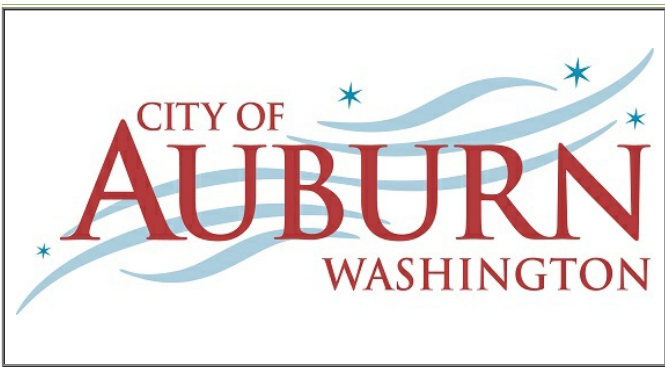


	City Council Study Session January 13, 2020 - 5:30 PM AGENDA Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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- I. CALL TO ORDER
 - A. Roll Call
- II. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS
- III. AGENDA ITEMS FOR COUNCIL DISCUSSION
 - A. Council Training - Fiance Department Overview (Thomas)(30 Minutes)
 - B. SKHHP Overview (Tate)(15 Minutes)
 - C. Inland Development Group (Tate/Gaub)(25 Minutes)
 - D. Overview of Special Focus Area Format (Hinman)(15 Minutes)
 - E. Overview of Mel's Lot Development Agreement (Hinman/Comeau)(30 Minutes)
 - F. Resolution No. 5486 (Gaub)(10 Minutes)
 - G. Resolution No. 5487 (Gaub)(10 Minutes)
 - H. Resolution No. 5489 (Hinman)(5 Minutes)
- IV. OTHER DISCUSSION ITEMS
- V. NEW BUSINESS
- VI. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

SKHHP Overview (Tate)(15 Minutes)

Department:

Community Development

Attachments:

[Memo to Council](#)

[Attachment 1 - Resolution 5408](#)

[Attachment 2 - SKHHP Affordable Housing](#)

[Priorities](#)

Date:

January 7, 2020

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:**Background Summary:**

See attached memo.

Reviewed by Council Committees:

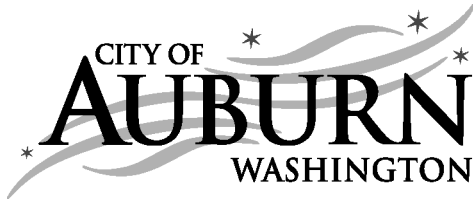
Councilmember: Trout-Manuel

Staff:

Tate

Meeting Date: January 13, 2020

Item Number:



Memorandum

To: City Council Members

From: Jeff Tate, Director of Community Development

CC: Mayor Nancy Backus

Date: January 6, 2020

Re: SKHHP ILA Overview

On February 19, 2019 the Auburn City Council adopted Resolution 5408 which authorized the Mayor to execute an interlocal agreement (ILA) between Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila and King County to form the South King Housing and Homelessness Partners (SKHHP). Resolution 5408 and the SKHHP ILA are attached as Attachment 1 under cover of this memo. Between January and June of 2019 each member city presented the ILA to their respective city councils. Each city council subsequently took action to adopt the ILA and to make the budget commitment to fund the work of SKHHP. Prior to these presentations all member cities worked together to develop the ILA and to have all 9 city attorney offices review and revise the ILA.

The purpose of this memo is to provide an overview of the Purpose, Composition, and Status of SKHHP, as well as subsequent actions that pertain to SKHHP's stated objectives.

SKHHP Purpose

To ensure the availability of housing that meets the needs of all income levels in South King County.

The parties wish to act cooperatively to formulate affordable housing policies and strategies that address housing stability and to foster efforts to preserve and provide affordable housing.

The parties have determined that the most efficient and effective way to address affordable housing needs in South King County is through cooperative action and pooling public and private resources.

Develop a cooperative work plan with a primary focus on the production and preservation of affordable housing is needed because the lack of access to affordable housing is one of the key contributors to homelessness.

SKHHP Composition

Executive Board – the Board is made up of the following primary and alternate representatives from the 10 member jurisdictions (9 cities plus King County):

	Executive Board	Alternate Board
Auburn	Nancy Backus, Chair Mayor	Jeff Tate Director of Community Development
Burien	Brian Wilson, Vice Chair City Manager	Colleen Brandt-Schluter Human Services Manager
Covington	Vacant	Joseph Cimaomo City Manager
Des Moines	Michael Matthias City Manager	Vacant
Federal Way	Brian Davis Community Development Director	Sarah Bridgeford Community Services Manager
Kent	Dana Ralph Mayor	Merina Hanson Human Services Manager
King County	Kelly Rider Government Affairs Manager, Department of Community and Human Services	Sunaree Marshall Department of Community and Human Services
Normandy Park	Mark Hoppen City Manager	Sue-Ann Hohimer Councilmember
Renton	Bob Harrison Chief Administrative Officer	Mark Santos-Johnson Community Development and Housing Manager
Tukwila	Verna Seal Councilmember	Allen Ekborg Mayor

SKHHP Staff

The interlocal agreement, and its attached exhibits, assumes that SKHHP will employ two staff persons – an Executive Manager and an administrative assistant. Angela San Filippo is the Executive Manager. Angela joined SKHHP on January 2, 2020. The administrative assistant is currently being recruited.

