) show no additional exceptions to the Title Policy other than those approved by or arising through Owner.

(x) Developer shall have completed and delivered the matters set forth in Section 14.

(f) Approval of Final Application for Payment. Upon delivery of Developer's Final Application for Payment and other materials set forth above, Owner shall, acting reasonably and in good faith, review and approve the Final Application for Payment on or before that period expiring fourteen (14) business days after receipt of the Final Application for Payment, receipt of notice from Developer that the Punch List matters are complete, and Owner's receipt of the materials set forth in Section 14 of this Agreement. In the event no comments are received within said 14 business day period, Owner shall have waived its right to comment on the Final Application for Payment or to disapprove the completion of the Punch List. If Owner disapproves the Final Project Application for Payment or completion of the Punch List, or any portion thereof, Owner shall provide detailed written comments explaining the nature of the disapproval; whereupon, Developer and Owner shall meet within two (2) business days to determine mutually acceptable revisions to the Final Application for Payment and the completion of the Punch List. Failure of Developer and Owner to determine mutually acceptable revisions to the Final Application for Payment and the completion of the Punch List within the five (5) business day period, shall entitle either Owner or Developer to commence the disputes resolution process described in Section 24. Failure to reach agreement on the amount of the Developer's Final Application for Payment which is approved for payment shall in no way release Developer from its duties and obligations under this Agreement.

(g) Requisition of Final Payment. Owner shall execute and deliver the requisition for Final Payment to the Trustee within one (1) business day following expiration of said 14-business day period, or if Owner disapproves of the final Project Application for Payment, then within one (1) business day after the date of approval of the mutually acceptable revisions to the final Project Application for Payment or the determination of the disputes resolution process, if applicable. Owner shall take all steps to cause the Trustee to disburse the remaining money in the Project Costs Account, except for any money withheld for completion of the Punch List items under Section 13(d)(iii) and the $50,000 reserved for warranty work as provided for in Section 8(i), up to the Fixed Price in the amount shown on such requisition within one (1) business day of Trustee's receipt of such requisition. In addition, Owner shall in such requisition direct payment of the unexpended Tenant's Contingency and Project Contingency and of the remaining Developer's Fee in accordance with the provisions of Sections 11(c) and 13(h) hereof.

(h) Savings; Disbursement of Tenant's Contingency; Project Contingency.

(i) If all or some portion of the $1,500,000 Tenant's Contingency is not used for the Project, then the remaining portion of the Tenant's Contingency shall be applied as provided in the Indenture.

(ii) If all or some portion of the Project Contingency (as such amount may be increased or decreased in accordance with the terms of this Agreement) is not used for Project Costs, then two thirds of the unused Project Contingency shall be applied as provided in the Indenture and one-third of the unused Project Contingency, capped at a maximum of $250,000, shall be paid to Developer as part of the Final Payment, as an incentive fee.

(i) Certificate of Occupancy. Beyond Developer's obligation to obtain temporary

certificates of occupancy for all space other than any retail space as a condition of Final Acceptance, Developer shall for a period of one (1) year from Substantial Completion of the Project use its best efforts and due diligence in assisting Owner to obtain from the City of Seattle a final, unconditional certificate of occupancy of the Project permitting Tenant to occupy and use the Project for its Permitted Use, including parking in accordance with the conditions imposed by the City of Seattle.

13. Developer Representations; Warranties. Upon Substantial Completion of the Project, Developer shall represent and warrant as follows:

(a) The Project has been completed in substantial accordance with the Contract Documents (as revised by Project change orders set forth in Section 8) and is, and at all times during the Warranty Period shall be, free from defects in workmanship and materials in connection with the construction thereof.

(b) Developer has no knowledge of any structural defects, latent defects or building systems defects within the Project.

(c) The Project has been constructed in accordance with all Requirements of Law, all Permits and all insurance laws, regulations and requirements in effect at the time of construction of the Project.

(d) The Project is served by water, storm and sanitary sewage facilities, telephone, electricity, fire protection and other required public utilities adequate to serve the Project at the time of Substantial Completion of the Project.

(e) The General Contractor, Architect, Interior Architect and all Contractors, suppliers, materialmen and consultants have (subject to Developer's receipt of the payment of the Fixed Price) been paid in full for work related to construction of the Project and there are no liens, encumbrances or other defects affecting title to the Garage Land or the Building Land which has been or will be filed against the Garage Land or the Building Land and /or the Project with respect thereto, or if any such lien has been filed, Developer and/or General Contractor shall have arranged for a bond to remove such lien in accordance with Section 19 below.

(f) Developer is not aware of any physical defect in the Garage Land or the Building Land or the Project which would prevent Owner from leasing the Project to Tenant for the Permitted Use.

(g) The use and operation of the Project for government offices purposes and parking is permitted pursuant to the MUP.

(h) To the best of Developer's knowledge and except as disclosed in writing there are no condemnation, environmental, zoning or other land use regulation proceedings currently instituted which could detrimentally affect the use and operation of the Project for its intended purpose. If during the term of this Agreement any such proceedings have been instituted, Developer shall have used its best efforts and due diligence to resolve them prior to Substantial Completion.

(i) Developer has provided Owner with prompt notice of any special assessment proceedings affecting the Garage Land or the Building Land.

(j) The Project does not encroach onto adjoining land or onto any easements and there are no encroachments of improvements from adjoining land onto the Garage Land or the Building Land. The location of the Project does not violate any applicable setback requirements. Neither the Garage Land nor the Building Land is not located in a flood zone.

(k) Except as disclosed to Owner in writing, there is no litigation pending, or to the best knowledge of Developer, threatened, with respect to the Project for matters undertaken by Developer under this Agreement.

(l) To the best of Developer's knowledge and except as disclosed in writing, there are no Hazardous Substances located in, on, under or affecting the Garage Land or the Building Land or the Project or any Hazardous Substances incorporated into the structure of the Project.

(m) Prior to Substantial Completion, Developer has removed or remediated and properly disposed of all known Hazardous Substances first existing on the Land following the Commencement of Construction of the Project and if applicable, received a no further action letter from the appropriate governmental agency with respect to such Hazardous Substances, provided the foregoing shall not make the Developer responsible for the removal or remediation of any Hazardous Substances that the County is obligated to remove or remediate under either the Garage Ground Lease or the Building Ground Lease.

(n) To the best of Developer's knowledge, after due and diligent inquiry, all Permits necessary for the construction, use and occupancy of the Project have been obtained and are in full force and effect.

Each of the foregoing warranties with respect to the Project shall expire and be of no further force or effect, unless Owner shall have made a claim based upon an alleged breach of such warranties by Developer on or before the expiration of the Warranty Period; however such expiration shall not otherwise limit Owner's rights and remedies hereunder. In the event Owner alleges a breach of any of the foregoing warranties, Owner shall give Developer written notice of any such allegation together with a detailed explanation of the alleged breach ("Owner's Warranty Claim"). Developer shall, within thirty (30) days of receipt of Owner's Warranty Claim, proceed to commence to cure the circumstances specified in Owner's Warranty Claim, or provide Owner with written notice of Developer's dispute of Owner's Warranty Claim. If Developer commences a cure or correction of the matter alleged in Owner's Warranty Claim, Developer shall proceed reasonably diligently and promptly to complete such cure or correction, and the Warranty Period for the particular matter shall be extended for the period necessary to complete cure or correction.

Developer shall warrant neither artist-made materials included in the Project nor those recycled construction products which Owner has directed Developer to include in the Project over Developer's prior written objections.

14. Developer Obligations. On or before Final Acceptance of the Project, Developer shall obtain and submit to Owner, the following:

(a) As-Built Plans. A complete set of final as-built plans and specifications prepared by General Contractor for the Project. Tenant Improvements will be provided on CAD.

(b) Manuals. All technical and service, instruction and procedure manuals relating to the operation and maintenance of all HVAC systems and other mechanical devices and equipment installed in the Project, except insofar as relating to Tenant's Personal Property.

(c) Warranties. An assignment and delivery of all warranties, guarantees, maintenance contracts, and machinery and equipment warranties received by Developer from the General Contractor or any subcontractor thereof, or any supplier, materialmen or manufacturer relating to the Project; provided, however, that so long as Developer's warranty set forth in Section 13 herein remains in effect, and so long as Developer is not in default of its obligations under this Agreement, Developer reserves the right, notwithstanding the assignment and delivery of such warranties hereunder to Owner, to fully enforce all such warranties in the place and stead of Owner.

(d) Permits and Licenses. The originals (if not posted at the Project) of all Permits, licenses and other approvals necessary for the occupation, use and operation of the Project.

(e) As-Built Survey. An as-built Survey of the Garage Land and the Building Land showing the location of all improvements constructed thereon.

15. Indemnification.

(a) Developer's Indemnification. The Developer shall protect, defend, indemnify, and save harmless the Owner, Trustee, Bond Insurer, Tenant, and their respective officers, officials, employees, and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments, or costs of any kind whatsoever (hereinafter "claims"), arising out of or in any way resulting from the Developer's officers, employees, agents, and/or subcontractors of all tiers, acts or omissions, performance or failure to perform this Agreement, to the maximum extent permitted by law or as defined by RCW 4.24.115, as now enacted or as hereinafter amended.

Developer's obligations under this Section 15 of this Agreement shall include, but not be limited to:

(i) The duty to promptly accept tender of defense and provide defense to Owner at Developer's own expense.

(ii) The duty to indemnify and defend Owner from any claim, demand, and/or cause of action brought by or on behalf of any of Developer's employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of Developer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Owner only, with a full and complete indemnity and defense of claims made by Developer's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

(iii) To the maximum extent permitted by law, Developer shall indemnify and defend Owner from and be liable for all damages and injury which shall be caused to owners of

property on or in the vicinity of the construction of the Project or which shall occur to any person or persons or property whatsoever arising out of this Agreement, whether or not such injury or damage is caused by negligence of the Developer or caused by the inherent nature of the construction of the Project.

(iv) In the event the Owner incurs any judgment, award, and/or costs arising therefrom, including attorneys fees, to enforce the provisions of this Section, all such reasonable fees, expenses, and costs shall be recoverable from the Developer.

Notwithstanding the provisions contained in this subsection above, Developer's obligation to indemnify Owner shall not extend to any claim, demand or cause of action arising or in connection with the negligence, intentional acts or breach of this Agreement by Owner, Trustee, Tenant or their respective agents or employees.

(b) Owner's Indemnification. If prior to Final Acceptance, Owner exercises its rights to enter or allow Tenant to enter upon the Project and occupy any portion of the Project, Owner shall protect, defend, indemnify, and save harmless Developer, Tenant, Trustee, Bond Insurer and their respective officers, officials, employees, and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments, or costs of any kind whatsoever (hereinafter "claims"), arising out of or in any way resulting from Owner's negligence to the maximum extent permitted by law.

Notwithstanding the previous paragraph contained in this subsection above, Owner's obligation to indemnify Developer shall not extend to any claim, demand or cause of action arising or in connection with Developer's negligence, intentional acts or breach of this Agreement.

(c) Notice of Claim. Any party making a claim for indemnification pursuant to this Section 15 (an "Indemnified Party") must give the party from whom indemnification is sought (an "Indemnifying Party") written notice of such claim (an "Indemnification Claim Notice") promptly after the Indemnified Party receives any written notice of any action, lawsuit, proceeding, investigation or other claim (a "proceeding") against or involving the Indemnified Party by a government entity or other third party, or otherwise discovers the liability, obligation or facts giving rise to such claim for indemnification; provided that the failure to notify or delay in notifying an Indemnifying Party will not relieve the Indemnifying Party of its obligations pursuant to this Section 15 except to the extent that the Indemnifying Party's ability to defend against such claim is actually prejudiced thereby. Such notice shall contain a description of the claim and the nature and amount of such loss (to the extent that the nature and amount of such loss is known at such time).

16. Insurance Requirements.

(a) Developer's Insurance. By the date of the execution of this Lease Agreement, Developer shall procure and maintain, at a minimum, for the duration of this Agreement the following insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of work hereunder by the Developer, its agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by the Developer or its subcontractor. Coverage shall be at least as broad as:

(i) General Liability: Insurance Services Office form number (CG00 001) covering Commercial General Liability, with a limit of not less than; $5,000,000 combined single limit per occurrence, $5,000,000 aggregate.

(ii) Automobile Liability: Insurance Services Office form number (CA 00 01) covering Business Automobile Coverage, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9, with a limit of not less than; $1,000,000 combined single limit per occurrence.

(iii) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, statutory limits.

(iv) Employer's Liability or "Stop Gap": The protection provided by the Workers' Compensation Policy, Part 2 (Employer's Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the General Liability Policy in the amount of at least $1,000,000.

During the period of construction, Developer as construction manager shall also provide:

(v) Builders Risk Insurance: Insurance Services Office form number (CP 00 02 Ed. 10-90) Builders All Risk Coverage Form covering all work to be done on the Property for the full 100% replacement cost of all such improvements. Coverage shall be provided for (i) the perils of earth movement and flood; (ii) resultant damage from errors in design, plans, specifications, faulty workmanship, materials and construction; (iii) "extra expense"; (iv) all materials to be stored offsite and while in transit to the jobsite; (v) "cold testing" of all building systems; (vi) Owner's and Developer's loss of use of the Property due to delays in Project completion caused by covered peril losses to the Project, including loss of income and rents and soft costs such as interest on the Bonds, real estate taxes and insurance premiums; (vii) the increased cost of construction, debris removal and demolition due to the operation of building laws and code upgrades; and (viii) direct physical damage to the Project and loss of use caused by an off premises power interruption. Coverage shall not be provided for Tenant's Personal Property and art not installed by the General Contractor. The policy shall include a waiver of subrogation provision, shall grant permission for partial occupancy of the facilities without having a detrimental affect on the coverage provided, and shall contain a separate debris removal limit of liability which is separate from, in addition to, and not part of the overall policy limit of liability. Notwithstanding the foregoing in this Section 16(b), Developer shall have the required Builder's Risk Policy in place no later than Commencement of Construction. The Builder's Risk Policy shall include Developer, General Contractor and its subcontractors, other Contractors, and Owner as insureds in an amount equal to their interest with a loss payable clause in favor of Trustee. Developer shall keep the Builder's Risk Policy in place from Commencement of Construction to the Commencement Date defined in the Building Lease.

(b) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by Owner. The deductible and/or self-insured retention of the policies shall be the sole responsibility of Developer.

(c) Other Insurance Provisions. The insurance policies required by this Agreement are to contain or be endorsed to contain the following provisions where applicable:

(i) Liability Policies:

(A) Owner and Tenant, 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 Developer in connection with this Agreement.

(B) Developer's insurance coverage shall be primary insurance as respects Owner and Tenant, their officers, officials, employees and agents. Any insurance and/or self-insurance maintained by Owner and/or Tenant their officers, officials, employees and/agents shall not contribute with Developer's insurance or benefit Developer in any way.

(C) Developer'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.

(ii) All Policies. Coverage shall not be canceled until after forty-five (45) days' (10 days' for non-payment) prior written notice has been given to Owner.

(iii) Acceptability of Insurers.

(A) Unless otherwise approved by Owner and Tenant, insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated by Best's, with minimum surpluses the equivalent of Best's surplus size VIII.

(B) If, at anytime, any of the foregoing policies shall fail to meet the above minimum standards, Developer shall, upon notice to that effect from Owner, promptly obtain a new policy, and shall submit the same to Owner, with certificates and endorsements, for approval.

(iv) Verification of Coverage. Developer shall furnish Owner with certificates of insurance and endorsements required by this Agreement. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer. The certificates are to be on standard insurance industry Acord form 25-S with required endorsements attached and are to be received and approved by Owner prior to the commencement of activities associated with this Agreement. Owner reserves the right to require Developer to deliver complete certified copies of all required policies at any time.

(v) Subcontractors. Developer shall include all subcontractors as insureds under its policies, or shall furnish separate certificates of insurance and policy endorsements from each subcontractor. Insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this Agreement shall be subject to all of the requirements stated herein.

(vi) For All Coverages.

(A) 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.

(B) If coverage is approved (if approval is required above) and purchased on a "claims made" basis, Developer 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 subject to said insurance.

(C) By requiring such minimum insurance, Owner and/or Tenant shall not be deemed to, or construed to, have assessed the risks that may be applicable to Developer associated with this Agreement. Developer shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits or broader coverage.