SKHHP Staff Working Group

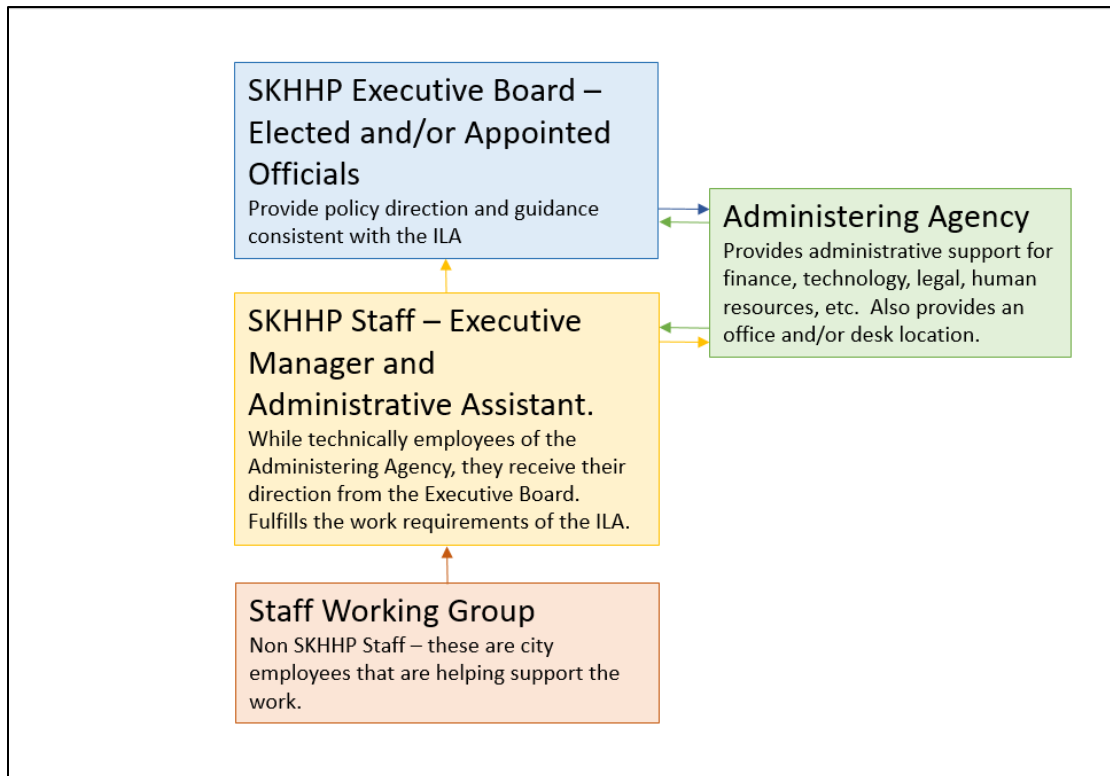
Most of the member cities have agreed to contribute staff time that support the efforts of the Executive Board and SKHHP staff. The Staff Working Group (SWG) meets on a monthly basis in between Executive Board meetings. The SWG helps develop agendas, prepare packet materials, and guide conversations that help inform the Board to make informed decisions. The SWG has filled the role of Executive Manager during the recruitment process.

Administering Agency

SKHHP staff and administrative functions need to be housed at one of the member cities in order to assist that vouchers get paid, paychecks get cut, job announcements are posted, work place policies are in place, IT support is provided, etc. Auburn has been selected as the administering agency.

Organization Chart

The below chart is a visual representation of how SKHHP is structured:



SKHHP Budget and Member Contributions

SKHHP is funded through contributions from each of the 10 members plus additional contributions from the King County Housing Authority, King County supplemental funding, and contributions from a few additional sources. Members contribute at a level that is relative to their population. The below table itemizes the 2020 contribution levels:

Contributor	Population (2018)	% of Population	Contribution
Auburn	80,615	12%	\$26,000
Burien	51,850	8%	\$15,000
Covington	20,080	3%	\$7,500
Des Moines	31,340	5%	\$7,500
Federal Way	97,440	15%	\$26,000
Kent	128,900	20%	\$34,000
Normandy Park	6,700	1%	\$4,000
Renton	104,100	16%	\$34,000
Tukwila	19,800	3%	\$7,500

King County	111,000	17%	\$34,000
K.C. Housing Authority	N/A	N/A	\$15,000
K.C. Supplemental	N/A	N/A	\$48,000
BECU	N/A	N/A	\$5,000
Franciscan	N/A	N/A	\$5,000
Enterprise Community Partners	N/A	N/A	\$16,000
	651,825	N/A	\$284,500.00

Utilizing the above table, the SKHHP Executive Board adopted the following 2020 budget:

Expense	Amount
Full-Time Manager with Salary/Taxes/Benefits	\$130,000
Administrative & Low-Level Policy Support w/ Salary/Taxes/Benefits	\$90,000
Expenses – Travel, Phone, Postage	\$12,000
Space	\$12,000
Sub-Total	\$244,000
10% Fiscal Administrative Fee	\$24,400
Total	\$268,400

When SKHHP was formed in 2019 the member contribution rates and the budgets were set for 2019 and 2020. Per the interlocal agreement, future contribution rates and budgets must be developed by the SKHHP Executive Board and ratified by each member's legislative authority (in Auburn this will be the Auburn City Council).

Setup of Administering Agency

Initial Executive Board actions

After all of the member cities adopted resolutions in support of forming SKHHP, the Executive Board held its first meeting on April 10, 2019. During that meeting the Board took action on the following items:

- Designation of **Auburn as the SKHHP Administering Agency and Host**. This action means that SKHHP staff will be based in Auburn; will receive internal IT, fiscal, legal, and HR support from the City of Auburn; and is the location where all members will direct their financial contribution.
- Election of the Chair and Vice-Chair
- Adopted rules of procedure that define how the Executive Board will function.
- Established their regular meeting schedule to be the 4th Friday of each month from 1 pm to 3 pm. The meeting location moves around from city to city. The meeting dates, times and locations are posted on the SKHHP webpage (www.skhhp.org).
- Authorized Auburn to initiate the hiring process for the Executive Manager.

Auburn Actions

- Financial accounts are set up to receive funds from other cities. All members invoiced and 2019 funds collected. 2020 invoices to be sent out in Quarter 1.
- Venues secured for each of the monthly meetings.

- Website domain name acquired and basic website setup.
- Development of an HR policy that helps inform SKHHP and Administering Agency of different roles during performance evaluations and disciplinary proceedings of Executive Manager.
- Computer and phone equipment acquired and set up.
- Resolutions prepared and adopted by Executive Board that ratify their actions.
- Executive Manager job description created, announcement posted, review of applications, interviews, and hiring process completed.

Substantive Work

Identification of Top Priorities

At the June 28, 2019 Executive Board meeting, the Board ratified a preliminary list of top priorities that are important in South King County. The list identifies “must do” and “should do” actions. This list was developed in response to a survey of SKHHP members and their beliefs of where SKHHP should focus energy. The “must do” list represents consensus and the “should do” list represents majority. This list is provided as Attachment 2.

Development of Communications Plan

The communications plan identifies key messages that SKHHP felt were important to identify early and to ensure that each member was describing certain items in a consistent manner. It was important to develop this plan to help define wording that could be used on the SKHHP website and to provide Executive Board members and city staff with common language when talking to each city council, constituents within the community, and stakeholders that have an interest in affordable housing.

Educational Presentations

A series of educational presentations were set up for the Executive Board in order to ensure that there is continued learning and understanding of affordable housing in South King County, other on-going non-governmental affordable housing efforts, and an opportunity for individual SKHHP members to share information about programs and projects in their community.

HB 1406 (enacted by the Washington State Legislature during the 2019 session)

HB 1406 authorizes cities to recapture a portion of state collected sales tax for the purposes of advancing affordable housing objectives in their community. In order for a city to recapture these funds the local city council must take action on a resolution declaring its intent to do so, and to adopt a subsequent ordinance that amends the local city code which authorizes the recapture and declares the limitations on how the funds can be used. Funds collected under HB 1406 are limited in their use to acquiring, rehabilitating, or constructing affordable housing; funding the operations and maintenance costs of new units of affordable or supportive housing; and, for cities under 100,000 in population, for providing rental assistance to tenants. HB 1406 is in effect for 20 years and is set to expire in 2039. The following chronology of events have occurred that are relevant to HB 1406:

- SKHHP Executive Board Resolution 2019-05 (adopted July 26, 2019): The Executive Board adopted a resolution which encourages each SKHHP member city to enact the provisions of HB 1406.

- City of Auburn Resolution 5454 (adopted on September 9, 2019): The Auburn City Council enacted this resolution to declare its intent to invoke the provisions of HB 1406 and to recapture the state collected sales tax.
- City of Auburn Ordinance 6732 (adopted on September 9, 2019): The Auburn City Council adopted this ordinance to amend city code such that the recapture of sales tax is authorized and the limitations on how funds can be utilized is established.
- SKHHP Executive Board Resolution 2019-06 (adopted on November 22, 2019): The Executive Board adopted a resolution that encourages each member city to pool the funds that they collect under HB 1406 by redirecting those funds to SKHHP.
- City of Auburn Resolution 5476 (adopted on December 9, 2019): The Auburn City Council enacted this resolution to declare its support to pool HB 1406 funds by directing the funds to SKHHP. The resolution authorizes the Mayor to take the administrative actions necessary in support of this declaration, provided that other members cities agree to pooling as well.

The below table provides an overview of what each member city is estimated to collect. And it summarizes the cumulative revenue collection if the funds are pooled and redirected to SKHHP:

City	Estimated Annual Revenue
Auburn	\$154,992
Burien	\$65,477
Covington	\$43,678
Des Moines	\$29,793
Federal Way	\$124,142
Kent	\$185,467
Normandy Park	\$4,866
Renton	\$236,380
Tukwila	\$162,046
Total (not including King County)	\$1,006,841.00

HB 1923 (enacted by the Washington State Legislature during the 2019 session)

The 2019 Washington State Legislature enacted HB 1923 which created a grant opportunity made available to cities in Washington State for the purposes of encouraging an increase in urban residential building capacity. The Department of Commerce is overseeing the administration of the grant program which allows cities with a population of over 20,000 to apply for grants of up to \$100,000. The deadline for grant application submittals was September 30, 2019.

Six SKHHP member cities (Auburn, Burien, Federal Way, Kent, Renton and Tukwila) each submitted a grant application with a request of \$100,000 for each city. Each city was awarded the \$100,000 grant (cumulative award of \$600,000). Each grant application seeks to utilize funding in the following manner:

1. Each city would contribute approximately \$15,000 to \$20,000 to a collective pool of money that would total \$90,000 to \$120,000. This pooled money would be used for the purpose of developing a comprehensive assessment of the housing stock in South King

County, including growth, type, associated demographics and income/affordability. Exact scope of work will determine dollar amount.

2. Each city would retain approximately \$80,000 to \$85,000 to utilize for housing policy development within its own boundaries.

The regional assessment described in item #1 will inform city-level Housing Action Plans that all begin with the same data, background, and decision-making framework. Because this collaborative work will require each participating city to pool a portion of their funds, SKHHP's groundwork makes it an ideal vehicle for the financial transaction that would be necessary to enable the funds to be available for the work to begin. All participating cities will be represented on a staff group, which will utilize consultants in addition to significant staff time; consultant selection and project content and deliverables will be jointly determined. The City of Kent has been coordinating this effort and has volunteered to oversee the project including disbursement of the grant funds.

At their October 25, 2020 City of Kent Long Range Planning Manager Haley Bonsteel provided a presentation to the SKHHP Executive Board who subsequently agreed to utilize SKHHP as the entity under which to pool the individual city contributions.

Attachments

Attachment 1: Resolution 5408

Attachment 2: SKHHP Affordable Housing Priorities

RESOLUTION NO. 5408

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF AUBURN, BURIEEN, COVINGTON, DES MOINES, FEDERAL WAY, KENT, NORMANDY PARK, RENTON, TUKWILA, AND KING COUNTY, FOR THE CREATION AND OPERATION OF SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP)

WHEREAS, the cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila along with King County share a common interest in addressing homelessness; and

WHEREAS, the parties wish to enter into an Interlocal Agreement for the creation and operation of South King Housing and Homelessness Partners (SKHHP); and

WHEREAS, SKHHP will formulate affordable housing policies and programs specific to South King County, complimenting current efforts by public and private organizations to address housing needs locally; and

WHEREAS, the most efficient and expeditious way for the parties to address affordable housing needs is through cooperative action and the pooling of public and private resources.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The Mayor is authorized to execute an Interlocal Agreement between the cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, and Tukwila along with King County for the creation and operation of South King

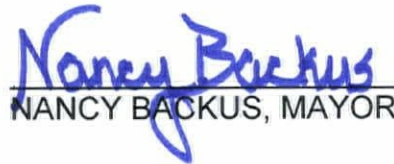
Housing and Homelessness Partners, which agreement will be in substantial conformity with the agreement attached as Exhibit A.

Section 2. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed this 9th day of February, 2019.

CITY OF AUBURN


NANCY BACKUS, MAYOR

ATTEST:


Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:


Steven L. Gross, City Attorney

**Draft Interlocal Agreement for SKHHP
South King Housing and Homelessness Partners**

(Effective Date: January 1, 2019)

This Interlocal Agreement ("Agreement") is entered into by and between the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila, and King County, each municipal corporations and political subdivisions of the State of Washington (individually, a "Party" and collectively, the "Parties"). This Agreement relates to the creation and operation of a joint undertaking among the Parties hereto to be known as the South King Housing and Homelessness Partners ("SKHHP"). This Agreement is made pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, and has been authorized by the legislative body of each jurisdiction.