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

(d) Owner's Insurance. By the date of the execution of this Agreement between the Owner and the Developer, the Owner shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of work hereunder by the Owner, its agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by the Owner. Coverage shall be at least as broad as:

(i) General Liability: Insurance Services Office form number (CG00 001 Ed. 11-88) covering Commercial General Liability, with a limit of not less than: $1,000,000 combined single limit per occurrence, $2,000,000 aggregate.

(ii) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, statutory limits.

(e) Other Insurance Provisions. The insurance policies required by this Agreement are to contain or be endorsed to contain the following provisions where applicable:

(i) Liability Policies: The Owner, the Tenant and their respective 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 Developer in connection with this Agreement.

(A) To the extent of the Developer's negligence, insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the Owner, its officers, officials, employees and/agents shall not contribute with the Developer's insurance or benefit the Developer in any way.

(B) Developer'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.

(ii) 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 Owner and Trustee.

(iii) Acceptability of Insurers: Unless otherwise approved by the Owner and Bond Insurer, all insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated by Best's, with a rating in one of the two highest categories maintained by Standard & Poor's Rating Group and Moody's Investors Service.

If at any time any of the foregoing policies shall be or become unsatisfactory to the Owner, due to a change in form or substance, or if a company issuing any such policy shall be or become unsatisfactory to the Owner, the Developer shall, upon notice to that effect from the Owner, promptly obtain a new policy, and shall submit the same to the Owner, with certificates and endorsements, for approval.

(f) Verification of Coverage. The Developer shall furnish the Owner with certificates of insurance and endorsements required by this Agreement. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms reasonably approved by the Owner and are to be received and approved by the Owner prior to the commencement of activities associated with this Agreement. The Owner reserves the right to require complete certified copies of all required policies at any time.

(g) Subcontractors. The Developer shall include all subcontractors as insureds under its policies, or shall furnish separate certificates of insurance and policy endorsements from each subcontractor. Insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this Agreement shall be subject to all of the requirements stated herein (provided builders risk coverage must be carried only by the General Contractor).

(h) Factory Mutual Engineering Plan Review. Developer shall submit to Factory Mutual Engineering Association ("Factory Mutual"), for its review, plans of all elements of the building design and construction, including but not limited to: seismic and wind loading, roofing and HVAC systems, fire protection and alarm systems, and boiler systems (if any). Plans shall be submitted for review at the 90% design phase. All Factory Mutual recommendations shall be immediately shared with Owner, and Owner and Developer shall work together with Factory Mutual to reasonably incorporate those recommendations into the Project design. Developer is obligated under this Agreement to design and cause to construct the Project in compliance with Requirements of Law. However, Owner and Developer acknowledge that the Fixed Price may not include the cost of incorporating the recommendations of Factory Mutual, and if Owner elects to incorporate any of the Factory Mutual recommendations and such changes increase Project Costs, Owner shall bear the costs of those changes.

Upon completion of the fire protection system installations, one copy of the Contractor's Materials and Test Certificate shall be forwarded to Factory Mutual's District Office for their records:

Factory Mutual Engineering Association
601 108th Avenue N.E., Suite 1400
Bellevue, Washington 98004
Telephone: (425) 455-5333

17. Representatives.

(a) Developer Representatives. Developer shall consult with Owner on initial assignments of personnel assigned to the Project. Owner agrees that the persons with overall responsibility for the work for the Project for the Developer shall be H. Jon Runstad or Gregory K. Johnson. The Project Manager shall be Cindy Edens. Owner shall have the right to approve any changes in the personnel named above, such approval not to be unreasonably withheld.

(b) Owner Representative. Owner designates John Finke as Owner's Representative authorized to act on the Owner's behalf with respect to the Project. Owner shall promptly render decisions to avoid delay in the orderly process of design and construction of the Project. Owner shall communicate with the Contractor and the Architect only through Developer. Owner's Representative may be changed by Owner from time to time.

18. Accounting, Inspection and Audit.

(a) Accounts. Developer shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement.

(b) Inspection and Audit. Owner may, at its sole discretion, from time to time whether before or after Final Acceptance or termination of this Agreement inspect all books and records of Developer or any Contractor relating to the Project and/or elect to have an audit conducted to verify Project Costs through the date of the latest progress payment. If Owner so elects to conduct such an audit, it shall give notice to Developer, and such audit shall be conducted as soon as is reasonably feasible thereafter, but progress payments to Developer shall not be delayed pending the outcome of the audit. Such audit shall be conducted by an auditor selected by Owner, and Owner shall, except as hereinafter provided, pay the cost of such audit. Developer agrees to cooperate with the auditor and make available for examination at its principal office all of its books, records, correspondence and other documents deemed necessary to conduct the audit by the auditor. If the audit reveals a variation of one percent (1%) or more of the then Project Costs, Developer shall pay the cost of the audit, not to exceed $10,000.

(c) Preservation of Records. Developer shall preserve all records for a period of six (6) years after Final Payment hereunder; provided, however, if at any time prior to the expiration of seven (7) years after Final Payment, Developer proposes to dispose of any Contract Documents related to the Project, Developer shall deliver the same to Owner for disposition by Owner.

19. Construction Liens. Upon Final Acceptance of the Project and upon Owner's request during the progress of the Project, Developer shall submit evidence that all payrolls, material bills and other indebtedness relating to the work have been paid. If at any time there shall be appropriate evidence of any lien or claim for which, if established, Owner shall be liable, or which would constitute a lien on the Project, and which is chargeable to Developer, Contractor or one of its subcontractors,

upon written request by Owner, Developer or Contractor shall furnish a bond in form and amount satisfactory to remove such lien from the public records. If any potential lien claimant gives notice to Trustee in accordance with the provisions of RCW 60.04.221, there shall be no further disbursement of Bond proceeds until Developer shall have provided Trustee and Owner with a bond or other security in accordance with RCW 60.04.221(5), to the amount claimed under the lien or notice until resolution of such dispute and payment of such lien, agreement with such potential lien claimant that such notice is withdrawn, or a court declaration that such notice is void in accordance with the provisions of RCW 60.04.221(9). Developer shall notify Owner and Trustee upon the filing of any lien or the service of any notice in connection with the Project.

20. Priority Agreements. Developer shall require the General Contractor to subordinate its lien rights, by agreement in form and substance satisfactory to Owner, to the lien of mortgage(s) securing the Bonds in favor of Trustee and Bond Insurer and their respective successors or assigns, and shall use its best efforts to obtain a similar subordination from all subcontractors under this Agreement. Any subcontractor which refuses to so subordinate its lien rights must be specifically approved in writing by Owner.

21. Damage and Destruction; Condemnation.

(a) Damage and Destruction. After the happening of any casualty to the Project, Developer shall give Owner, Tenant and Trustee prompt written notice thereof generally describing the nature and cause of such casualty and the extent of the damage or destruction to the Project. Developer and Owner acknowledge, agree and assign all insurance proceeds which Developer or Owner may be entitled to receive prior to Final Acceptance of the Project with respect to damage or destruction to the Project to Trustee for deposit into the Project Fund held by Trustee under the Indenture, and the insurance carrier is hereby irrevocably instructed in accordance herewith. Such insurance proceeds shall be used to pay Project Costs, including increases in the Project Costs caused by such casualty. If, prior to the Substantial Completion of the Project, damage or destruction occurs to the Project, Developer shall proceed diligently to reconstruct and restore the Project in accordance with the Contract Documents and the provisions of this Agreement. Insurance proceeds deposited in the Project Fund shall be disbursed to Developer in accordance with the provisions of Section 9 herein for payment of progress payments for payment of the costs to repair and restore the Project. All costs of such repair or restoration of the Project exceeding the amount of the insurance proceeds shall be paid by Developer.

(b) Condemnation. In the event of a partial condemnation of the Project to the extent that the Project may still be constructed in accordance with the Contract Documents, or may be constructed in accordance with the Contract Documents as modified by changes acceptable to Owner and Developer, Developer shall proceed diligently to construct the Project in accordance with the Contract Documents, as modified, if applicable. Any such partial condemnation proceeds shall be deposited in the Project Fund and disbursed in accordance with the provisions of Section 9 above. Condemnation proceeds shall be disbursed for such purposes whether or not such disbursements exceed the Fixed Price. In the event of a condemnation of all of the Project or so much thereof that the Project may no longer be constructed in accordance with the Contract Documents, this Agreement shall terminate, Developer shall be paid for all costs incurred as of the date of such condemnation (including costs that Developer is obligated to pay third parties as of that date, together with a prorata portion of the Developer's Overhead and the Developer's Fee), and the parties shall have no further

obligations hereunder. In such event, after Developer has been paid in accordance with the foregoing sentence, all condemnation proceeds shall be paid applied by the Trustee pursuant to the Indenture.

22. Payment of Taxes/Assessments.

(a) Real Property Taxes. Any and all real property taxes and assessments (including leasehold excise tax) levied against the Garage Land or the Building Land and the Project or any portion thereof shall be paid by Owner until the Commencement of Construction. Developer shall pay all such taxes and assessments from the Commencement of Construction until Substantial Completion of the Garage, with respect to taxes and assessments levied on the Garage and the Garage Land, and until Substantial Completion of the Project with respect to taxes and assessments levied on the remainder of the Project.

(b) Other State and Local Taxes. Developer shall pay any and all state and local taxes assessed in connection with the Project (other than real property taxes and assessments as provided in Section 22(a) above), including, but not limited to, state and local retail sales taxes and business and occupation taxes as part of the Fixed Price. Developer shall complete all necessary tax returns relating to such taxes and file the same with the applicable state or local governmental agency and remit, on or before the date such tax payment is due, payment of such state and local taxes to the proper taxing authority.

23. Default.

(a) Developer Default. The following events shall constitute an "Event of Default" by Developer:

(i) If Developer shall fail to perform any material obligation under this Agreement;

(ii) If Developer persistently or repeatedly refuses or fails to cause to be supplied to the Project enough properly skilled workers or proper materials to complete the Project, including Tenant Improvements, or if Developer ceases work on the Project for a period of fourteen (14) consecutive days (subject to Unavoidable Delays);

(iii) If Developer misappropriates any funds received by Developer pursuant to the provisions of this Agreement;

(iv) If Developer persistently disregards and fails to comply with laws, ordinances or rules, regulations or orders of a public authority having jurisdiction over the Project.

(v) If, due to the actions of Developer, any Permit required for construction of the Project shall be revoked or canceled;

(vi) If there shall occur any lien or other encumbrance on the Garage Land or the Building Land or the Project caused by Developer which is not bonded and removed in accordance with Section 19 above;

(vii) If there shall have occurred defective workmanship or materials within the Project which is not cured within the time period provided in Section 7 of this Agreement;

(viii) If Developer shall have assigned, pledged or encumbered its rights, duties or obligations under this Agreement in violation of Section 25 of this Agreement;

(ix) If any warranty made by Developer as set forth in Section 13 shall be untrue or breached in any material respect; or

(x) If Developer files a petition for bankruptcy or if it makes a general assignment for the benefit of Developer's creditors, or if a receiver is appointed on account of Developer's insolvency and any such petition or appointment is not dismissed within sixty (60) days.

(b) Owner Remedies upon Developer Event of Default. Upon any Event of Default by Developer, Owner shall give Developer written notice of the same, whereupon following receipt of such written notice Developer shall have thirty (30) days within which to commence all necessary action to cure any such Event of Default, (and if such cure is commenced, proceed to diligently complete such cure within a reasonable period of time not to exceed 60 days), except with respect to Events of Default set forth in Section 23(a)(iii) and (viii) for which the cure period shall be ten (10) business days, or Section 23(a)(x) for which no cure period exists beyond the time period stated therein; provided however, that such cure period shall not apply to failure of Developer to achieve Substantial Completion of the Project on or before the Developer Obligation Date for the Project. In the event Developer fails to cure such Event of Default within the time period set forth above, Owner shall be entitled to the following remedies:

(i) To take over and complete the Project. Owner is hereby irrevocably appointed attorney-in-fact (the appointment being coupled with an interest) to incur obligations, enforce contracts or agreements theretofore made by Developer and to do any and all things that are necessary and proper to complete the Project and be entitled to use the undisbursed Project Fund proceeds to pay Project Costs;

(ii) In addition to a claim for damages for such breach or default, and in addition to and without prejudice to any other right or remedy available under this Agreement or at law or in equity, the right to demand specific performance of this Agreement;

(iii) To withhold approval of further disbursement of Bond proceeds;

(iv) Bring an action for damages; or

(v) Terminate this Agreement without liability upon ten (10) days written notice.

(c) Owner Default. The following shall constitute an "Event of Default" by Owner:

(i) Owner fails to cause Trustee to make disbursements to Developer of any sum of money owed to Developer pursuant to this Agreement as and when due, including without

limitation, all monies due and owing from the Project Costs Account unless Developer shall have committed an Event of Default as set forth in Section 23(a) above;

(ii) Owner shall have assigned, pledged or encumbered its rights, duties or obligations under this Agreement in violation of Section 25; or

(iii) Owner shall have failed to perform any other material obligation under this Agreement.

(d) Developer Remedies Upon Owner Event of Default. Upon any Event of Default by Owner, Developer shall give Owner written notice of the same. Upon receipt of such written notice Owner shall have ten (10) business days to cure any such Event of Default. In the event Owner fails to cure such Event of Default within said 10 day period, Developer shall be entitled to stop all work relating to the Project, if Developer so desires and shall further be entitled to pursue its rights and remedies at law and in equity under this Agreement, including without limitation, specific performance of Owner's obligations hereunder.

(e) Remedies Not Exclusive. No remedy conferred upon either party in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

24. Disputes. Owner and Developer agree to follow the independent resolution process set forth in this Section 24 to resolve disputes regarding preparation of the Construction Drawings and Detailed Specifications and changes to Construction Documents in an economic and time efficient manner so that such documents conform to the requirements of this Agreement, the Project Schedule is not adversely impacted, and the Project as constructed will satisfy the Project Requirements. In the event that a dispute arises between Owner and Developer during the design or construction of the Project regarding the adequacy of any Drawings or Specifications or the responsibility for any costs associated with any design development, addition or change (e.g., whether any design development is consistent with and reasonably inferable from the Project Requirements), the parties shall attempt to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the parties are unable to resolve the dispute within three (3) business days, either party may, by delivering written notice to the other and the Bond Insurer, refer the matter to a dispute resolution mediator as set forth on the attached Exhibit J.

25. Miscellaneous.

(a) Waiver. Any waiver by either of the parties of any breach of any covenant herein contained to be kept and performed by the other party shall not be deemed or considered as a continuing waiver, and shall not operate to bar or prevent the damaged party from declaring a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise.

(b) Neutral Authorship. In connection with the execution and delivery hereof, each party has been represented by counsel. Each of the provisions of this Agreement has been reviewed and negotiated, and represents the combined work product of both parties hereto. No

presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

(c) Severability. If any portion or portions of this Agreement is declared void or unenforceable, it shall not affect the other provisions of this Agreement.

(d) Relationship of Parties. Developer and Owner shall not be construed as joint venturers or general partners, and neither shall have the power to bind or obligate the other party except as set forth in this Agreement. Nothing herein shall be construed as reserving to Owner the right to control Developer's business.

(e) No Third Party Rights. The provisions of this Agreement are intended solely for the benefit of, and may only be enforced: (i) by the parties hereto and their respective successors and assigns, including, as to Owner, Trustee and Bond Insurer, and (ii) with respect to rights expressly granted to Tenant in this Agreement, by Tenant. None of the rights or obligations of the parties herein set forth (or implied) is intended to confer any claim, cause of action, remedy, defense, legal justification, indemnity, contribution claim, set-off, or other right whatsoever upon or otherwise inure to the benefit of any Contractor, Architect, subcontractor, worker, supplier, mechanic, architect, insurer, surety, guest, member of the public, or other third parties having dealings with either of the parties hereto or involved, in any manner, in the Project.

(f) Assignment; Encumbrance or Pledge. Neither this Agreement nor any rights or duties hereunder nor any benefits derived herefrom may be assigned, delegated, pledged or encumbered to any other person or entity by either party hereto without the express written consent of the other, which consent may be withheld by either party in the exercise of its absolute discretion, except that Owner may assign its rights under this Agreement to the Trustee and the Bond Insurer pursuant to the Indenture as security in connection with the financing described in Section 3 above.

(g) Notices. Any notices or other communications required or permitted by this Agreement or by law to be served on, given to, or delivered to either party hereto by the other party, shall be in writing and shall be deemed duly served, given, or delivered when personally delivered to the party to whom it is addressed or in lieu of such personal service, three (3) days after it is deposited in the United States mail, first-class postage prepaid, certified or registered, return receipt requested, addressed as follows, or sent via facsimile transmission with received invoice followed by a "hard copy" mailed, regular mail, within one (1) business day to the fax number listed as follows:

Owner: GOAT HILL PROPERTIES
1425 4th Avenue, Suite 608
Seattle, WA. 98101
Fax: 206-448-5246

Developer: WRIGHT RUNSTAD ASSOCIATES
LIMITED PARTNERSHIP
Attn: H. Jon Runstad, Gregory K. Johnson and Cindy Edens
Suite 2700
1201 Third Avenue
Seattle, WA. 98101
Fax: 206-223-8791

Either party may change its address for the purposes of this section by giving written notice of such change to the other party in the manner provided in this Section.

A copy of all notices, plans and specifications, change orders, invoices, documents or other agreements required to be delivered by one party to the other pursuant to this Agreement shall be simultaneously sent to Tenant and Bond Insurer at their addresses set forth below and Tenant shall have the right, but not the obligation, to attend all meetings and participate in all decisions to protect its leasehold interest under the Lease.

Tenant: KING COUNTY

Property Services Division
500 King County Administration Building.
500 Fourth Avenue
Seattle, Washington 98104
Fax: 206-205-5070

Project Manager, Facilities Management Division
Rm. 320 King County Admin. Bldg.
500 4th Avenue
Seattle, Washington 98104
Fax: 206-205-5695

Bond Insurer: [To be provided if applicable.]
Attn: _____
_____
_____
Facsimile: _____

(h) Entire Agreement. This Agreement (and the exhibits referred to herein) constitute the entire agreement between the parties with respect to the subject matter hereof and may be amended only in writing signed by both parties.

(i) Time is of the Essence. Time is of the essence of this Agreement.

(j) Employees of Developer. Developer is acting under this Agreement as an independent contractor and nothing herein contained, or any acts of Developer or Owner, nor any other circumstances, shall be construed to establish Developer as an agent of Owner. Developer shall be responsible for each of Developer's employees or other persons performing services to be performed by Developer hereunder and for determining the manner and time of performance of all acts to be performed by Developer hereunder. Developer shall maintain all required industrial and worker's compensation insurance for all employees of Developer and shall cause all Contractors, Architect and all design professionals and other persons, firms and corporations employed to perform services in connection with the Project to provide worker's compensation and similar insurance with respect to their respective employees.

(k) Exhibits. The Exhibits to this Agreement are:

Exhibit	Description	Partial Section Reference
A	Legal Description of Garage Land	Recitals
B	Legal Description of Building Land	Recitals
C	Project Lease Agreement	Recitals; Section 1
D	Base Shell and Core Building	Section 1
E	Project Budget	Sections 1, 4(c)
F	List of Preliminary Plans and Specifications	Section 1
G	Project Schedule	Sections1, 6(d)
H	Tenant Improvement Plans Delivery Date Schedule	Sections 2(b), 6(c)
I	Dispute Resolution Mediation	Section 24
J	List of Additional Warranties	Section 7(h)

DATED at Seattle, Washington the day and year first above written.

OWNER: GOAT HILL PROPERTIES,
a Washington nonprofit corporation

By: _____
Its: _____

DEVELOPER: WRIGHT RUNSTAD ASSOCIATES LIMITED PARTNERSHIP,
a Washington limited partnership
By: Wright Runstad & Company,
a Washington corporation, Its General Partner

By: _____
Its: _____

EXHIBIT A

Legal Description of Garage Land

Parcel "A":

Lots 1 through 8, inclusive, in Block 36 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

Except that portion thereof, of Lot 6 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473610;

and Except that portion thereof, of Lot 7 conveyed to the State of Washington for highway purposes by deed recorded under Recording No. 5473611.

Parcel "B":

That part of Lots 2, 3, 6 and 7 in Block 40 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, lying Southwesterly of a line drawn parallel with and 30.0 feet Southwesterly, when measured at right angles and/or radially, from the James-6th F.R. Line Survey of SR 5, Seattle Freeway: Jackson St. to Olive Way, in King County, Washington.

APN: 094200-1050-08

EXHIBIT B

Legal Description of Building Land

Lots 2, 3, 6 and 7 in Block 37 of Plat of an Addition to the Town of Seattle, as laid out on the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's Addition to the City of Seattle), according to plat recorded in Volume 1 of plats at Page(s) 25, in King County, Washington.

APN: 094200-1105-03

EXHIBIT C

Project Lease Agreement

EXHIBIT D

Base Shell and Core Building

TENANT OFFICE SPACE

Walls

- Core walls with GWB fire taped
- Window walls insulated, framed, w/ GWB, screwed to framing
- Columns are framed with GWB, fire taped

MECHANICAL

- Chilled water system with rooftop VAV air handling units
- Central chilled water plant (chilled water pumps, chilled water piping, condenser water pumps and piping, and rooftop cooling tower, ice storage system for cooling efficiency)
- Gas fired boilers and hydronic piping
- Medium-velocity duct distribution system, with supply/return shaft
- Direct Digital Controls (DDC)
- Fire/smoke dampers installed at shaft
- Main building restroom exhaust and shafts
- Building standard drinking fountains installed

Sprinklers

- 12'X12' grid as required by code

ELECTRICAL

Power Distribution

- 4000 amp, 480Y/277 volt, 3 phase service located on Level A feeding a 4000 amp busway riser for tenant distribution on each tenant floor.
- (1) 400 amp, 480Y/277, 3 phase tenant panelboard fed from the busway riser for lighting and mechanical loads on each tenant floor. This panelboard also feeds a 112.5 kVA transformer that feeds the 208 volt panelboard.
- (1) 350 amp, 208Y/120 volt, 3 phase tenant panelboard for receptacle loads on each tenant floor. This panel will have the capacity for additional panelboards to be added as circuits are needed for tenant improvements.
- All finished public areas to have code compliant receptacles and lighting

Security

- Card readers will be installed in each elevator car.
- Raceways only will be installed at the stairwell doors

Life Safety

- 800 kW life safety diesel generator with automatic transfer switch and power distribution

providing emergency power to the fire pump, egress lighting, elevator recall, smoke control, and fire alarm systems.

- Generator fuel storage – 3 hours
- Fire alarm system – Initiating and audible circuits will be available at each floor for tenant improvements.

Phone/Data

- Telephone access provided per floor

LOBBY AND MAIN ENTRY

Ceilings

- Finished gypsum wallboard, painted
- Specialty lighting, downlights and accent lighting

Walls

- Finishes complete with stone and wood paneling

Floors

- Walk off mats at entries
- Carpet at elevator lobbies
- Stone flooring throughout remainder

ELEVATORS

- Interior cabs complete with all lighting and finishes
- Hooks and pads for wall protection provided in freight elevator

MECHANICAL ROOMS, BUILDING STORAGE, ELECTRICAL ROOMS, ELEVATOR MACHINE ROOMS, AND SERVICE AREAS

- Ceilings are exposed construction, unpainted, or gypsum wallboard taped and primed, floors are sealed concrete

JANITOR'S CLOSET

- Walls are painted gypsum wallboard
- Floor is sealed concrete with rubber base
- Shelf and hooks for supplies

RESTROOMS

Ceilings

- 2X2 tegular lay in ceiling
- Fluorescent lighting

Walls

- Ceramic tile at wet walls and floor, with painted gypsum wallboard above the 72" ceramic tile

Lavatory

- Sinks mounted in granite counter with mirror above
- Electronic faucets with soap dispensers by each sink

Miscellaneous

- Toilet accessories (coat hooks, toilet paper dispensers, sanitary napkin disposals, seat cover dispensers, paper towel dispensers and waste receptacles)
- Ceiling mounted toilet partitions with coat hooks

EXIT STAIRS

- Ceilings are painted, exposed construction
- Walls are painted
- Floors are sealed concrete
- All other surfaces are painted (handrails, standpipes etc.)

EXHIBIT E

Project Budget

KING COUNTY GOAT HILL OPTION B
Development Costs

	Original Budget		$/RSF
ARCHITECTURAL & ENGINEERING			
Basic A & E	1,271,000	(A)	$4.47
Additional Services	195,000	(B)	$0.69
Engineering	765,000	(C)	$2.69
Other Consultants	365,000	(D)	$1.28
Reimbursables	75,000	(E)	$0.26
Testing, Inspection, Soils and Survey	432,000	(F)	$1.52
TOTAL ARCHITECTURAL & ENGINEERING	3,103,000		$10.92
CONSTRUCTION COSTS			
Shell & Core Construction Costs	54,075,000	(G)	$190.24
Change Order Allowance	960,000	(H)	$3.38
Payment & Performance Bond	-	(I)	$0.00
Permits	450,000	(J)	$1.58
Art	888,000	(K)	$3.12
Utility Hook-ups	533,000	(L)	$1.88
Sales Tax	4,843,000	(M)	$17.04
TOTAL CONSTRUCTION	61,749,000		$217.23
TENANT COSTS			
Tenant Improvements	14,926,000	(N)	$52.51
Specialty Tenant Improvements	-	(O)	$0.00
Tenant Design & Engineering Fees	510,000	(P)	$1.79
Tenant Change Order Allowance	110,000	(Q)	$0.39
Tenant Design Contingency	1,500,000	(R)	$5.28
TOTAL TENANT COSTS	17,046,000		$59.97
MISCELLANEOUS			
Legal & Accounting	208,000		$0.73
Builder's Risk, Earthquake and Completion Insurance	375,000		$1.32
Building Commissioning	70,000		$0.25
Real Estate Taxes During Construction	150,000		$0.53
Other	100,000		$0.35
TOTAL MISCELLANEOUS	903,000	(S)	$3.18
PROJECT ADMINISTRATION			
Developer's Overhead	1,470,000	(T)	$5.17
Developer's Fee	2,740,000	(U)	$9.64
TOTAL PROJECT ADMINISTRATION	4,210,000		$14.81
CONTINGENCY			
General	2,700,000	(V)	$9.50
TOTAL CONTINGENCY	2,700,000		$9.50
TOTAL DEVELOPMENT COSTS	**89,711,000**		$315.60

Total Rentable Square Feet	284,252	
Cost Per Square Foot if New Boma Standards were used	296,592	302.47
Parking Stalls 921 Stalls Total		

King County Goat Hill Option B
Development Costs Footnotes

(A) Basic A & E includes architectural (ZGF), structural (KPFF) and civil (Skillings) drawings.

(B) Additional Services is approximately 10% of the fee.

(C) Engineering includes $380,000 for structural engineering (MKA); $145,000 for civil (MKA); $98,000 for electrical (Holmes), $111,000 for mechanical (MacDonald-Miller) and $31,000 for an oversight engineer (TBD).

(D) Other Consultants includes $19,000 for curtainwall, $24,000 for graphics, $33,000 for elevators, $10,000 for acoustical, $7,000 for lighting, $30,000 for traffic, $150,000 for green, $10,000 for roofing, $57,000 for landscape, and $25,000 for other.

(E) Reimbursables are based on historical costs.

(F) Testing & Inspection includes $42,000 for survey, $150,000 for soil, $225,000 for concrete testing and structural steel testing, and $15,000 for other.

(G) The construction budget is based on Turner's GMAX and breaks down as follows: $32,802,502 for the building; $4,833,702 for the parking under the building (two levels); $14,860,468 for the separate garage on 6th Avenue; $816,809 for the connector from 5th Avenue to the 6th Avenue garage elevators; $331,830 for lobby allowance and parking equipment; targeted VE reductions of ($1,333,927); $1,763,616 escalation contingency. The above construction costs include Payment and Performance Bonds.

(H) Change Order Allowance is approximately 1.8% of the construction costs and has been agreed to by Turner.

(I) Payment and Performance Bonds is included in Turner's budget above.

(J) Permits were based on historical costs.

(K) Art is 1% of the overall budget.

(L) Utility Hook-ups is based on historical costs.

(M) Sales Tax is calculated at 8.8% on Construction Costs and Change Order Allowance only.

(N) Tenant Improvements is budgeted at approximately $52.50 per RSF including sales tax.

(P) Tenant Design & Engineering Fees include Architects fee at $326,000, $95,000 for electrical engineering, $55,000 for mechanical, $28,000 for data engineering, and $6,000 for other.

(Q) Tenant Change Order Allowance is approximately .75% of tenant improvements.

(R) Tenant Design Contingency of $1,500,000 to be controlled by Tenant.

(S) All miscellaneous costs are based on historical costs escalated.

(T) Developer's Overhead is $44,545 per month for 33 months starting April 2004.

(U) Developer's Fee is approximately 3.1% of the total costs before fee.

(V) Contingency is approximately 3% of total budget.

EXHIBIT F

SCHEDULE OF PRELIMINARY PLANS AND OUTLINE SPECIFICATIONS

***

Office Building Drawing Index	**Architect**	**Dated**
MF-C Cover Sheet	Zimmer Gunsel Frasca	06/30/04
A0.01 Project Data & Drawing Index	Zimmer Gunsel Frasca	06/30/04
A0.02 Plot Plan/Comprehensive Project Plan	Zimmer Gunsel Frasca	06/30/04
A0.03 Plan, Floor Diagrams	Zimmer Gunsel Frasca	06/30/04
A1.01 Site Survey – Boundary & Control	Zimmer Gunsel Frasca	06/30/04
A1.02 Site Survey – Grading	Zimmer Gunsel Frasca	06/30/04
A1.03 Site Survey – Utility Sheet	Zimmer Gunsel Frasca	06/30/04
A2.01 Plan, Floor – Levels C & B	Zimmer Gunsel Frasca	06/30/04
A2.02 Plan, Floor – Levels A & 1	Zimmer Gunsel Frasca	06/30/04
A2.03 Plan, Floor – Levels 2 & 3	Zimmer Gunsel Frasca	06/30/04
A2.04 Plan, Floor – Levels 4-6 Human Services Levels 7-12	Zimmer Gunsel Frasca	06/30/04
A2.05 Plan, Floor – Level 13 & Penthouse	Zimmer Gunsel Frasca	06/30/04
A2.06 Plan, Roof	Zimmer Gunsel Frasca	06/30/04
A3.01 Elevation, Exterior – North & South	Zimmer Gunsel Frasca	06/30/04
A3.02 Elevation, Exterior – East	Zimmer Gunsel Frasca	06/30/04
A3.03 Elevation, Exterior – West	Zimmer Gunsel Frasca	06/30/04
A3.04 Building, Section – North-South	Zimmer Gunsel Frasca	06/30/04
A3.05 Building, Section – North-South	Zimmer Gunsel Frasca	06/30/04
A3.06 Building, Section – East-West	Zimmer Gunsel Frasca	06/30/04

Concourse Drawing Index	**Architect**	**Dated**
MF-C Cover Sheet	Zimmer Gunsel Frasca	06/30/04
A0.02 Plot Plan – Concourse Comprehensive Project	Zimmer Gunsel Frasca	06/30/04
A1.00 Site Survey	Zimmer Gunsel Frasca	06/30/04

A1.01	Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.02	Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.03	Site Plan - Concourse	Zimmer Gunsel Frasca	06/30/04
A3.02	Concourse Elevations – North & South	Zimmer Gunsel Frasca	06/30/04

Parking Garage Drawing Index		**Architect**	**Dated**
MF-C	Cover Sheet	Zimmer Gunsel Frasca	06/30/04
A0.01	Project Data & Drawing Index	Zimmer Gunsel Frasca	06/30/04
A0.02	Plot Plan – Comprehensive Project	Zimmer Gunsel Frasca	06/30/04
A1.00	Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.01	Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.02	Site Survey	Zimmer Gunsel Frasca	06/30/04
A1.03	Site Plan	Zimmer Gunsel Frasca	06/30/04
A2.01	Plan, Floor – Levels P1 & P2 (Alley Entry)	Zimmer Gunsel Frasca	06/30/04
A2.02	Plan, Floor – Levels P3 & P4	Zimmer Gunsel Frasca	06/30/04
A2.03	Plan, Floor – Levels P5 & P6 (Sixth Avenue Entry)		Zimmer
Gunsel Frasca		06/30/04	
A2.04	Plan, Floor – P7 & P8 (Roof)	Zimmer Gunsel Frasca	06/30/04
A3.01	Elevation, Exterior – East	Zimmer Gunsel Frasca	06/30/04
A3.02	Elevation, Exterior – North & South	Zimmer Gunsel Frasca	06/30/04
A3.03	Elevation, Exterior – West	Zimmer Gunsel Frasca	06/30/04
A3.11	Sections, Building	Zimmer Gunsel Frasca	06/30/04
A3.12	Sections, Building	Zimmer Gunsel Frasca	06/30/04

PART I

The following Preliminary outline specifications are included with respect to the Base Shell and Core Building and Structured Parking Garage:

CATEGORY 00 – SITE GOALS

Project Description:

A. Location: The King County Office project is located in the City of Seattle, King County, between Fifth and Sixth Avenue and Jefferson and Terrace Streets. The total estimated site area is 57,600 sf (excluding the alley). The site has high transit access and is in the Downtown Office Core 2-240.