WHEREAS, the Parties have a common goal to ensure the availability of housing that meets the needs of all income levels in South King County; and

WHEREAS, the Parties wish to provide a sound base of housing policies and programs in South King County and to complement the efforts of existing public and private organizations to address housing needs in South King County; and

WHEREAS, the Parties wish to act cooperatively to formulate affordable housing policies and strategies that address housing stability, to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources, to support implementation of the goals of the Washington State (the "State") Growth Management Act, related countywide planning policies, and other local policies and programs relating to affordable housing, and to do so efficiently and expeditiously; and

WHEREAS, the Parties have determined that the most efficient and expeditious way for the Parties to address affordable housing needs in South King County is through cooperative action and pooling public and private resources; and

WHEREAS, the intent of this cooperative undertaking is not to duplicate efforts of non-profit corporations and other entities already providing affordable-housing-related services; and

WHEREAS, a cooperative work plan with a primary focus on the production and preservation of affordable housing, is needed because the lack of access to affordable housing is one of the key contributors to homelessness;

NOW, THEREFORE, in consideration of the mutual promises, benefits and covenants contained in this Agreement and other valuable consideration, the sufficiency of which is acknowledged, the Parties agree to the above Recitals and the following terms and conditions:

1. DEFINITIONS. The following terms used in this Agreement are defined as follows:

a. *Administering Agency* - One or more of the Parties that will provide administrative support services on behalf of SKHHP. The Administering Agency will be the fiscal agent for SKHHP in accordance with the requirements of chapter 39.34 RCW. One Party could serve as the fiscal agent and another Party could serve as the administrative home for SKHHP staff.

b. *Advisory Board* - A board consisting of 12 to 15 community members appointed by the Executive Board to provide advice and recommendation to the Executive Board on land and/or money resource allocation for affordable housing projects, input on policy needs related to housing stability, program design and development, recommendations for emergency shelter and other immediate affordable housing needs, and to provide public education and community outreach services.

c. *Executive Board* - The governing board for SKHHP comprised of members as provided herein, which will act on behalf of all Parties and as may be in the best interest of SKHHP in order to carry out the purposes of this Agreement.

d. *Housing Capital Funds Account* - An account established by the Administering Agency within the SKHHP Fund for the purpose of administering the contributions of Parties, or other public or private entities, to affordable housing projects and programs, to be known as the SKHHP Housing Capital Funds Account. The amounts in the Housing Capital Funds Account will be held and disbursed by the Administering Agency.

e. *Individual Account(s)* - One or more subaccounts established within the Housing Capital Funds Account for each Party

to this Agreement that chooses to contribute to the Housing Capital Funds Account. Contributions to an Individual Account from a Party may be released only upon, and in accordance with, the written direction of that Party.

f. *SKHHP Fund* - A special fund established by the Administering Agency, as authorized by RCW 39.34.030, to be known as the "Operating Fund of the SKHHP Executive Board". Within the SKHHP Fund may be established various accounts and subaccounts including but not limited to a "SKHHP Operating Account" and a "Housing Capital Funds Account".

g. *SKHHP Operating Account* - An account created by the Administering Agency for the receipt of contributions from the Parties and other private or public entities, for the purpose of paying for the operations of and supporting the SKHHP annual budget.

h. *SKHHP Program Manager* - The lead staff for SKHHP, reporting to the Executive Board, responsible for carrying out the SKHHP annual work plan and other terms of this Agreement.

i. *SKHHP Staff* - The full-time and part-time staff hired or assigned with the responsibility for carrying out the SKHHP work plan.

j. *Sphere of Influence* - The area in South King County where SKHHP is expected to conduct its work, as further described in Exhibit A.

2. PURPOSE. All Parties to this Agreement have responsibility for local and regional planning for the provision of housing affordable to residents that work and/or live in South King County. The Parties agree to act cooperatively to formulate affordable housing policies that address housing stability and to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources. In order to accomplish the purposes of this Agreement, the Parties agree to create a joint and cooperative undertaking responsible for administering the activities described herein. The cooperative undertaking among the Parties will be called the South King Housing and Homelessness Partners ("SKHHP"). The Parties further intend that this Agreement serve as a framework for all participating municipalities within the broader SKHHP Sphere of Influence to do the aforementioned work. The Parties encourage other cities and other public and private entities in South King County within the SKHHP Sphere of Influence to join the Parties in this endeavor.

3. STRUCTURE; CREATION OF JOINT BOARD. By executing this Agreement, the Parties hereto create a joint board pursuant to RCW 39.34.030(4) to govern SKHHP. The joint board created by this Agreement will be called the "Executive Board" and will be composed of members as provided for in Section 5.a of this Agreement. The Joint Board created in this Agreement is not a separate legal or administrative entity within the meaning of RCW 39.34.030(3). The Executive Board will act on behalf of all Parties and as may be in the best interest of SKHHP in order to carry out the purposes of this Agreement. The Executive Board is not authorized to own assets or have employees.

4. RESPONSIBILITIES AND AUTHORITY. In order to carry out the purposes of SKHHP and this Agreement, the Executive Board will have the responsibility and authority to:

a. Create and implement an annual work plan approved by the Executive Board to guide the work of SKHHP Staff. The work plan will include activities that may benefit multiple participating jurisdictions or individual jurisdictions. The work plan activities will be consistent with the purpose described in this Agreement.

b. Provide recommendations to the Parties regarding the allocation of public and private funding for affordable housing purposes.

c. Direct the Administering Agency to enter into agreements with third parties for the use and application of public and private funds contributed by individual Parties to the SKHHP Housing Capital Funds Account established in Section 14, under terms and conditions as may be agreed by the individual contributing Parties, as further described in Section 14. At least annually, report to the Parties on the geographic distribution of all housing capital funds as recommended by the SKHHP Executive Board.

d. Guide the SKHHP Staff in the performance of the following duties:

i. Provide recommendations to the Parties regarding local and regional affordable housing policies. SKHHP Staff will assist the Parties in developing strategies and programs to achieve State Growth Management Act housing goals, growth targets, local

Comprehensive Plan Housing Element goals, and local housing strategy plans, as appropriate.