B. Site Design Goals:

a. The site and building should meet the LEED "silver" standard. Outline and criteria to follow.
b. The building and other exterior improvements should blend into the environment without appearing intrusive. The entire development should fit with the surroundings and should minimally affect the site.
c. Retain as many healthy trees, and natural features of the site as possible. The project must be a model to others as environmentally responsible.
d. Special attention will be given to landscape, irrigation design and water retention to enhance the existing site and to mitigate storm water runoff. If economically feasible, collect runoff and "gray-water" for landscape irrigation.
e. The use of recycled materials in the design and construction of the site improvements will be considered.
f. Design to emphasize pedestrian access and minimize difficulties of people with disabilities in accessing the site. Focus on site development program for private vehicle parking, transit access, bicycle and motorcycle facilities, encouraging the use of alternate transportation other than single occupancy vehicles.
g. Where practical, the office building will be oriented to take advantage of daylighting and views.
h. Parking garage should minimize the environmental impact to the site. Parking stalls will be as prescribed by governing codes. All parking areas will be well lit to insure the security of pedestrians. A minimum of one "van accessible parking space per 25 parking stalls will be provided. Bicycle parking for staff to be considered near employee entrances, (secure).
i. Areas for building waste and collection of recyclable materials will be part of the loading facility and will be screened and secured away from public view.
j. The building will be a non-smoking facility.

C. Building Design Goals:

a. The building will have a 50 year life expectancy and will express stewardship and public trust.
b. The architecture will be appropriate to the Pacific NW region and will be civic in its nature (reflecting the public work of the tenants).
c. The building design should serve as a model of conservation of resources and the County's responsibility to the environment. The building will meet LEED "silver" standard certification.
d. There will be a minimum 9'4" floor to ceiling height in open office spaces with a 13'2" floor to floor height (assumes indirect office fixtures).
e. Materials will denote quality and permanence, resource conservation and practicality. Materials will be low maintenance and sustainable under the weather conditions that exist in the NW.
f. Windows will be non-operable.
g. The exterior closure system will be energy efficient, requiring minimal maintenance.
h. The safety of staff and visitors is a primary concern. An overview of safety and security considerations will be applied to all aspects of site, planning, facility design and operations. King County will be made aware of all reasonable options related to safety and personal security.
i. The office building will be a non-smoking building. Do we want to consider designated areas for smoking that would accommodate smokers with amenities such as, ash urns, covered space, lighting etc?

PART II

The following Outline Specifications are included with respect to the Base Shell and Core Building:

OUTLINE SPECIFICATIONS

CATEGORY 01 – GENERAL DESIGN CRITERIA

Structural and Building Envelope Criteria

A. Live Loads
1. Roof: 40 psf. For concrete or concrete/metal deck roofs (reducible per IBC) Floors:
a. 100 psf. Typical office floor – load to slabs and beams (reducible), based on 80 psf plus 20 psf partition load
b. 50 psf. Typical office floor – load to girders, columns and foundation (reducible) plus 20 psf partition
c. 50 psf. Data Center Live Load. Added dead load is approximately 325 psf added dead load per King County (floor panels plus equipment). MKA recommends reducing this criterion to 125 psf added dead load non-reducible as research shows

that very tightly packed data centers will hold approximately 75 to 80 psf of equipment. 340 psf added dead load equates to 2.72 million pounds of added weight. This seems excessive. Please provide information that indicates the actual weight of equipment that the County will use in the Data Center.

d. 175 psf. Mechanical penthouse (or use actual equipment weight and housekeeping pads plus 50 psf at open areas around equipment) (no reduction)
e. 150 psf. Mechanical rooms at typical floors (or use actual equipment weight and housekeeping pads plus 50 psf at open areas around equipment) (no reduction)
f. 100 psf. Exit corridors and stairways (reducible)
g. 100 psf. Assembly areas, cafeteria (no reduction)
h. 100 psf. Retail spaces (reducible)
i. 125 psf. Light storage (no reduction)
j. 40 psf. Parking levels (reducible)
k. 50 psf Vehicle service area (no reduction)
l. 250 psf. Sidewalks

B. Seismic:

1. Seismic Use Group I
2. Importance Factors, Ie, Is, Iw=1.0
3. Seismic Design Category C
4. R=6 for special reinforced concrete shearwalls in Parking Structure and Office Building.
5. Site Class D at the Office Building, Site Class C at the Parking Structure.
6. Allowable Story Drift: 0.025 x story height, based on IBC code level forces
7. Iso-base platform in the Data Center will not affect floor bracing or live load.

C. Wind:

1. Basic Wind Speed = 80 mph
2. Exposure Category B
3. Importance Factor, Iw = 1.0
4. Allowable Story Drift = 0.0025 x story height

CATEGORY 02 – DEMOLITION

A. Site Demolition and Relocations:

1. Site demolition to include sidewalk, curb and gutter, asphalt and concrete pavement, tree, bushes, shrubs and misc. items affected by the new construction.
2. Disposal of all removed items shall be off-site at an approved location.
   a. Comply with City of Seattle and King County recycling guidelines for demolished materials.
3. Relocations shall include any effected utilities; i.e., gas, TV, power, phone, water, sanitary sewer, fiber optics/telecomunications and storm sewer.

CATEGORY 03 – SITE

A. Plaza Paving:
   1. Steps and accents: Concrete; quality finish.
   2. Typical pedestrian paving: "City Center Pedestrian System" specification; concrete with lampblack added, light broom finish, and scored joints.
   3. Treat concrete paving with curing compound.

B. Roadways: Improvements with be in conformance with the City of Seattle Standard Specifications for Street Construction, latest edition.
   1. Street improvements will be conducted on Terrace, Jefferson and 5th Avenue, as required.
   2. Improvements to include sidewalk, curbwalk, curb and gutter, base course and pavement (asphalt or concrete), street lights and street trees.

C. Utilities: Provide the following in conformance with code, City of Seattle Standards, and utility owner requirements:
   1. Domestic and fire protection water supply.
   2. Electrical power.
   3. Storm and sanitary sewer.
   4. Telephone.
   5. Fiber optic cable.

CATEGORY 04 – STRUCTURE

Standard Foundations:

A. Typical: Structural Slab.
B. Foundation: Concrete.

Description of Structural Systems

A. Roof: 2½-inch normal weight concrete on 3-inch composite type metal deck. Composite designed steel beams and girders. Steel columns.

B. Typical floor: One of the following:
   1. Parking Garage: 5½-inch one way slab with 36-inch deep post-tensioned joists at 25-feet O.C.
   2. King County Office Building: 2½-inches normal weight concrete on 3-inch composite type metal deck. Composite designed steel beams and girders. Steel columns.
      a. Sprayed fireproofing on steel frame.

C. Structural slab on grade: 4-inch concrete slab at parking structure. Concrete grade beams.

D. Lateral force-resisting system: Concrete special moment-resisting frames (Parking Garage).

04 – EXTERIOR WALLS

A. General Performance Criteria: See Category 01, above.

B. Typical Walls: Pre-cast concrete, brick, stone or metal panels over lightgage steel stud framing with fiberglass-faced gypsum (G-P Dens-Glass) and moisture barrier ("BluSkin").

1. R-19 batt insulation in stud space.
2. Through-wall flashing: Stainless steel with self-adhesive rubberized asphalt (Grace "Perm-a-Barrier") in cavity.

C. Exterior Walls at Parapet, Elevator Penthouse and Mechanical Equipment Screen: Smooth-textured, pre-finished aluminum composite panels or metal siding.

1. Premium system with 10-year warranty.

D. Exterior Metalwork.

1. Typical: Steel fabrications.
   a. Shop prime: Zinc-rich urethane.
   b. Intermediate coat: Polyamide epoxy.
   c. Finish coat: Acrylic-aliphatic urethane; satin.

F. Aluminum Curtainwall and Windows: Thermally-broken, curtainwall, storefront and strip window systems.

1. Design to withstand wind loads.
2. Air infiltration: 0.05 cfm per minute at 12 psf.
3. No uncontrolled water penetration at 12 psf.
4. Finish: AAMA 605.2 fluoropolymer.
5. Vision Glass: 1-inch insulated, clear or tinted, Low-E.
   a. Glass tint or clear to be determined by Energy Code analysis.

G. Hollow Metal Doors: Non-public exterior doors.

1. Insulated; U-Value 0.10 or better.
2. 16 gage faces, 14 gage frames.
3. Doors and frames: Galvanized, field painted.

H. Louvers: High-performance, drainable blade; minimum 50 percent free area.

1. Finish: AAMA 605.2 fluoropolymer.

I. Overhead Sectional Doors at Loading Area:

1. Custom-fabricated steel and glass.
2. Fully weather stripped.
3. Operators: Electric.

J. Sealants:

1. Traffic Bearing Joints: 2-component urethane.
2. Concealed metal-to-metal joints: Non-skinning polyisobutylene.
3. Joints at edges of roofing and waterproofing: Single component urethane.
4. Other exterior joints: Ultra-low modulus silicone.

CATEGORY 05 - ROOFING

A. Design Criteria:

1. External Fire Hazard Classification: Class A per IBC or UL.

2. Uplift: Comply with SPRI or FM for design wind speed and building height.
3. Energy-star compliant

B. Insulation: R-21 minimum, rigid insulation with appropriate facing materials

C. Single-Ply Membrane Roofing, Typical:
1. Loose-laid, covered with cast-in-place topping slab, concrete pavers or ballast stone; . Mechanically attached; or fully adhered

D. Terraces: Hot-rubberized asphalt membrane with protection course.
1. Cover with cast-in place concrete paving.

E. Eco-Roof (appox. 50% of total roof area):
1. "Derbi-base" set in Permastic – 1 ply
2. "Derbi-base" set in Permastic – 1 ply
3. "Derbi-Gum GP" set in adhesive with seams heat welded/torched
4. Drainage mat
   a. Filter Fabric must be a root barrier
5. Topsoil 5" to 6" (screened so as to be free-draining)
6. Seed

F. Exposed Roof Area (approx. 50% of the total roof area):
1. "Derbi-Gum GP" set in adhesive – 2 ply
2. "Derbi-Brite" – 1 ply

CATEGORY 06 - INTERIORS

Interior Construction

A. Partitions: Gypsum board on metal studs typical:
1. Provide sound insulation and sealed acoustical partitions:
   a. Mechanical rooms: STC 48.
   b. Toilet rooms: STC 42.
   c. Other: STC 38.

B. Shaftwall: Gypsum shaftwall system on metal framing.
1. Elevators and mechanical shafts: 2-hour; STC 45.

C. Interior Doors:
1. Non-rated and 20-minute rated door: Solid core flush wood, custom grade, transparent finish veneer faces.
2. Fire doors: Composition core wood doors with faces to match non-rated doors.
3. Fire door Frames: Hollow metal, 16 gage typical.
4. Door Hardware:
   a. Mortise looks: Sargent or equal.
   b. Cylinders: Corbin; GMKD to King County (tenant) keying system.
   c. Closers: Surface mounted with plated cover.

D. Interior Specialties:
1. Code required signage.
2. Fire extinguishers and cabinets.
3. Toilet partitions: Baked enamel on steel; ceiling hung.

4. Toilet accessories.

Interior Stairways

A. Stairs:
   1. Treads and risers:
      a. Cast-in-place or
      b. Precast concrete with non-slip treads or
   2. Landing: Cast-in-place concrete, or precast.
   3. Railings: Tubular steel.

Interior Finishes

A. Finish Schedule Criteria:
   1. Building Operation Spaces:
      a. Floor: VCT.
      b. Base: RB.
      c. Typical Wall: Painted gypsum board.
      d. Ceiling: 2' by 4' acoustical lay-in.
   2. Toilet Rooms:
      a. Floor: CT.
      b. Base: CT.
      c. Typical Wall: gypsum board, water-base epoxy paint.
      d. Ceiling: 2' by 2' acoustical lay-in.
   3. Entry Lobby:
      a. Floor: Combination of stone and carpet.
      b. Base: Stone and wood.
      c. Wall Features: Wood and GWB.
      d. Wall: Painted gypsum board with paneling accents.
      e. Ceiling: Painted gypsum board with features.
   4. Janitor Closets:
      a. Floor: Sealed concrete.
      b. Base: RB.
      c. Walls: Gypsum board, water-based epoxy paint.
      d. Ceiling: Exposed structure.
   5. Utility Rooms (Data closets, Telephone, Electrical, Etc.):
      a. Floor: Sealed concrete.
      b. Base: RB.
      c. Typical Wall: Painted gypsum board.
      d. Mounting panels: ¾-inch think fire-retardant treated (FRT) plywood.
      e. Ceiling: Exposed structure.

B. Resilient Flooring and Accessories:
   1. VCT: Commercial quality vinyl composition tile, 12 by 12 by 1/8 inch.
   2. RB: Rubber base, solid color. 4-inch height typical. Toe base typical, straight

base at carpet. Field-formed corners.

C. CPT – Carpet: 32 ox. 4th generation nylon; low static generation.
   1. Installation: Direct glue typical and/or over pad.

D. CT – Ceramic Tile:
   1. Toilet Room Floors: 2 by 2 by ¼ inch, unglazed ceramic mosaic, cushion edge, 7½ percent slip resistant. Latex thinset; latex grout.
   2. Other Floors: 8 by 8 by 3/8 inch, unglazed paver. Latex thinset; latex grout.
   3. Toilet Room Wet Walls: 2 by 1 by ¼ inch, glazed ceramic mosaic, cushion edge. Latex thinset on backer unit; latex grout to 5'.
   4. Backer Board: Cementitious backer or Georgia Pacific "Dens'Shield" fiberglass-faced gypsum units.

E. Paint: Water-based, Low VOC, typical:
   1. Typical: Latex eggshell.
   2. Epoxy: Water-based epoxy, satin.
   3. Metal: Doors & frames, handrails, etc.: Acrylic, semi-gloss.

F. Transparent Finish Wood Paneling:
   1. AWI Premium Grade, Wood veneer over particle board.
   2. Finish: AWI System TR-4, Conversion Varnish, Premium Grade.

G. Ceilings:
   1. Acoustical lay-in ceilings:
      a. Utility spaces: 24 by 48 by 5/8 inch thick acoustical panels; 15/16-inch wide, heavy-duty classification painted steel grid, or open to structure.
      b. Public spaces: 24 by 24 inch by ¾ inch thick acoustical panels; 15/16-inch wide, heavy-duty classification painted steel grid.
      b. Toilet rooms: 24 by 24 inch by 5/8 inch thick acoustical panels; 15/16-inch wide, heavy-duty classification painted steel grid vinyl or mylar faced in shower rooms.
   2. Gypsum board ceiling: 5/8 inch gypsum board on conventional furring with option to use direct-hung grid suspension.

Furnishings

A. Typical Casework: AWI Custom Grade, Plastic Laminate (HPL) over particle board.
   1. Edges: PVC edge band.
   2. Tops: HPL

B. Lavatory Counters: Polished stone.

C. Entrance Mat: Polypropylene carpet; recessed.

CATEGORY 07 – VERTICAL TRANSPORTATION:

A. Passenger Elevators – Office:
   1. Number of Units: 5-6.
   2. Capacity and Speed: To be determined.

3. Supervisory Control: Group Operations with Microprocessor Logic System.
4. Stops: All office and parking levels.
5. Openings: In-line.
6. Entrance Size: 4'-0" wide x 7'-0" high.
7. Entrance Type: Single Speed, Center Opening
   a. Finish at lobby: stainless steel.
   b. Finish elsewhere: Baked enamel, except for 2 additional floors with stainless steel.
8. Car Finishes: Allow $15,000 per car.

B. Service Elevators:
1. Number of Units: 1.
2. Capacity and Speed: To be determined.
3. Supervisory Control: Simplex.
4. Stops: All office levels.
5. Openings: In-line.
6. Entrance Size: 4'-0" wide x 7'-0" high. Door opening needs to be wide enough to support pallets and pallet jack.
7. Entrance Type: Single Speed, Center Opening.
8. Car Finishes: Manufacturer's standard for services elevators – Stainless.

D. Additional Elevator Features (Typical):
1. Car Top Inspection Station.
2. Emergency Car Lighting and Alarm Battery Pack.
3. Handicapped Signage and Braille.
4. Hoistway Access Switches (Jamb Mounted).
5. Infrared proximity door detectors and heavy duty high speed operators.
6. Wiring Diagrams, Operating Instructions and Parts Ordering Information.
7. Provisions for Owner to Receive All Necessary Diagnostic Devices for Long Term Maintenance.
8. Cars to meet size standards per the city of Seattle (may differ from IBC)

CATEGORY 08 – HVAC

See Attachment A, attached.

CATEGORY 09 – PLUMBING

See Attachment A, attached.

CATEGORY 10 – FIRE SPRINKLERS

See Attachment B, attached.

CATEGORY 11 – ELECTRICAL

See Attachment C, attached.

PART III

The following Qualifications are included with respect to the Auxiliary Work:

[No auxiliary work.]

ATTACHMENT A

SECTION 15010

BASIC MECHANICAL REQUIREMENTS

PART 1 GENERAL

1.00 SYSTEM DESCRIPTION

A. The HVAC system selected for the new King County Office Building is chilled water system with rooftop VAV air handling unit. This system includes a central chilled water plant comprised of a chiller, chilled water pumps, chilled water piping, condenser water pumps, condenser water piping, and a rooftop cooling tower. Each chilled water air handler is complete with a chilled water coil, filters, a VAV supply fan, a VAV exhaust fan and economizer dampers.

Heat for the building is provided by hydronic boilers located in the rooftop penthouse. Distribution piping is routed through the building to provide hot water to the hydronic coils at the VAV zone boxes.

Water is cooled at the chiller and delivered to the chilled water air handler via chilled water piping. A modulating control valve at each air handler allows chilled water to enter the coil to cool the supply air.

The conditioned air is supplied to the building through a medium velocity duct distribution system. Each temperature control zone has a series VAV fan terminal damper unit. The VAV damper unit precisely controls the quantity of cooling required to satisfy the zone. The series VAV fan terminal unit has a fan that runs continuously during occupied hours. The fan draws air from the medium velocity cooling duct of from the ceiling plenum as required to satisfy the zone temperature. When heat is required, the hydronic control valve modulates as required to maintain the space temperature at the minimum setpoint. The occupants perceive the system to be a constant air volume system. Comfort and indoor air quality is increased through constant air motion.

1.01 STAIRWAY PRESSURIZATION

A. Stairwells are provided with pressurization fans.

1.02 ELEVATOR PRESSURIZATION

A. Elevator shafts not provided with fire/smoke doors will be pressurized from roof level.

1.03 CONTROL SYSTEM

A. Complete DDC control system including: electric wiring, thermostats to terminal units, night setback zones, building static pressure control, duct static pressure control, economizer control all associated interlock wiring, and building time clock.

1.04 DESIGN PARAMETERS

A. The following criteria shall apply to the project:

1) The building will be steel and concrete construction
2) The lighting and equipment load will be no greater than 3.0 watts per square foot.
3) The building occupancy will not exceed 1 person per 140 square feet.
4) The ventilation rate is based at 20 cfm per person.

1.05 COORDINATION

A. Coordination of Trades: Compare the mechanical drawings and mechanical specifications with all of the drawings and all of the specifications for the complete job and report any discrepancies to the Architect. Obtain written instructions from the Architect for changes required as a result of such discrepancies. The Mechanical work shall be installed in cooperation with other trades. Before installation, make provisions to avoid interferences.

B. Slots, chases, and openings through floors, walls, ceilings, and roofs as required will be provided by the various trades, but the trade requiring them shall see that they are installed and properly located, and shall be responsible for any cutting and patching caused by their omission or improper location.

C. Anchor bolts, sleeves, inserts and supports that are required shall be furnished and installed under the same section of the specifications as the respective items to be anchored, sleeved or supported.

1.06 SUBMITTALS

A. General: Prepare equipment drawings, product data, and a list of specification items, stating the manufacturer and catalog number for each item selected. Materials and equipment shall be in accordance with the contract drawings and specifications. Submit on the following items.

1. All equipment items listed in schedules on the drawings.
2. Fire/smoke dampers.
3. Automatic dampers.
4. Valves.

5. Hydronic piping specialties.
6. Plumbing specialties.
7. Air filters.
8. Temperature Regulation and Building Automation System, Materials and Diagram

B. Submittal review: Engineer's review does not relieve Contractor of responsibility for providing complete controls, wiring, components, and the like, required for complete operating mechanical systems.

1.07 DRAWINGS

A. The mechanical drawings show the general arrangement of piping, ductwork, equipment, and appurtenances. The drawings shall be followed as closely as actual building construction and the work of other trades permit. The mechanical work shall conform to the requirements shown on all of the drawings. Mechanical drawings are diagrammatic and do not show all offsets, fittings, and accessories which may be required

B. Layout drawings by the contractor: Prepare detail layout drawings to a scale equal to or larger than the contract drawings for all piping and sheet metal work in Mechanical and Fan Rooms and in other areas where the work is of sufficient complexity to warrant additional detailing. Prepare these drawings on tracings of the same size as the contract drawings and submit with each set for the Owner's record drawings.

C. Record drawings: Each subcontractor shall maintain an up-to-date set of record construction drawings in compliance with the requirements of Division 1. Such sets of record drawings shall be kept at all times on the jobsite and shall be available for reference by the Architect. Record drawings shall accurately show changes in pipe or duct locations.

D. Project Closeout: Submit to the Architect the following, prior to final system check-out.

1. Completed record drawings.
2. Written notice of completion, certifying that work on each system has been completed per requirements of contract documents, all required testing is completed and that all systems and controls are operational.
3. Record drawings: Include any detailed layout drawings prepared by the contractor in record drawing information submittal to the Architect.

1.08 OPERATION AND MAINTENANCE MANUALS

A. Scope: Provide Mechanical Operation and Maintenance Manuals for all mechanical equipment and systems in the project.

B. General: Provide three finished copies of manuals. The completed manuals shall be

delivered to the Owner at least one month prior to scheduled completion of the project or starting of major equipment, whichever is sooner.

C. Arrangement: Information contained in the manuals shall be neatly organized in three-ring binders with vinyl covered hardboard covers. Covers shall be imprinted with the name of the job, Owner, Engineer, Contractor and the year of completion. Each copy shall have a typewritten index and tabbed dividers between equipment categories. The manual information shall be grouped in an orderly arrangement under basic categories; i.e., Plumbing Equipment, Plumbing Fixtures, Heating Equipment, Cooling Equipment, Air Distribution Equipment, and Temperature Control Equipment, as a minimum. The preliminary copy shall comply with all requirements.

D. Contents of Manuals: Manuals shall contain all information needed to operate and maintain all systems and equipment provided in the project. It shall be presented and arranged in a logical manner for efficient use by the Owner's operating personnel. The information provided shall include, but not be limited to, the following.

1. Equipment manufacturer, make, model number, size, etc.
2. Supplier's name, address, phone, and reference order numbers.
3. Equipment nameplate data of major items.
4. Dimensional and performance data for specific unit provided.
5. Manufacturer's recommended operating instructions as appropriate.
6. Manufacturer's recommended lubrication and servicing data, including frequency of service, type of service, and description of lubricants required.
7. Complete parts list including reordering information, recommended spares and anticipated useful life (if appropriate).
8. Copies of warranties.
9. Wiring diagrams.
10. Recommended "turn around" cycles.
11. Inspection procedures.
12. Shop drawing and product data.
13. Description of system configuration and operation including component identification and interrelations. A master control schematic drawing(s) will normally be required for this purpose.

1.09 QUALITY ASSURANCE

A. All work shall comply with the governing ordinances of the local jurisdiction and applicable Codes of the State of Washington.

B. Comply with the most recently published versions of the following codes as amended by the City of Seattle:

International Building Code 2003

International Mechanical Code 2003
International Fire Code 2003
Washington State Energy Code
Uniform Plumbing Code
National Electric Code

1.10 BALANCING AND TESTING

A. Balancing of air conditioning and ventilating systems will be done after the systems are substantially completed and shall be performed by the Mechanical Contractor.

1.11 INSTRUCTION FOR OWNER'S REPRESENTATIVES

A. Following initial operation of all mechanical equipment and prior to acceptance of the mechanical work, the Contractor shall conduct demonstrations of equipment operation and instruction periods for the Owner's representatives.

B. Duration of instruction periods:

Plumbing	½ day
Heating Systems	½ day
AC Systems	1 day
Temperature Control/EMS System	2 days

PART 2 PRODUCTS

2.01 MATERIAL AND EQUIPMENT

A. Provide and install products of recognized manufacturers regularly engaged in the production of latest and best standard design materials and equipment.

1. Contractor is responsible for ensuring equipment is complete with fittings, trimmings, and parts necessary for complete operating installations.

B. Provide high quality materials, products, and equipment in accordance with governing codes, ordinances, and best current practices.

PART 3 EXECUTION

3.01 PREPARATION

A. Protection: Protect surrounding areas and surfaces to prevent damage.

B. Obtain roughing-in dimensions for equipment from approved Shop Drawings or actual

equipment measurements.

3.02 INSTALLATION

A. Install the work in accordance with Quality Assurance provisions, specifications, Drawings, and manufacturer's instructions. Where these conflict, the more stringent requirements govern.

B. In laying out piping, allow space for maintenance. Carefully plan work and use proper fittings to ensure maximum headroom. Owner reserves the right to require removal and replacement of work that uses excessive space in cases where the construction varies significantly from what is shown on the plans.

C. Keep openings in pipes, ducts, and equipment closed during construction.

D. Install equipment requiring periodic servicing or repairs so it is readily accessible.

3.03 PROTECTION

A. Properly protect equipment during and between the various operations of preliminary checkout, piping connections, electrical hookup, painting, and final testing. Cover equipment to the extent necessary to prevent foreign materials from contaminating the mechanisms or finishes.

3.04 COMMISSIONING AND OPERATIONAL TESTS

A. Prior to the inspection to determine substantial completion, the Contractor shall put all mechanical systems into service and check that work required for that purpose has been done, including but not limited to the following condensed check list.

1. Correct rotation of motors and ratings of overload heaters are verified.
2. Specified filters are installed and spares on hand when specified.
3. All equipment has been started, checked, lubricated and adjusted in accordance with the manufacturer's recommendations.
4. Each individual manufacturer's equipment start-up report (generally included in the equipment package) has been completed and transmitted to the Architect.
5. All equipment has been cleaned and damaged painted finishes have been touched-up.
6. Damaged fins on heat exchangers have been combed out. Missing or damaged parts have been replaced.
7. Flushing and cleaning of piping systems has been done and water treatment equipment has been installed and is operating correctly.
8. Equipment labels, pipe marker labels, and valve tags are installed.
9. Test and balance work is complete.

10. Automatic control setpoints are as designated and performance of control system checks out to agree with the sequence of operation.
11. Operation and Maintenance Manuals have been delivered and instructions to operating personnel have been made.
12. Building will be pursuing a LEED Silver certification which will require LEED commissioning.

END OF SECTION

SECTION 15410

PLUMBING/PIPING

PART 1 GENERAL

1.01 SECTION INCLUDES

A. Pipe and fittings for domestic or potable water, sanitary sewer, and storm water drainage service.

B. This section covers service within the building and to 5 feet outside the building.

C. Miscellaneous piping for instruments, testing, and temporary services. Make same as for the connecting service if not otherwise specified.

D. Services covered under this section:

{PRIVATE }SYMBOL	SERVICE	DESIGN PRESSURE (PSIG)	DESIGN TEMP. (°F)
CW	Domestic Cold Water	175	50
HW	Domestic Hot Water	175	120/140
HWC	Domestic Hot Water Circulating	175	120/140
SS (W)	Sanitary Sewer (Waste)	10	120
RL	Rainwater Leader	10	32
SD	Storm Drain	10	40

V, VTR	Vents for Sanitary Sewer	10	Ambient

PART 2 PRODUCTS

2.01 DOMESTIC COLD AND HOT WATER (CW, HW, HWC) - ABOVE GRADE

A. Copper pipe, fittings, and joints: Anaconda, American Brass Co., Nibco, Inc., Mueller Brass Co.

1. Pipe: Type L hard-drawn seamless copper, water tube, ASTM B 88.

2. Fittings: Wrought-copper solder joints fittings, ANSI B16.22 and ASTM B 75. Cast bronze may be used for fittings not available in wrought copper.

3. Unions: Wrought-copper and solder joint unions with copper seats, ANSI B16.22 and ASTM B 75.

4. Flanges: Class 125 cast-bronze solder joint flanges, flat faced, ASTM B 584, 175 lb WOG @ 150° F. Furnish flanges factory-faced, drilled, and spot-faced.

5. Joints: Soldered. Flanged at flanged equipment connections and flanged valves.

6. Solder: 95-5 tin antimony, 95.5/4 tin/copper, 91.5/5/3.5 tin/antimony/copper per ASTM B 32-89, Grade 50A, Alpha Metals, Inc., Anchor Alloys Inc., Kester Solder Co., Harris, Engelhard, or approved.

7. Gaskets: Full face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1450 lb @ 750° F, Richard Klinger, Inc., Crane Packing Co., Garlock Co., or approved.

8. Bolting: Silicon bronze hex-head cap screws with regular hex nuts.

2.02 SANITARY SEWER, STORM DRAIN, AND ASSOCIATED VENT PIPING (SS (W), SD, V) - BELOW GRADE

A. Cast-iron soil pipe and fittings.

1. Pipe: CISPI 301, service weight, cast-iron soil pipe, bituminous coated, hubless type.

2. Fittings: CISPI 301, service weight, hubless type; bituminous coated.

3. Joints: Neoprene gaskets and stainless steel clamp-and-shield assemblies, ASTM C-564, CISPI 310.

B. Provide factory fabricated transition coupling or adapter gasket at interface between building cast-iron piping and site piping.

2.03 SANITARY SEWER AND VENT PIPING (SS (W), V, VTR) - ABOVE GRADE

A. Use either B or C consistently throughout project for a given size range of piping.

B. Cast-iron soil pipe and fittings.

1. Pipe: CISPI 301, service weight, cast-iron soil pipe, bituminous coated, hubless type.

2. Fittings: CISPI 301, service weight, hubless type; bituminous coated.

3. Joints: Neoprene gaskets and stainless steel clamp-and-shield assemblies, ASTM C-564, CISPI 310.

C. Copper pipe system:

1. Pipe: 1-1/2" maximum: Type DWV copper tubing, ASTM B306.

2. Fittings: Wrought copper solder joint drainage fittings, ANSI B16.29 or cast bronze solder joint drainage fittings, ANSI B16.23. Solder per domestic water specification.

2.04 STORM DRAIN AND RAINWATER LEADER PIPING (SD, RL) - ABOVE GRADE

A. Cast-iron soil pipe and fittings.

1. Pipe: CISPI 301, service weight, cast-iron soil pipe, bituminous coated, hubless type.

2. Fittings: CISPI 301, service weight, hubless type; bituminous coated.

3. Joints: Neoprene gaskets and stainless steel clamp-and-shield assemblies, ASTM C-564, CISPI 310.

2.05 CHILLED AND CONDENSER WATER PIPING (CHWS,CHWR,CWS,CWR)

A. Black Steel pipe, fittings, and joints (all sizes)

1. Pipe material: Black steel, ASTM A 53, Grade A or B, electric resistance welded or ASTM A106 seamless.

2. Weight and ends: 1/4 inch through 10 inches, Schedule 40. 12 inches and larger, Schedule 40S (0.375" thickness. Thin wall pipe acceptable for roll-grooved-end pipe: 2 inch to 6 inch: Schedule 10.