- ii. SKHHP Staff will provide technical assistance to any Party considering adoption of land use incentives or requirements, or affordable housing programs. SKHHP Staff will research model programs, develop draft legislation, prepare briefing materials and make presentations to planning commissions and councils on request by a Party. SKHHP Staff will assist Parties in developing strategies and programs to implement county-wide affordable housing policies to meet State Growth Management Act objectives, growth targets, local Comprehensive Plan Housing Element goals, and local housing strategy plans for an equitable and rational distribution of low- and moderate-income housing.
- iii. Facilitate cooperation between the private and public sector with regard to the provision of affordable housing. SKHHP Staff will communicate directly with private developers, financial institutions, non-profit corporations and other public entities to assist in the implementation of affordable housing projects. SKHHP Staff will work directly with any Party to provide technical assistance with regard to the public funding of affordable housing projects and the implementation of affordable housing regulatory agreements for private developments.
- iv. SKHHP Staff will also identify public and private sites that are available for affordable housing and develop affordable housing alternatives for such sites.
- v. After the Housing Capital Fund is created, develop standard regulatory agreements acceptable to private and public financial institutions to facilitate the availability of funding for private and public projects containing affordable housing.
- vi. Provide other technical advice to any Party upon request and to enter into agreements to provide technical assistance to other public entities on a reimbursable basis.

- vii. Provide support and educational activities and to monitor legislative and regulatory activities and proposed policy changes related to affordable housing at the county, state and federal levels. Ensure that the Parties to this Agreement have a strong South King County voice in regional decision making.
- viii. After the Housing Capital Fund is created, develop and carry out procedures for monitoring of affordable units and to administer direct service housing programs on behalf of any Party. Such direct service housing programs may include but are not limited to relocation assistance programs, rent voucher and/or deposit loan programs.
- ix. Work directly with other public and private entities for the development of affordable housing policies and encourage the provision and preservation of affordable housing.
- x. Work with the Advisory Board appointed under this Agreement and South King County agencies working on regional housing stability and housing affordability, identify trends and promising practices, and mobilize those agencies to support South King County positions in regional decision-making forums.
- xi. Support public and private fundraising efforts of public and private entities (including non-profit corporations) to raise funds to carry out the purposes of this Agreement. Enter into agreements with those entities for the use of such funds in order to carry out the purposes of this Agreement.
- xii. As directed by the Executive Board, accept public and private funding, invest those funds in accordance with State law, and take other appropriate and necessary action to carry out the purposes of this Agreement.

5. EXECUTIVE BOARD.

a. Membership. SKHHP will be governed by an Executive Board composed of either an elected official or City

Manager/Administrator for each city and the King County Executive, or their designated representative, of each Party. However, there will not be more than two members on the Executive Board representing cities with population less than 5,000 persons, unless approved by the Executive Board. In the event that there are more than two Parties to this Agreement with population less than 5,000 persons, then those Parties will propose to the Executive Board for the Executive Board's approval, a method for shared membership on the Executive Board by those Parties.

Municipalities, local governments and public agencies within the Sphere of Influence may become Parties to this Agreement with representation on the Executive Board described in this Section 5, upon satisfaction of the requirements of Section 20.

Any member of the Executive Board representing more than one Party must be approved by the chief executive officer of those Parties being represented by the shared Executive Board member. The Executive Board will administer this cooperative undertaking under the terms of this Agreement and under any procedures adopted by the Executive Board.

b. Chair. The Chair of the Executive Board will be elected by the members of the Board from the Board membership; will preside over all meetings of the Executive Board; and will, in the absence of a Program Manager provided for in Section 6 of this Agreement, process issues, organize meetings and provide for administrative support as required by the Executive Board. The Chair will serve a one-year term, but may be reelected by the Executive Board.

c. Alternate Member. Each member of the Executive Board may designate one alternate member who will serve in the place of the member on the Executive Board during the member's absence or inability to serve. Notice of the designation will be provided to the Chair of the Executive Board. An alternate member may only vote on behalf of the appointing Party if the Chair has received written notice of the alternate's appointment.

d. Powers. The Executive Board will have the power to (1) develop and approve an annual budget and annual work plan for SKHHP; (2) adopt procedures for the administration of SKHHP (including securing any necessary legal counsel) and for the conduct of meetings; (3) make recommendations to the Parties concerning planning, policy, programs and the funding of affordable housing projects; (4) establish policies for the expenditure of SKHHP budgeted items; (5) designate one or more

Administering Agencies to carry out the terms of this Agreement; (6) establish a special fund with the Administering Agency as authorized by RCW 39.34.030, to be known as the "Operating Fund of the SKHHP Executive Board" ("SKHHP Fund") within which Fund may be established various accounts and subaccounts including but not limited to a "SKHHP Operating Account" (into which will be deposited funding for the SKHHP operating budget) and a "Housing Capital Funds Account"; (7) hold regular meetings on those dates and at those places as the Executive Board may designate; (8) direct the Administering Agency to enter into contracts and agreements for the provision of personnel and other necessary services to SKHHP, including accounting and legal services and the purchase of insurance, and authorize the Administering Agency to execute such other contracts, agreements or other legal documents necessary with public and private entities for SKHHP to carry out its purposes; (9) establish the responsibilities for the SKHHP Program Manager, direct and oversee the Administering Agency in the hiring process and performance review for that position and direct and oversee the activities of the SKHHP Program Manager; (10) appoint members of the Advisory Board; (11) assist with incorporating and/or work with a non-profit corporation to accept grants, donations and other funds on behalf of SKHHP and direct the Administering Agency to enter into contracts or other agreements with such agency for the use of those funds to carry out the purposes of this Agreement; and (12) take whatever other action is necessary to carry out the purposes of this Agreement.

6. ADMINISTRATION AND OVERSIGHT. The Executive Board will have final decision-making authority on behalf of SKHHP over all legislative and administrative matters within the scope of this Agreement. The Executive Board may delegate responsibility for general oversight of the operations of SKHHP to a Program Manager. The SKHHP Program Manager will submit quarterly budget performance and progress reports on the status of the work program elements to the Executive Board and the legislative body of each Party. The reports and their contents will be in a form acceptable to the Executive Board.

The Executive Board will, by two-thirds supermajority vote, designate one or more of the Parties to serve as the Administering Agency, which will provide administrative support services on behalf of SKHHP. The Administering Agency will be the fiscal agent for SKHHP in accordance with the requirements of chapter 39.34 RCW. Each Party that serves in the capacity of Administering Agency hereby agrees to comply with the terms of this Agreement applicable to the Administering Agency in order to permit SKHHP to carry out its purposes. SKHHP will be staffed with personnel

provided by the Parties and/or independent contractors contracting with the Administering Agency on behalf of SKHHP.