3. Fittings: 2 inches and smaller, Class 150 malleable iron, threaded, ASTM A 197, ANSI B16.3. 2-1/2 inches and larger, Standard weight seamless steel butt welding, ASTM A 234 Grade WPB; dimensions to ANSI B16.9 and B16.10. Weldolets, Threadolets, Sockolets, or as approved may be used where branch pipe size is less than or equal to half the main line size or Grooved end type, ductile iron, ASTM A 536 or malleable iron, ASTM A 47, with EPDM gasket. Victaulic or approved.

4. Unions: Class 150 malleable iron, brass seat, threaded, ASTM A 197, ANSI B16.3, 150-lb. SWP @ 366°F., 300-lb WOG @ 150°F.

5. Flanges: Class 150 slip-on or welding neck forged steel flanges with raised face, ASTM A 181-1 or A 105-1, ANSI B16.5, 150-lb WP @ 500°F, 255-lb. WP @ 150°F. Use flat-faced flanges when mating steel flanges to cast iron flanges. Slip-on flanges: Double fillet weld.

6. Joints: 2 1/2 inches and smaller, threaded or grooved; 3 inches and larger, welded, flanged, or grooved.

7. Thread lubricant: Teflon tape or pipe dope.

8. Gaskets: Ring type for raised face flanges and full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000-lb. @ 700°F., Garlock Co., or approved.

9. Bolting: Carbon steel hex-head machine bolts and hex nuts, ASTM A 307, Grade A bolt, ASTM A563 nut or continuous thread stud bolts and hex nuts, ASTM A193B7 stud, ASTM A1942H nut.

B. Copper pipe, fittings, and joints: Anaconda, American Brass Co., Nibco, Inc., Mueller Brass Co.

1. Pipe: ¼ inch through 4": Type L hard-drawn seamless copper, water tube, ASTM B 88.

2. Fittings: Wrought-copper solder joints fittings, ANSI B16.22 and ASTM B 75. Cast bronze may be used for fittings not available in wrought copper.

3. Unions: Wrought-copper and solder joint unions with copper seats, ANSI B16.22 and ASTM B 75.

4. Flanges: Class 125 cast-bronze solder joint flanges, flat-faced, ASTM B 584, 175-lb WOG @ 150° F. Furnish flanges factory-faced, drilled, and spot-faced.

5. Joints: Soldered, sweat, or threaded. Flanged at flanged equipment connections and flanged valves. Grooved end or Victaulic joint connections also may be approved by mechanical engineer.

6. Solder: 95-5 tin antimony, 95.5/4 tin/copper, 91.5/5/3.5 tin/antimony/copper per ASTM B 32-89, Grade 50A, Alpha Metals, Inc., Anchor Alloys Inc., Kester Solder Co., Harris, Engelhard, or approved.

7. Gaskets: Full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000 lb @ 700° F, Richard Klinger, Inc., Crane Packing Co., Garlock Co., or approved.

8. Bolting: Silicon bronze hex-head cap screws with regular hex nuts.

PART 3 EXECUTION

3.01 TESTING

A. Hydrostatic test as specified in Section 15060, before disinfection.

3.02 DISINFECTION OF DOMESTIC WATER PIPING SYSTEM

A. Sterilize all water piping, using 50 ppm chlorine concentration; per Seattle-King County Health Department regulations; 8 hour contact time; open all valves several times during contact period; followed by flushing with clean water until residual chlorine is less than 0.2 ppm.

END OF SECTION

SECTION 15510

HYDRONIC PIPING

PART 1 GENERAL

1.01 SECTION INCLUDES

A. Water piping for heating, cooling, and other nonpotable water services as identified below.

B. Miscellaneous piping for drains, vents, instrument connections and temporary services. Make the same as for the connecting service if not otherwise specified.

C. Services covered under this section:

SYMBOL	SERVICE	DESIGN PRESSURE (PSIG)	DESIGN TEMP. (°F)
CHWS	Chilled Water Supply	175	42
CHWR	Chilled Water Return	175	54
CWS	Condenser Water Supply	175	85
CWS	Condenser Water Return	175	95
HWS	Heating Water Supply	175	170
HWR	Heating Water Return	175	140
C	Condensate	10	Ambient

1.02 QUALITY ASSURANCE

A. Welding materials and procedures: Section 15060 - General Piping Requirements.

B. Welder's certification: Section 15060.

PART 2 PRODUCTS

2.01 CHILLED AND CONDENSER WATER PIPING (CHWS,CHWR,CWS,CWR)

A. Black Steel pipe, fittings, and joints (all sizes)

1. Pipe material: Black steel, ASTM A 53, Grade A or B, electric resistance welded or ASTM A106 seamless.

2. Weight and ends: 1/4 inch through 10 inches, Schedule 40. 12 inches and larger, Schedule 40S (0.375" thickness. Thin wall pipe acceptable for roll-grooved-end pipe: 2 inch to 6 inch: Schedule 10.

3. Fittings: 2 inches and smaller, Class 150 malleable iron, threaded, ASTM A 197, ANSI B16.3. 2-1/2 inches and larger, Standard weight seamless steel butt welding, ASTM A 234 Grade WPB; dimensions to ANSI B16.9 and B16.10. Weldolets, Threadolets, Sockolets, or as approved may be used where branch pipe size is less than or equal to half the main line size or Grooved end type, ductile iron, ASTM A 536 or malleable iron, ASTM A 47, with EPDM gasket. Victaulic or approved.

4. Unions: Class 150 malleable iron, brass seat, threaded, ASTM A 197, ANSI B16.3, 150-lb. SWP @ 366°F., 300-lb WOG @ 150°F.

5. Flanges: Class 150 slip-on or welding neck forged steel flanges with raised face, ASTM A 181-1 or A 105-1, ANSI B16.5, 150-lb WP @ 500°F, 255-lb. WP @ 150°F. Use flat-faced flanges when mating steel flanges to cast iron flanges. Slip-on flanges: Double fillet weld.

6. Joints: 2 1/2 inches and smaller, threaded or grooved; 3 inches and larger, welded, flanged, or grooved.

7. Thread lubricant: Teflon tape or pipe dope.

8. Gaskets: Ring type for raised face flanges and full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000-lb. @ 700°F., Garlock Co., or approved.

9. Bolting: Carbon steel hex-head machine bolts and hex nuts, ASTM A 307, Grade A bolt, ASTM A563 nut or continuous thread stud bolts and hex nuts, ASTM A193B7 stud, ASTM A1942H nut.

B. Copper pipe, fittings, and joints: Anaconda, American Brass Co., Nibco, Inc., Mueller Brass Co.

1. Pipe: ¼ inch through 4": Type L hard-drawn seamless copper, water tube, ASTM B 88.

2. Fittings: Wrought-copper solder joints fittings, ANSI B16.22 and ASTM B 75. Cast bronze may be used for fittings not available in wrought copper.

3. Unions: Wrought-copper and solder joint unions with copper seats, ANSI B16.22 and ASTM B 75.

4. Flanges: Class 125 cast-bronze solder joint flanges, flat-faced, ASTM B 584, 175-lb WOG @ 150° F. Furnish flanges factory-faced, drilled, and spot-faced.

5. Joints: Soldered, sweat, or threaded. Flanged at flanged equipment connections and flanged valves. Grooved end or Victaulic joint connections also may be approved

by mechanical engineer.

6. Solder: 95-5 tin antimony, 95.5/4 tin/copper, 91.5/5/3.5 tin/antimony/copper per ASTM B 32-89, Grade 50A, Alpha Metals, Inc., Anchor Alloys Inc., Kester Solder Co., Harris, Engelhard, or approved.

7. Gaskets: Full-face type for flat face flanges. Furnish gaskets factory cut and punched of 1/16 inch thick compressed nitrile bonded asbestos-free fiber, 1000 lb @ 700° F, Richard Klinger, Inc., Crane Packing Co., Garlock Co., or approved.

8. Bolting: Silicon bronze hex-head cap screws with regular hex nuts.

2.02 CONDENSATE PIPING

A. Copper pipe and fittings.

1. Pipe material: Type DWV copper tubing, ASTM B306.

2. Fittings: Wrought copper solder joint drainage fittings, ANSI B16.29 or cast bronze solder joint drainage fittings, ANSI B16.23.

3. Solder: Per domestic water specification.

PART 3 EXECUTION

3.01 TESTING

A. Hydrostatically test piping in accordance with Section 15060.

3.02 CLEANING

A. Flush system to remove oil and pipe cuttings with a mixture of water and trisodium phosphate, 1 lb for each 50 gallons of water, circulate for 2 hours, then drain and flush with clean water under pressure to remove traces of detergent. Remove strainer baskets and screens, clean thoroughly, and replace.

King County Staff requests <u>excluded</u> in the GMP are listed below as alternates:

- DDC compatibility is not guaranteed as same County system (Siemens) If Siemens is required for 100% compatibility, cost increase will be $125,000.
- Hot water and chilled water systems will be primary/secondary flow with a secondary variable flow. $149,000 cost increase to include this feature. This may impact LEED negatively
- Chillers will have 100% redundancy. $530,000 cost increase to include this feature. Roof

space may not be available.

- Chillers will be York or equal. York is an additional $140,000.
- Boilers will be Cleaver Brooks (fire tube) or equal. Cleaver Brooks is and additional $94,000.
- Cooling capacity for 72 deg at 83 deg outside air and heating capacity for 72 deg at 17 deg outside air. This design is an additional $135,000 and impacts floor efficiency with larger shafts, more roof area, etc…
- Switch gear, fuel tank, generator, lighting system, boilers and chillers will have Modbus interface with DDC. If Siemens, we would assume this is included in upgrade noted above.
- Chemical testing listed Garrett Callahan, add $35,000 for this vendor.

END OF SECTION

ATTACHMENT B

SECTION 15310

FIRE PROTECTION SPRINKLER AND STANDPIPE SYSTEMS

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:

1. Provide design and construction of a complete design-build automatic fire protection sprinkler system. The sprinkler system shall extend throughout the building including combustible overhangs. The parking garage shall be fully protected per Seattle's requirements. It is the contractor's responsibility to verify and comply with all applicable city codes and ordinances. In case of any conflict with drawings or specifications, the codes and ordinances shall govern.

2. Shop drawings, hydraulic calculations, material submittals, test reports and certificates, operation and maintenance manuals, as-built drawings.

1.2 REFERENCES

A. National Fire Protection Association, NFPA 13, Installation of Sprinkler Systems

B. National Fire Protection Association, NFPA 14, Standpipe and Hose Systems

C. 2004 International Building Code (IBC)

D. Underwriters Laboratories (UL)

PART 2 - PRODUCTS

2.1 MATERIALS

A. All materials and equipment to be new UL listed, pressure rated for system pressures, and shall be in accordance with NFPA 13 and the City of Seattle requirements.

2.2 PIPE AND FITTINGS

A. Pipe: Provide pipe in accordance with NFPA 13, as applicable for the type of system or

application.

B. Fittings: Provide sizes and types matching pipe, valves, and equipment connections. Fittings shall be threaded, fit socket, grooved, or flanged.

C. Pipe used for dry pipe sprinkler systems shall be schedule 10 or schedule 40.

2.3 PIPE HANGERS AND SUPPORTS

A. Support and seismically restrain the fire protection piping with UL listed hangers and support devices. The design, selection, spacing, restraining, and anchors shall be in accordance with NFPA 13.

2.4 VALVES

A. All fire protection valves shall be UL listed for fire protection use. Valves shall be threaded, grooved, or flanged, and shall be provided for the correct application and pressure rating as required.

2.5 CHECK VALVES

A. All check valves shall be UL listed swing type check valves with replaceable seat. Valves shall be threaded, grooved, wafer, or flanged, and shall be provided for the correct application and pressure rating as required.

2.6 SPRINKLER HEADS

A. All sprinkler heads shall be quick response type. Temperature rating shall be in accordance with NFPA 13.

B. Sprinkler heads in unfinished areas to be upright or pendent with brass finish.

C. Sprinkler heads in finished ceiling areas to be recessed with chrome finish and or painted escutcheon.

D. Provide a metal cabinet containing a stock of spare sprinklers and head wrenches in accordance with NFPA 13. Locate the cabinet in the fire sprinkler riser room.

2.7 VALVE SUPERVISORY SWITCHES

A. All control valves in the fire protection piping shall be supervised. Supervisory switches shall be furnished and installed by this contractor and wired by the Electrical Contractor. Valves without built in supervisory switches shall be provided with Potter Electric supervisory switches.

2.8 WATERFLOW SWITCHES

A. All waterflow and pressure alarm switches shall be furnished and installed by this contractor and wired by the Electrical Contractor.

B. Wet pipe waterflow alarm switches to be Potter VSR-F.

C. Dry pipe pressure alarm switches to be Potter PS 10-2.

D. Dry pipe high/low air alarm switches to be Potter PS 40-2.

2.9 ACCESS DOORS

A. Provide wall or ceiling access doors in finished areas for the access to concealed equipment. Coordinate locations with the architect before installation.

B. All access doors provided shall be compatible with the type of construction to be installed in. Access doors in fire rated assemblies shall be rated to maintain the rated assembly.

2.10 SLEEVES

A. Provide sleeves around all piping passing through masonry, CMU, concrete walls and floors.

B. This contractor is responsible for the timely placement of sleeves in construction. If sleeves are not placed during construction, permission shall be obtained before any core drilling is performed.

C. Sleeves shall be sized in accordance with NFPA 13.

2.11 FIRESTOPPING

A. Provide a classified UL firestopping system of all pipe penetrations through fire rated assemblies in accordance with the City of Seattle building inspector.

2.12 FIRE HOSE VALVES

A. Standard Hose Valves: 2 ½ inch, cast brass finish, angle pattern, with hose threads, cap with 1/8 inch hole, and chain.

2.13 DRY PIPE VALVES

A. The dry valve is to be Reliable Model D or equal. Include pressure alarm switch, high/low

air switch, and other all necessary trim and devices.

2.14 AIR COMPRESSOR

A. Provide a tank mounted fire sprinkler system air compressor sized in accordance with NFPA 13. Coordinate electrical wiring requirements with the electrical contractor.

2.15 ELEVATOR MACHINE ROOMS

A. Elevator machine rooms, shafts, and pits are to be protected in accordance with the state elevator inspector's guidelines.

PART 3 - EXECUTION

3.1 PIPING INSTALLATION

A. General: The contractor shall provide all piping system components in accordance with NFPA 13, the City of Seattle, and the intent of the drawings and specifications to provide a complete automatic sprinkler and standpipe system.

B. Piping shall be properly supported and worked in place without springing or forcing. All changes in directions shall be made with fittings, except special conditions that require bending of pipe will be permitted in accordance with NFPA 13.

C. Concealed and Exposed Pipe: All piping in finished areas to be concealed when practical. Exposed piping shall be neatly installed in an orderly manner and run parallel or perpendicular to the building lines.

D. Provide all test and drain lines, pressure gauges, signs, and other such standard appurtenances as required for a complete installation in accordance with NFPA 13.

3.2 TESTS AND INSPECTIONS

Tests and inspections required by the City of Seattle shall be arranged and paid for by the fire protection contractor.

The fire protection piping shall be hydrostatically tested at 200 PSI and shall maintain that pressure without loss for two hours. Loss shall be determined by a drop in gauge pressure or visual leak. Portions of systems normally subjected to working pressures in excess of 150 PSI shall be tested as described above at a pressure of 50 PSI in excess of normal working pressure.

When hydrostatic and all other tests have been performed, a completed Contractor's Material and

Test Certificate is to be provided.

END OF SECTION 15550

ATTACHMENT C

SECTION 16000

PRELIMINARY ELECTRICAL OUTLINE

1.01 SERVICE AND DISTRIBUTION

ELECTRICAL UTILITY SERVICE ENTRANCES

A) KING COUNTY OFFICE BUILDING: A reliable utility "network" transformer vault located in the building will supply power for two (2) services, one 4,000 ampere and one 2,000 ampere, 480Y/277 volt. These are estimated service sizes based on a typical "high-rise" mechanical system. These services do not include power for a data center.

B) The base building electrical system shall be designed to support an average electrical load of 16.0 watts/sf, based on 300,000 gsf. The office building garage levels work out to an average of 4.5 watts/sf, based on 56,000 gsf.

C) STRUCTURED PARKING GARAGE: The 9-story garage building will be fed by Seattle City Light via their 208Y/120 volt "spot" network. A transformer vault and/or transformer will not be utilized. The parking garage will have a 1,000 ampere, 208Y/120 volt service.

D) The structured parking garage electrical system shall be designed to support an electrical load of 1.4 watts/sf, based on 244,000 gsf.

POWER DISTRIBUTION

Provide the following distribution systems in the facility:

A) 480Y/277 volt normal power.

B) 208Y/120 volt normal power.

C) Emergency power via diesel generator set.

D) Legally Required Standby (per code) power via generator set.

E) Provide electrical spaces or rooms specifically dedicated to electrical equipment per NEC. No mechanical, plumbing or architectural appurtenances not specifically related to the electrical space shall be installed in the electrical spaces.

F) Lighting shall be powered from the 480Y/277 volt system where practical and allowed by code.

G) Provide convenience receptacles in each mechanical room, electrical room, storage room, and telephone MDF & IDF room.

H) Electrical rooms will be sized for the initial shell and core electrical installation and allow for future tenant improvement additions of transformers & panelboards.

Coordinate with mechanical contractor for ventilation requirements and automatic ventilation controls in all electrical rooms.

I) Code required receptacles for mechanical and conveyance systems will be provided.

J) Transient voltage surge suppression will be provided in each of the two main electrical switchboards.

K) The lighting system shall comply with the latest Seattle Energy codes and IESNA recommendations.

L) The distribution system shall include the following:

1) One electrical room per floor.

2) Each floor will be served by a single, surface mounted 400 amp, 480Y/277 volt panelboard, one (1) - 112.5 kVA, K-13 rated transformer, and one (1) - 350 amp, 208Y/120 volt panelboard. The 208Y/120 volt panelboard will be of sufficient ampacity to allow additional panelboards to be added as circuit capacity is needed for future tenant loads and distribution.

3) Rooftop mechanical and elevator loads will be fed from a separate electrical panelboard.

4) Emergency and Legally Required Standby (per code) loads will be supplied through a common generator and distributed through separate Automatic Transfer Switches.

5) Controls and switching for the life safety generator will be accommodated in the building design.

1.02 TELECOMMUNICATIONS/SPECIAL ELECTRICAL SYSTEMS

TELECOMMUNICATIONS NARRATIVE

A) KING COUNTY OFFICE BUILDING: A total of four (4) – 4" underground conduits will be installed to the Main Telecommunications (MDF) room from the nearest serving utility interface point. Two (2) of these conduits will be supplied from the north end of the building and the remaining two (2) will be supplied from the south end of the office building. This is based on the serving utility providing interface points at these locations. These conduits will be for telephone, fire alarm, and security use. The additional twenty (20) conduits requested by Hanker are excluded and cost approximately $250,000 to add.

B) PARKING GARAGE BUILDING: A single 4" underground conduit will be installed to the Parking Garage's Demarcation location from the nearest serving utility interface point. This conduit will be for telephone, fire alarm, and security use.

SPECIAL SYSTEMS NARRATIVE

A) ACCESS CONTROL SYSTEM OFFICE BUILDING: Card readers shall be provided at the main entrance to the building, in all elevators, and at all underground parking level entrances and exits. Raceways only for the access control system shall be provided in the office building stairwells on each floor. The access control, shell and core "base" system shall have the capability to be expanded for future tenant improvements. The system shall allow for single point control of the entire system. The system shall be coordinated with the fire alarm and elevator systems and the locking hardware provider. The Structured Parking Garage shall include an access control system at entries and exits.

B) SECURITY (CCTV) SYSTEM OFFICE BUILDING: Provide a "base" shell and core closed circuit television (CCTV) system. The system shall have the capability to be expanded for future tenant improvements. CCTV cameras will be provided at the main entrance to the building, in the main lobby, at the roof access door(s), at the loading dock, and at all garage level entrances and exits. These cameras shall be connected back to a central monitoring location within the building.

C) SECURITY (CCTV) SYSTEM STRUCTURED PARKING GARAGE: Provide a "base" closed circuit television (CCTV) system. CCTV cameras will be provided at all entrances and exits to the garage and at all elevator lobbies. These cameras shall be connected back to a central monitoring location. The system shall have the capability to add additional cameras.

D) ARCHITECTURAL LIGHTING: An allowance for feature lighting has been provided at this time. Fixture types will be determined as the design develops.

1) Canopy lighting at 5th Avenue
2) Indoor/Feature lighting shall be provided in the building lobby.
3) Main entryway and feature wall lighting shall be integrated with the building lighting control panel.

1.03 GENERAL PROVISIONS

GENERAL SHELL AND CORE:

A) Project Design: Provide complete electrical design, including (where applicable):

1) Power and Lighting device layout and circuiting.
2) Mechanical device coordination and circuiting.
3) Complete load calculations.
4) Fault current calculations.
5) Energy Calculations.
6) Procure available SCL rebates.

B) CODES: Comply with:

1) City of Seattle Electrical Code Supplement.

2) Seattle Energy Code.

3) National Electrical Code, latest edition.

4) The City of Seattle Plan Review Requirements.

5) NFPA 110-Standard for emergency and standby power systems.

C) PERMITS: The Electrical Contractor shall obtain and pay for permits.

D) CONSTRUCTION:

1) Perform the electrical construction work as described in the drawings and specifications.

2) Contractor shall visit site prior to bidding. Bids shall serve as evidence of knowledge of visible existing conditions.

E) SUBMITTALS:

1) Submittal Package: Submit one complete package with the following data:

a) Equipment identification numbers as shown on the drawings.

b) Manufacturers' names and addresses.

c) Catalog numbers and trade names.

d) Detailed description and/or catalog cuts; highlight all significant information such as voltage, current (or wattage), dimensions and colors, if applicable.

2) Required Submittals: Provide descriptive data on the following (as applicable):

a) Circuit breakers

b) Switchboards/Panelboards

c) Transformers

d) Receptacles

e) Motor Starters

f) Control Devices

g) Lighting Fixtures

h) Other devices as identified by the building engineer and/or building owner.

F) PROJECT CLOSE-OUT:

1) Leave project clean and free of electrical debris.

2) Demonstrate to Owner satisfactory performance of electrical equipment and satisfactory workmanship.

3) Present Owner with a Certificate of Compliance from Electrical Inspector.

4) Provide accurate "as built" reproducible drawings to Owner, including panel circuit directories. All as-builts shall be produced in AutoCAD 2002.

MECHANICAL/ELECTRICAL COORDINATION:

A) Check mechanical drawings and specifications to ensure proper location and electrical characteristics of outlets serving mechanical equipment. Confer with Mechanical Contractor to determine requirements of equipment furnished. All power wiring shall be provided under Division 16, Electrical. Except as furnished with equipment, motor starters, protective devices, and other means of operation shall be furnished under Division 16, Electrical. All control wiring shall be provided by Division 15.

GUARANTEE:

A) The Electrical Contractor shall guarantee all electrical work for a period of two years from date of substantial completion, and shall repair or replace any materials or equipment identified as defective during this period.

1.04 BASIC MATERIALS AND METHODS

A) GENERAL: This section of specifications includes materials and installation requirements common to more than one system.

B) CONDUIT AND FITTINGS

Shall be rigid steel (zinc-coated) conduit (GRS), rigid nonmetallic conduit (PVC), intermediate metal conduit (IMC), electrical metallic tubing (EMT), plastic coated rigid steel and IMC conduit, flexible metal conduit, liquid-tight flexible conduit, electrical non-metallic tubing (ENT), MC Cable, and PVC coated MC cable conforming to the following:

1) Rigid Steel Conduit (Zinc-Coated) (GRS): ANSI C80.1, UL 6.

2) Rigid Nonmetallic Conduit: (PVC) Type EPC-40 and EPC-80 in accordance with NEMA TC 2.

3) Intermediate Metal Conduit (IMC): UL 1242, zinc-coated steel only.

4) Electrical Metallic Tubing (EMT): UL 797, ANSI C80.3.

5) Plastic-Coated Rigid Steel and IMC Conduit: NEMA RN 1, Type 40 (40 mils thick).

6) Flexible Metal Conduit: UL 1.

7) Liquid-Tight Flexible Metal Conduit, Steel: UL 360.

8) Fittings for Metal Conduit, EMT, and Flexible Metal Conduit: UL 514B. Ferrous fittings shall be cadmium-coated or zinc-coated in accordance with UL 514B.

9) Fittings for Rigid Metal Conduit and IMC: Threaded-type, split couplings unacceptable.

10) Fittings for EMT: Steel compression type or set-screw.

11) Fittings for Rigid Nonmetallic Conduit: NEMA TC 3.

C) WIRES AND CABLES

Wires and cables shall meet applicable requirements of NFPA 70 and UL for type of insulation, jacket, and conductor specified or indicated.

1) Conductors: Conductors No. 8 AWG and larger diameter shall be stranded. Conductors No. 10 AWG and smaller diameter may be solid, except that conductors for remote control, alarm, and signal circuits, classes 1, 2, and 3, shall be stranded unless specifically indicated otherwise.

2) Minimum Conductor Sizes: Minimum size for branch circuits shall be No. 12 AWG; for Class 1 remote-control and signal circuits, No. 14 AWG; for Class 2 low-energy, remote-control and signal circuits; and No. 16 AWG for Class 3 low-energy, remote-control, alarm and signal circuits.

3) Color Coding: Provide for service, feeder, branch, control, and signaling circuit conductors. Conductors to be color coded throughout the project with the same color applying to the same phase throughout.

4) Color codes are as follows for the 208/120 volt, 3 phase, 4 wire systems:

   a) A – phase – black

   b) B – phase – red

   c) C – phase – blue

   d) Neutral – white; except where neutrals of more than one system are installed in the same raceway or box, other neutrals shall be white with colored (not green) stripe

   e) Equipment Ground – green

   f) Isolated Ground – green with yellow stripe

5) Color codes are as follows for the 480/277 volt, 3 phase, 4 wire system:

   a) A – phase – brown

   b) B – phase – orange

c) C – phase – yellow

d) Neutral – gray

e) Equipment Ground green

6) Where these colors cannot be provided in the wire and cable insulation or jacket, color coding tape of the designated color shall be continuously applied in sufficient quantity to ensure permanency at all switchboards, panelboard, exposed terminals of other apparatus, conductor loops, and splices.

7) Insulation: Unless specified or indicated otherwise or required by NFPA 70 power and lighting wires shall be 600-volt, Type THHN or XHHW.

8) Bonding Conductors: ASTM B 1, solid bare copper wire for sizes No. 8 AWG and smaller diameter; ASTM B 8, Class B, stranded bare copper wire for sizes No. 6 AWG and larger diameter.

9) Service Entrance Cables: Service Entrance (SE) and Underground Service Entrance (USE) Cables, UL 854.

PANELBOARDS

1) UL 67 and UL 50. Panelboards for use as service disconnecting means shall additionally conform to UL 869. Panelboards shall be bolt-on circuit breaker equipped. Design shall be such that individual breakers can be removed without disturbing adjacent units or without loosening or removing supplemental insulation supplied as means of obtaining clearances as required by UL. Panelboard locks shall be keyed same. Directories shall indicate load served by each circuit of panelboard. Directories shall also indicate source of service (upstream panel, switchboard, etc.) to panelboard. Type directories and mount in holder behind transparent protective covering.

2) Panelboard Buses: Bussing shall be copper or tin platted aluminum. Support bus bars on bases independent of circuit breakers. Main buses and back pans shall be designed so that breakers may be changed without machining, drilling, or tapping. Provide isolated neutral bus in each panel for connection of circuit neutral conductors. Provide separate ground bus identified as equipment grounding bus per UL 67 for connecting grounding conductors. In addition to equipment grounding bus, provide second "isolated" ground bus, where indicated.

a) Panelboard Neutrals for Non-Linear Loads: UL listed, and panelboard type shall have been specifically UL heat rise tested for use on non-linear loads. Panelboard shall be heat rise tested in accordance with UL 67, except with the neutral assembly installed and carrying 200 percent of the phase bus current during testing. Verification of the testing procedure shall be provided upon request. Two neutral assemblies paralleled together with cable are not acceptable. Nameplates for panelboard rated for use on non-linear loads shall be marked "SUITABLE FOR NON-LINEAR LOADS".

Provide a neutral label with instructions for wiring the neutral of panelboards rated for use on non-linear loads.

b) Panelboards shall be Eaton, Square D, GE, Siemens, or equivalent.

3) Circuit Breakers: UL 489, bolt-on, thermal magnetic type having a minimum short-circuit current rating equal to the short-circuit current rating of the panelboard in which the circuit breaker shall be mounted. Breaker terminals shall be UL listed as suitable for type of conductor provided. Series rated circuit breakers and plug-in circuit breakers are unacceptable.

a) Multi-pole Breakers: Provide common trip-type with single operating handle. Breaker design shall be such that overload in one pole automatically causes all poles to open.

b) Maintain phase sequence throughout each panel so that any three adjacent breaker poles are connected to Phases A, B, and C, respectively.

c) Circuit Breakers shall be Eaton, Square D, GE, Siemens, or equivalent.

E) ENCLOSED CIRCUIT BREAKERS

1) UL 489. Individual molded case circuit breakers with voltage and continuous current ratings, number of poles, overload trip setting, and short circuit current interrupting rating as indicated. Enclosure type as indicated. Provide solid neutral.

2) Enclosed Circuit Breakers shall be Eaton, Square D, GE, Siemens, or equivalent.

F) FUSES

1) NEMA FU 1. Provide complete set of fuses for each fusible switch. Time-current characteristic curves of fuses serving motors or connected in series with circuit breakers shall be coordinated for proper operation. Fuses shall have voltage rating not less than circuit voltage.

2) Cartridge Fuses, Current Limiting Type (Class R): UL 198E, Class RK-5, time-delay type. Associated fuse holders shall be Class R only.

3) Fuses shall be Bussman or approved equal.

G) CABLE TRAYS

1) NEMA VE 1. UL Classified E80034 Control No. 46B8; NEMA Class 8C and RB. Cable trays shall be constructed of Aluminum Alloy 6063-T6. Trays shall include connectors, splice and end plates, dropouts, rung caps and miscellaneous hardware. Edges, fittings, and hardware shall be finished free

from burrs and sharp edges. Fittings shall have not less than load-carrying ability of straight tray sections and shall have manufacturer's minimum standard radius, in no case less than 2".

2) Ceiling cable trays may be ladder or center spine type by Mono-Systems, B-Line, Husky, P.W. Industries, or approved equal. Square/rectangular cross rungs shall be spaced 6" o.c.

H) DRY TRANSFORMERS

1) General: Dry transformers shall be totally metal enclosed ventilated two winding type, with six 2-1/2 percent taps, 2-FCAN, 4-FCBN unless otherwise noted. Temperature rise shall be 150 or 115 degrees C and the transformer shall be rated and labeled for 10 percent continuous overload. Oversize or de-rated transformers not acceptable. Sound ratings shall not exceed NEMA Standards for nominal size indicated. Transformers shall be TP-1 rated unless they are feeding high harmonic loads. In this case they shall be K rated in accordance with the loads served.

2) Vibration Mounts: All transformers shall be provided with internal vibration isolators. Transformers rated 30kVA and larger shall be provided with external vibration isolators between the transformer and mounting surface.

3) Transformer Connections: Provide flexible conduit connections to transformer casing for primary and secondary feeders.

4) Dry Transformer shall be Eaton, Square D, GE, Siemens, or equivalent.

I) GROUNDING AND BONDING

1) Ensure that the conduit system is effectively grounded, and that bonding is obtained between conduits, boxes, and receptacles.

2) Utilize equipment grounding conductors in all branch circuit raceways for power and lighting.

3) Provide a separate grounding conductor in all flexible conduit.

J) LIGHTING FIXTURES

1) KING COUNTY OFFICE BUILDING

a) Building standard 2 x 4 fluorescent troffer lighting shall be Lightron 25G-2X4-232T unless otherwise indicated.

b) Restrooms will have Building standard 2 x 4 fluorescent lighting.

c) Hallways will have fluorescent downlights in public areas and surface mounted fluorescent wraparound fixtures in rated "back of house" corridors.

d) Stairwells will have 4' two lamp fluorescent surface mounted fixtures.

e) Shipping / Receiving offices will have building standard 2 x 4 fluorescent troffer lighting.

f) Loading dock will utilize fluorescent lighting.

g) Exit lighting as required by Code.

h) All egress and emergency lighting shall be connected to the building's emergency system.

i) All fluorescent lighting will be equipped with electronic ballasts if applicable.

j) The lighting design shall comply with the latest Seattle energy code and IESNA recommendations.