Any Party providing personnel to SKHHP will remain solely responsible for the continued payment of all compensation and benefits to those personnel as well as for any worker's compensation claims. All Parties will cooperate fully in assisting SKHHP to provide the services authorized in this Agreement.

7. MEETINGS OF EXECUTIVE BOARD.

a. Frequency. The Executive Board will meet as often as it deems necessary, but not less often than quarterly.

b. Quorum. A quorum at any meeting of the Executive Board will consist of the Board members (or alternates) who represent a simple majority of the Board's membership. Executive Board members (or alternates) may participate in any meeting by phone or video conferencing for all purposes, including but not limited to voting and establishing a quorum.

c. Action. No action may be taken except at a meeting where a quorum exists. Action by the Executive Board requires an affirmative vote by a majority of the Board's membership, provided however, that a supermajority (two-thirds of Board members) will be required to appoint the Administering Agency, to add a new Party to this Agreement, or to modify the proposed contribution methodology for dues and assessments (see Section 15). Official action by the Executive Board may be conducted by motion, resolution, declaration, or other means as determined to be necessary by the Executive Board, provided however, appointment of the Administering Agency or Agencies shall be completed by resolution. All official action of the Executive Board shall be recorded in its official minutes. Each Executive Board member, or his or her alternate, will have one vote on any proposed action; except that shared member voting shall be in accordance with the Executive Board's approval under Section 5 (a). Proxy voting will not be allowed. To the extent applicable to meetings of the Executive Board, the Executive Board will comply with applicable requirements of the Washington State Open Public Meetings Act (chapter 42.30 RCW).

8. ADVISORY BOARD. The Executive Board will create an Advisory Board to provide advice and recommendation to the Executive Board on land and/or money resource allocation for affordable housing projects, input on policy needs related to housing stability, program design and development, recommendations

for emergency shelter and other immediate affordable housing needs, and to provide public education and community outreach services. The Advisory Board will be created before the end of the first year of SKHHP operations (with the start of the year defined as the hiring of the SKHHP Program Manager). The Advisory Board will consist of not more than fifteen (15) and not less than twelve (12) community members. The Executive Board will appoint members to the Advisory Board. Members appointed to the Advisory Board must have knowledge and understanding of affordable housing, be committed to the furtherance of affordable housing in South King County, and represent diverse community perspectives. Appointments will be for a four-year term with service limited to a total of two consecutive terms. The Executive Board will adopt procedures for the convening and administration of the Advisory Board. A member may be removed from the Advisory Board by the Executive Board with or without cause on a majority vote of membership of the Executive Board.

9. MEETINGS OF ADVISORY BOARD.

a. Frequency. The Advisory Board will meet as often as it deems necessary, but not less often than quarterly.

b. Quorum. A quorum at any meeting of the Advisory Board will consist of the Board members who represent a simple majority of the Board's membership. Advisory Board members may participate in any meeting by phone or video conferencing for all purposes, including but not limited to voting and establishing a quorum.

c. Action. No action may be taken except at a meeting where a quorum exists. Action by the Advisory Board requires an affirmative vote by a majority of those members attending a Board meeting where a quorum exists. Official action by the Advisory Board may be conducted by motion, resolution, declaration, or other means as determined to be necessary by the Advisory Board. Proxy voting is not allowed. To the extent applicable to meetings of the Advisory Board, the Advisory Board will comply with applicable requirements of the Washington State Open Public Meetings Act (chapter 42.30 RCW).

10. AGREEMENT DURATION. This Agreement will be in full force and effect for a period commencing as provided in Section 34, and ending December 31 2020. This Agreement will automatically renew for successive two-year terms, unless sooner terminated under the provisions of this Agreement.

11. TERMINATION OF AGREEMENT. This Agreement may be terminated at any time by affirmative vote of a majority of the legislative bodies of the Parties to this Agreement.

Upon termination of this Agreement, all property acquired during the life of the Agreement will be disposed of in the following manner:

a. all property contributed without charge by any Party will revert to the contributing Party;

b. all property purchased on behalf of SKHHP after the effective date of this Agreement will be distributed to the Parties based on each Party's pro rata contribution to the overall budget at the time the property was purchased;

c. except as provided in Subsection d. below, all unexpended or reserve funds will be distributed to the Parties based on each Party's pro rata contribution to the overall budget in effect at the time the Agreement is terminated;

d. all uncommitted monies in the Housing Capital Funds Account will be distributed to the Parties by remitting the total uncommitted amounts remaining in each Party's Individual Account (as described in Section 14) to that Party; and

e. each Party that has funded a project through the Housing Capital Funds Account will be substituted for the Administering Agency with regard to all project financing documents, and the Administering Agency will be released from further obligations with respect thereto.

12. WITHDRAWAL. If a Party wishes to withdraw from participation in this Agreement, it may do so after the initial two year term if it first gives three months advance written notice to the Executive Board of its intention to withdraw, which notice will be due on or before October 1, 2020. If notice of an intent to withdraw is timely received, withdrawal will be effective as of 11:59 p.m. on December 31, 2020. The initial members of SKHHP agree they will participate for at least the first two years of the collaboration.

After January 1, 2021, an opportunity is provided once per year for a Party to withdraw from this Agreement. Under this provision, advance written notice must be provided to the Executive Board on or before July 1, of its intention to withdraw from participation in the Agreement, effective as of 11:59 p.m. on December 31st of that current year.

Any Party withdrawing from this Agreement will remain legally and financially responsible for any obligation incurred by the Party pursuant to the terms of this Agreement, including but not limited to any project financing documents executed by the Administering Agency on behalf of that Party, during the time the withdrawing Party was a member of SKHHP. A notice of withdrawal may be revoked by the Party that submitted the notice only by approval of a majority of the Executive Board to accept the revocation. Any Party that provides written notice of its intent to withdraw may continue to vote on all matters before the Executive Board prior to the effective date of its withdrawal, except the budget and work plan for the following year.