2) PARKING GARAGE

a) Parking areas will have 4' two lamp fluorescent fixtures.

b) Stairwells will have 4' two lamp fluorescent surface mounted fixtures.

c) Exit lighting as required by Code.

d) All fluorescent lighting will be equipped with electronic ballasts if applicable.

e) The lighting design shall comply with the latest Seattle energy code and IESNA recommendations.

K) LIFE SAFETY GENERATOR

1) Provide an emergency generator – The unit shall be sized to provide power to elevators, pressurization fans, and egress lighting.

2) Generator: Onan, Caterpillar, Kohler, Detroit Deisel or approved equal.

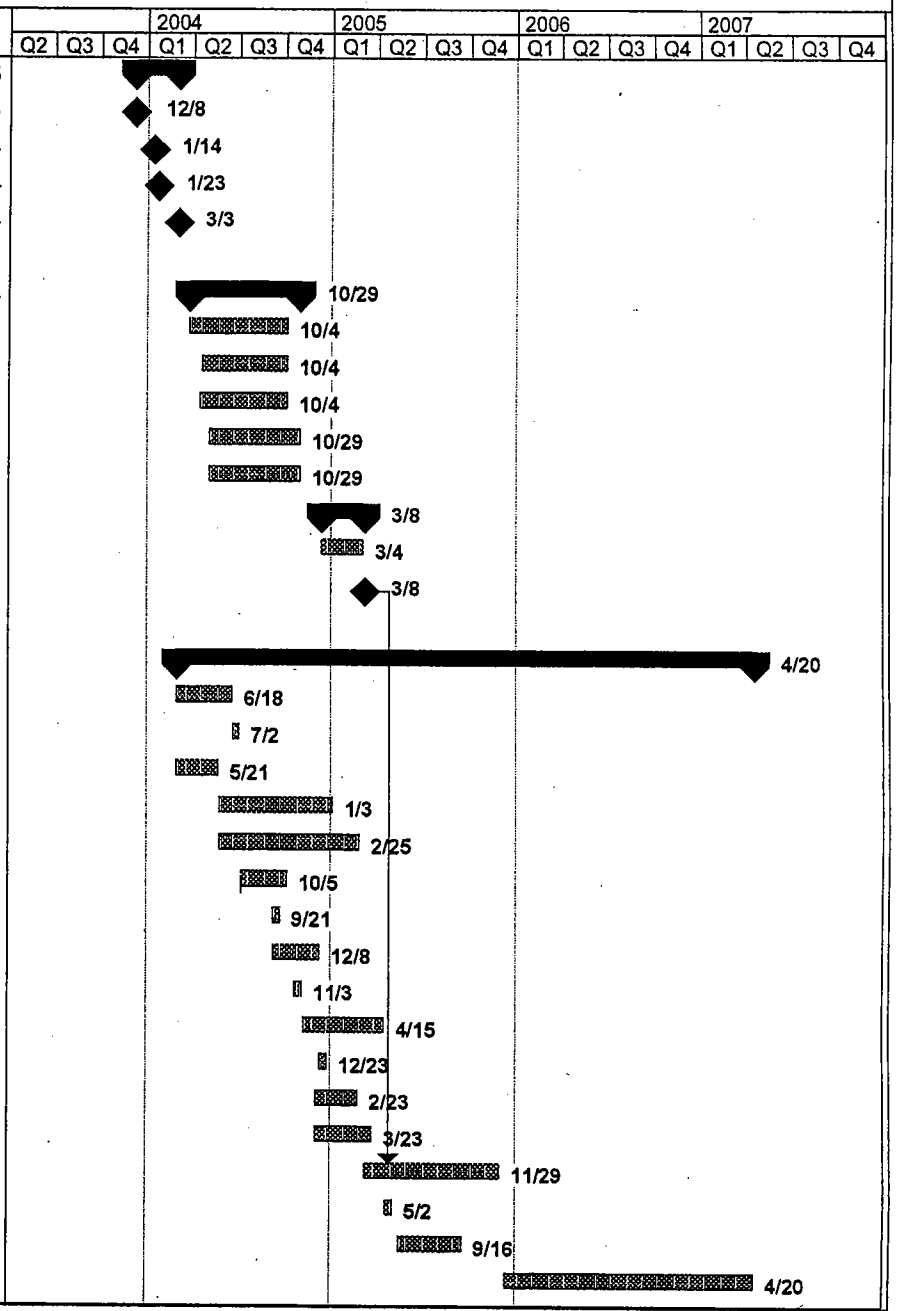
END, SECTION 16000

EXHIBIT G

Project Schedule

King County Goat Hill Schedule

Task Name	Duration	Start
Site Selection	**62 days**	**Mon 12/8/03**
Council Approval	0 days	Mon 12/8/03
Block Studies Complete & Reviewed	0 days	Wed 1/14/04
Studies updated and Priced	0 days	Fri 1/23/04
Site Selection Review & Recommendation	0 days	Wed 3/3/04
Agreements	**157 days**	**Thu 3/25/04**
Ground Lease	27.6 wks	Thu 3/25/04
Office Lease	24.2 wks	Mon 4/19/04
Development Agreement	24.5 wks	Thu 4/15/04
Architect's Agreement	26 wks	Mon 5/3/04
Contractor's Agreement	26 wks	Mon 5/3/04
Financing	**61 days**	**Mon 12/13/04**
Bonds Document Preparation	12 wks	Mon 12/13/04
Bond Pricing	0 days	Tue 3/8/05
Garage/Office: Two Sites Developed	**820 days**	**Mon 3/1/04**
MUP/SD	16 wks	Mon 3/1/04
County Approval SD	2 wks	Mon 6/21/04
Design Review	12 wks	Mon 3/1/04
SEPA	32 wks	Tue 5/25/04
MUP Process	39.8 wks	Tue 5/25/04
DD's	13 wks	Wed 7/7/04
County Approval of Garage Only DD's	2 wks	Wed 9/8/04
Garage CD's	13 wks	Thu 9/9/04
County Approval of Office Only DD's	2 wks	Thu 10/21/04
Office CD's	23 wks	Mon 11/8/04
County Approval of Garage CD's	2 wks	Fri 12/10/04
Garage Shoring Permit	12 wks	Thu 12/2/04
Garage Building Permit	16 wks	Thu 12/2/04
Garage Construction	38 wks	Wed 3/9/05
County Approval of Office CD's	2 wks	Tue 4/19/05
Office Building Permit	18 wks	Mon 5/16/05
Office Construction	71 wks	Mon 12/12/05



040924 Goat Hill Doc Schedule.mpp

Fri 9/24/04 3:01 PM

EXHIBIT G

EXHIBIT H

TENANT IMPROVEMENT PLANS DELIVERY DATES

1. WITH SHELL AND CORE. In order to have the Tenant Improvements in the Building bid with the Base Shell and Core Building, Tenant must deliver the Final Plans (as defined below) to Developer no later than the date one hundred twenty (120) days after Bond Closing. Notwithstanding the foregoing, with respect to any Tenant Improvements in the Building that are not standard office space improvements (e.g., computer center, print shop, cafeteria, conferencing center), the engineering drawings (but not the architectural drawings) for such Tenant Improvements must be delivered to Developer no later than the date ninety (90) days after Bond Closing in order to have such Tenant Improvements bid with the Base Shell and Core Building.

2. SEPARATE FROM SHELL AND CORE. If Tenant does not meet the above dates, the Tenant Improvements in the Building shall be bid separately from the Base Shell and Core Building. In order to avoid an Owner-Caused Delay, as described in Section 2(b) of this Agreement, Tenant must deliver to Developer the Final Plans for the Building no later than the date three hundred sixty (360) days after Bond Closing. Notwithstanding the foregoing, with respect to any Tenant Improvements in the Building that are not standard office space improvements (e.g., computer center, print shop, cafeteria, conferencing center), the engineering drawings (but not the architectural drawings) for such Tenant Improvements must be delivered to Developer no later than the date ninety (90) days after Bond Closing in order to avoid an Owner-Caused Delay.

3. DESCRIPTION OF MATERIALS. The "Final Plans" shall mean plans for the Tenant Improvements that include all of the following information:

(a) Architectural Floor Plans: These shall be fully dimensioned floor plans showing partition layout and identifying each room with a number and each door with a number. The Basic Plans must clearly identify and locate equipment requiring plumbing or other special mechanical systems, area(s) subject to above-normal floor loads, special openings in the floor, and other major or special features.

(b) Electrical and Telephone Outlets: Locate all power and telephone requirements: Dimension the position from a corner and give height above concrete slab for all critically located outlets. Identify all dedicated circuits and identify all power outlets greater than 120 volts. For the equipment used in these outlets which require dedicated circuits and/or which require greater than 120 volts, identify the type of equipment, the manufacturer's name and the manufacturer's model number, and submit a brochure for each piece of equipment. Also identify the manufacturer's name of the phone system to be used and the power requirements, size, and location of its processing equipment.

(c) Reflected Ceiling Plan: Lighting layout showing location and type of all Building Standard and special lighting fixtures.

(d) Furniture Layout: Layout showing furniture location so that Landlord's engineer can review the location of all light fixtures.

(e) Millwork Details: These drawings shall be in final form with Tenant's office planner's title block in the lower right hand corner of the drawing, and shall include construction details of all cabinets, paneling, trim, bookcases, and door and jamb details for non-Building Standard doors and jambs.

(f) Keying Schedules and Hardware Information: This information shall be in final form and include a Keying Schedule indicating which doors are locked and which key(s) open each lock, plus an "X" on the side of the door where the key will be inserted if a keyed door. Complete specifications for all non-Building Standard hardware will also be provided.

(g) Room Finish and Color Schedule: This information shall be in final form and include locations and specifications for all wall finishes, floor covering and base for each room.

(h) Construction Notes and Specifications: Complete specifications for every item included except those specified by the Landlord.

Tenant shall be responsible for delays and additional costs in completion of Tenant's work caused by changes made to the Final Plans after the Final Plans have been delivered to Developer or by delays in delivery of special materials requiring long lead times.

EXHIBIT I

DISPUTE RESOLUTION PROCEDURE

Owner and Developer shall act in good faith and deal fairly in performing their respective duties under this Agreement in order to accomplish their mutual objectives and avoid disputes. If a dispute arises with respect to design or construction of the Project, the parties agree to utilize the dispute resolution process contained herein, which will be non-binding but a condition precedent to having said dispute decided in court by a judge or jury.

1. Mediation. Pursuant to Section 24 of this Agreement, in the event a dispute arises between Developer and Owner with respect to design and/or construction of the Project the parties shall proceed in good faith to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the parties are unable to resolve the dispute within three (3) business days, either party may refer the dispute to the Mediator named below.

1.1 Mediator. For any dispute which cannot be resolved by the parties, the mediator hereunder ("Mediator") shall be John Beyer of Badger Consulting Services, or in the event he is unable or unwilling to act as such independent mediator, a mediator whom Owner and Developer have mutually designated to resolve such dispute. The Mediator is to act impartially and independently in the consideration of facts and conditions surrounding any dispute presented by Developer and Owner; however, the Mediator's recommendations concerning any such dispute are advisory only. The Mediator's recommendations shall be based on the pertinent provisions of this Agreement, and the facts and circumstances involved in the dispute. The Mediator's recommendations shall be furnished in writing to the parties.

1.2 Developer Responsibility. Developer shall furnish the Mediator one copy of all documents it might have, other than those furnished by the Owner, which are pertinent to the performance of the Mediator's duties hereunder.

1.3 Owner Responsibility. Owner shall furnish the Mediator one copy of all Contract Documents, including but not limited to the Building Design Guidelines, applicable contracts, interpretative reports, progress schedule and updates, monthly progress reports, and other documents pertinent to the performance of this Agreement and necessary to the performance of the Mediator's duties hereunder.

1.4 Term. Following execution of this Agreement, the Mediator shall have authority to act hereunder upon written request from either Owner or Developer and such authority shall terminate upon Final Acceptance, after Final Payment has been made.

1.5 Payment. The fees charged by the Mediator shall be shared equally by the parties. The Mediator's compensation shall include compensation for all materials, supplies, travel, office assistance and support and incidentals necessary to provide the services described herein. Payment for services rendered by the Mediator will be at the Mediator's standard hourly rate as approved by Owner and Developer prior to commencement of the dispute resolution proceeding.

1.6 Legal Relationship. The Mediator, in the performance of the duties described herein, is acting in the capacity of an independent agent and not as an employee of either Developer or Owner. The Mediator is absolved of any personal or professional liability arising from the recommendations made hereunder, unless due to gross negligence or willful malfeasance.

EXHIBIT J

LIST OF ADDITIONAL WARRANTIES

Item	Warrantor	Warranty Period in Years
Hot Rubberized Asphalt Waterproofing		15
Water Repellant Sealer		10
Metal Wall Panels		10 – Coiled Coated Metal
Metal Wall Panels		5 – Sprayed-on Coating Systems
Built-up Roofing		15 – NDL
Fluid Applied Roofing		5
Sheet Metal Flashing and Trim		15
Joint Sealants		5
Wood Doors		Lifetime of Project – Warping doors material only
All-Glass Entrances and Storefronts		2
Glass and Glazing		10
Glazed Aluminum Curtainwall and Window		5 – NDL
Waterproof membrane for ceramic tile		5
Broadloom Carpet		1 – Workmanship
Broadloom Carpet		10 – Wear Warranty
High Performance Coating		5
Variable Frequency Drives		2

Dated 9-27-04

15043

ATTACHMENT F

KING COUNTY, WASHINGTON
UNDERTAKING FOR ONGOING DISCLOSURE

This Undertaking for Ongoing Disclosure, dated _____ __, 20__ (the "Undertaking"), by King County, Washington (the "County"), constitutes the County's written undertaking as an "obligated person" (under Securities and Exchange Commission ("SEC") Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule") with respect to the Goat Hill Properties Lease Revenue Bonds (King County, Washington, Office Building Project), 20__, in the aggregate principal amount of $_____ (the "Bonds"), as required by Section (b)(5) of the Rule, for the benefit of the Owners and Beneficial Owners of the Bonds. The Bonds are issued pursuant to the Indenture of Trust, dated as of _____ 1, 20__ (the "Indenture"), by and between Goat Hill Properties and _____, as trustee. This Undertaking is authorized by Ordinance _____ of the County, passed by the County Council on _____ __, 20__. Capitalized terms not otherwise defined in this Undertaking shall have the meanings given such terms in the Indenture.

1. Financial Statements and Operating Data. The County agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the SEC in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 20__ for the fiscal year ended December 31, 20__):

(a) Annual financial statements prepared in accordance with the Budget Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds as Appendix ___: "Audited 20__ Financial Statements";
(b) A summary of budgeted general fund revenues and appropriations;
(c) A summary of the assessed valuation of taxable property in the County;
(d) A summary of the ad valorem property tax levy and delinquency rate;
(e) A schedule of the aggregate annual debt service on tax-supported indebtedness of the County; and
(f) A summary of outstanding tax-supported indebtedness of the County.

Items (b) through (f) shall be required only to the extent that such information is not included in the annual financial statements.

Such annual financial information and operating data shall be provided on or before nine months after the end of the County's fiscal year. The County's fiscal year currently ends December 31. The County may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial statements, the County may cross-refer to other

documents provided to the NRMSIR, the SID or to the SEC and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the County shall provide its audited annual financial statement prepared in accordance with BARS when and if available, to each then existing NRMSIR and the SID, if any.

2. Notification Upon Failure to Provide Financial Statements. The County agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, notice of its failure to provide the annual financial information and operating data described in Section 1 above on or prior to the date set forth in Section 1 above.

3. Termination/Modification. The County's obligations to provide annual financial information and operating data shall terminate upon the earlier of (i) the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) the Expiration Date of the Lease. This Undertaking, or any provision hereof, shall be null and void if the County (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require this Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this Undertaking.

Notwithstanding any other provision of this Undertaking, the County may amend this Undertaking, and any provision of this Undertaking may be waived, with an approving opinion of nationally recognized bond counsel and in accordance with the Rule.

In the event of any amendment or waiver of a provision of this Undertaking, the County shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

4. Bond Owner's Remedies under this Undertaking. Notwithstanding any other provisions of this Undertaking, the right of any Bond Owner or Beneficial Owner of the Bonds to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder, and any failure by the County to comply with the provisions of this Undertaking will not be an event of default under the Lease or with respect to the Bonds under the Indenture.

15048

KING COUNTY, WASHINGTON

By _____
Finance Manager

K:\20066\00071\DOT\DOT_A225G