13. BUDGET. The fiscal year for SKHHP will be January 1 to December 31 of any year. The first year budget and anticipated second year budget for SKHHP are attached to this Agreement as Exhibit B and incorporated herein by this reference. Approval of this Agreement by the legislative body of each Party includes approval of the first year SKHHP budget. For subsequent years, on or before June 1st of each year, a recommended operating budget and work plan for SKHHP for the next budget year will be prepared, reviewed and recommended by the Executive Board and transmitted to each Party. The recommended operating budget will contain an itemization of all categories of budgeted expenses and will contain an itemization of the amount of each Party's contribution, including in-kind services, toward that budget. Contributions to the SKHHP annual budget may also come from other public or private entities. The Executive Board will approve acceptance of those contributions.

a. No recommended budget or work plan will become effective until approved by the legislative body of each Party and adopted by the Executive Board, except for SKHHP's first year (2019). For the first year, the budget will be approved as part of the approval of this Agreement, and the first year work plan must be approved by the Executive Board. Once the legislative body of each Party has approved its contribution to SKHHP, either separately or through its budget process, and the SKHHP budget has been adopted by the Executive Board, each Party will be obligated to make whatever contribution(s) is budgeted for that Party. If a Party does not approve the work plan or budget in a timely manner, the Executive Board may adopt the annual budget and work plan with a two-thirds majority vote.

b. Each Party's contribution(s) will be transmitted to SKHHP on a quarterly basis at the beginning of each quarter unless

otherwise provided in the budget document. Each Party will specify the amount of its contribution to be deposited by the Administering Agency into the SKHHP Operating Account, as well as the amount, if any, to be deposited into the Party's Individual Account within the SKHHP Housing Capital Funds Account established by Section 14.

c. If any Party is delinquent by more than three months in the payment of its approved operating budget contribution to the SKHHP Operating Account, that Party will not be entitled to vote on matters before the Executive Board until the delinquency has been paid. A Party's decision not to contribute funds to its Individual Account, or its delinquency in funding the same will not affect that Party's voting rights on the Executive Board.

14. HOUSING CAPITAL FUNDS ACCOUNT ESTABLISHED; PROCEDURES FOR ADMINISTERING HOUSING CAPITAL FUNDS ACCOUNT CONTRIBUTIONS. If authorized by resolution of the Executive Board, the Administering Agency may establish and maintain an account within the SKHHP Fund for the purpose of administering the contributions of Parties, or other public or private entities, to affordable housing projects and programs, to be known as the SKHHP Housing Capital Funds Account. The amounts in the Housing Capital Funds Account will be held and disbursed by the Administering Agency as described in this Agreement.

a. Within the Housing Capital Funds Account, a sub-account will be established for each Party to this Agreement that chooses to contribute to the Housing Capital Funds Account. Such sub-accounts are collectively referred to as the "Individual Accounts." Contributions to an Individual Account from a Party may be released only upon, and in accordance with, the written direction of that Party.

b. A subaccount will be established within each Individual Account for each project or program funded in whole or part by a Party from its Individual Account. Such sub-accounts are referred to as "Project Accounts."

c. The Administering Agency will maintain records sufficient to separately track the deposits, withdrawals and interest earnings, within each Individual Account and each Project Account, and will provide quarterly reports to all Parties as to the status of funds in each Individual Account and Project Account. The Administering Agency's responsibilities under this Section may be delegated to the SKHHP Program Manager to the extent consistent with applicable law and as the Administering Agency and Executive Board may agree.

d. Funds transmitted to SKHHP for deposit in the Housing Capital Funds Account will be held by the Administering Agency on behalf of SKHHP until directed for application to a specific project or program by the contributing Party. Uncommitted funds in an Individual Account will be remitted to the contributing Party within 45 days of receipt of written request from the Party signed by its chief executive officer, or upon the Party's withdrawal from SKHHP in accordance with the terms of Section 12, or on the dissolution of SKHHP per Section 11.

e. Funds held by the Administering Agency on behalf of SKHHP will be subject to laws applicable to public funds, including but not limitations on investments for public funds as provided in State law and the State constitutional limitations on the gifting of public funds. Investment earnings will be credited to each Individual Account and Subaccount on a pro rata basis.

f. The Executive Board will develop standard forms of approvals and agreements to be used in the application of funds contributed to the Housing Capital Funds Account (collectively referred to as "project financing documents"), consistent with the following goals and procedures:

- i. Each Party choosing to participate in funding a project or program through the Housing Capital Funds Account will by action of its legislative body authorize the application of a specified amount of its Individual Account monies to such project or program, and will authorize and direct the SKHHP Executive Board, the SKHHP Program Manager, and the Administering Agency to take such actions as necessary to accomplish this. The Executive Board will recommend to the individual legislative bodies various terms to accompany their authorizations, and the legislative body authorizations will at a minimum include terms related to:
 1. amount of funds allocated;
 2. project description, including minimum affordability requirements, if any;
 3. nature of the funding commitment (loan, grant, or other);
 4. in the event the funding commitment is provided as a loan, the general repayment terms including but not limited to the term of the loan and applicable, interest rate(s); and

5. a general description of the security interests, if any, to be recorded in favor of the Party.

- ii. For each individual housing project or program to be funded through the Housing Capital Funds Account, the developer, owner or administrator of such project or program (generally referred to as the "developer"), will enter into the necessary set of agreements (project financing documents) with the Administering Agency. The project financing documents will specify that the Administering Agency is acting as administering agency on behalf of each Party that is providing Housing Capital Funds Account funding to the project or program pursuant to this Agreement and RCW 39.34.030(4), and will identify each participating funding Party. The project financing documents will be consistent with general forms of agreement approved by the Executive Board and the terms and conditions approved by the legislative bodies of the funding Parties. To the extent permitted by law, the project financing agreements will incorporate all terms and conditions relative to the use and (if applicable) repayment of such funds, and provide for transfer of the Housing Capital Funds Account monies from the funding Parties to the developer.
- iii. Funding contributions to, and repayments (if any) from, specific projects and programs will be recorded by the Administering Agency, including recording of monies deposited and withdrawn from each Party's Individual Account and Project Accounts. Repayments (if any) under any project financing agreement will be applied *pro rata* to the funding Parties' Individual Accounts based on the ratio of funding contributed to the project by each Party, unless the funding Parties otherwise agree.
- iv. Unless the Parties funding a project or program through the Housing Capital Funds Account otherwise agree, a default, termination or other action against a developer or other third party may be declared only after securing approval in writing of the chief executive officers of funding Parties which together have contributed not less than 51% of the total SKHHP member funding to the project. The Administering Agency will provide reasonable

notice and information regarding the status of projects as necessary to each funding Party's chief executive officer to allow them to make a timely decision in this regard. Funding Parties not consenting to such default, termination or other action will be bound by the decision of the majority. All funding Parties will be obligated on a pro rata basis (based on their contributions to the project) to pay to the Administering Agency its reasonable costs and expenses incurred as a result of declaring a default, terminating an agreement or taking other action against a developer or other third party. Any funds recovered through such enforcement proceedings will be allocated to the funding Parties Individual Accounts pro rata based on their respective funding contributions to a project.

- v. The Executive Board may from time to time authorize the Administering Agency to administer housing project agreements entered into before the effective date of this Agreement, upon terms consistent with this Agreement and subject to the consent of the Administering Agency and the Parties to such agreements.

15. DUES, ASSESSMENTS AND BUDGET AMENDMENTS. Contributions to the SKHHP Operating fund will be based on groupings of like-sized cities (based on population), or whatever contribution methodology is approved by a two-thirds majority of the Executive Board. Funding for the activities of SKHHP will be provided solely through the budgetary process. Unless otherwise specified in this Agreement, no dues, charges or assessments will be imposed or required of the Parties except upon unanimous vote of the membership of the Executive Board and ratification by the legislative body of each Party subject to the dues, charges or assessments. An approved budget (the overall revenues and expenditures) will not be modified until approved by the legislative body of each Party and finally adopted by the Executive Board. If a Party agrees to totally fund an additional task to the work program, not currently approved in the budget, the task may be added to the work plan and the budget amended to reflect the funding of the total cost of such task by the requesting Party, upon approval by a majority of the membership of the Executive Board without approval by the individual Parties. Notwithstanding the foregoing, contributions by a Party to its Individual Account within the Housing Capital Funds Account will be solely within the

discretion of that Party and are not considered "dues or assessments."

16. PUBLIC RECORDS REQUESTS. Records of SKHHP will be held by the Administering Agency, in addition to any records the Parties themselves may retain concerning their participation in SKHHP. These records may include meeting agendas, meeting summaries, reports, plans, budgets, and other documents.

When a Party receives a request for records that may be held by the Administering Agency, the Party will refer the request to its own Executive Board member. The Party's Executive Board member will then work with the Administering Agency to gather all responsive records. The Party receiving the request should work with its own public records staff (if any) to describe the request with sufficient specificity to allow the Administrative Agency to identify and provide the records being sought. If any clarification of the request is required, the Party receiving the request will obtain that clarification from the requester. All communication with the requester will be by the Party to whom the request was submitted.

In consultation with the Administering Agency, it will be the responsibility of the Party to whom the request for records was made to estimate the time it will need to produce responsive records, determine which records are responsive to the request, and address any redactions permitted by law. The Party that receives the request will bear the responsibility of complying with the Public Records Act in relation to its public records.

Nothing in this Section is intended to require a Party to collect or produce records that are not prepared, owned, used, or retained by that Party as contemplated by the Public Records Act.

17. INDEMNIFICATION AND HOLD HARMLESS.

a. Each Party will indemnify, defend and hold other Parties (including without limitation the Party serving as, and acting in its capacity as, SKHHP's Administering Agency), their officers, officials, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Party's wrongful acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries or damages are caused by another Party. If there is any recovery under this Section, the Party responsible for any wrongful acts or omissions will pay any judgment or lien arising from the acts or omissions, including all

costs and other Parties' reasonable attorney's fees. If more than one Party is held to be at fault, the obligation to indemnify and to pay costs and attorney's fees, will be only to the extent of the percentage of fault allocated to each respective Party by a final judgment of the court.

b. If a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of a Party (including without limitation the Party serving as, and acting in its capacity as, SKHHP's Administering Agency), its officers, officials, employees, and volunteers, the Party's liability hereunder will be only to the extent of the Party's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Party's waiver of immunity under Industrial Insurance Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the Parties. The provisions of this Section will survive the expiration or termination of this Agreement.

c. Each Party (including without limitation the Party serving as, and acting in its capacity as, SKHHP's Administering Agency) will give the other Parties proper notice of any claim or suit coming within the purview of these indemnities.

18. INSURANCE. The Executive Board, SKHHP Program Manager and the Administering Agency will take such steps as are reasonably practicable to minimize the liability of the Parties associated with their participation in this Agreement, including but not limited to the utilization of sound business practice. The Executive Board will determine which, if any, insurance policies may be reasonably practicably acquired to cover the operations of SKHHP and the activities of the Parties pursuant to this Agreement (which may include general liability, errors and omissions, fiduciary, crime and fidelity insurance), and will direct the acquisition of same.

19. AMENDMENTS. Any amendments to this Agreement must be in writing. This Agreement may be amended upon approval of at least two-thirds of the legislative bodies of all Parties to this Agreement, evidenced by the authorized signatures of those Parties as of the effective date of the amendment. However, any amendment to this Agreement affecting the terms and conditions of membership on the Executive Board, powers of the Executive Board, voting rights of Executive Board members, Party contribution

responsibilities, hold harmless and indemnification requirements, provisions regarding duration, termination or withdrawal, or the conditions of this Section will require consent of the legislative authorities of all Parties. This Section will not be construed to require amendment of this Agreement for the addition of a new Party contemplated under Section 20 or for any related revision to Executive Board membership authorized in Section 5(a).

20. ADDITIONAL PARTIES. Municipalities, local governments and public agencies within the SKHHP Sphere of Influence may, on execution of the Agreement and approval of the budget and work plan by its legislative body, become a Party to this Agreement on affirmative vote of a two-thirds majority of the membership of the Executive Board. The Executive Board will determine by a vote of a majority of its membership what, if any, funding obligations the additional Party will commit to as a condition of becoming a Party to this Agreement.

21. SEVERABILITY. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this Agreement, will not affect the validity of the remaining provisions of the Agreement.

22. CONFLICT RESOLUTION. Whenever any dispute arises between the Parties or between a Party or Parties, the Executive Board, or the Administering Agency (referred to collectively in this Section as the "Parties") under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute in good faith by meeting, as soon as feasible. The meeting will include the Chair of the Executive Board, the SKHHP Program Manager, and the representative(s) of the Parties involved in the dispute. If the parties do not come to an agreement on the dispute, any party may pursue mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) will be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties to the dispute will share equally the costs of mediation and assume their own costs.

23. SURVIVABILITY. Notwithstanding any provision in this Agreement to the contrary, the provisions of Section 10 (Agreement Duration), Section 11 (Termination of Agreement), Section 12 (Withdrawal), Section 16 (Public Records Requests), and Section 17 (Indemnification and Hold Harmless) will remain operative and in full force and effect, regardless of the withdrawal or termination of any Party or the termination of this Agreement.

24. WAIVER. No term or provision of this Agreement will be deemed waived and no breach excused unless that waiver or consent is in writing and signed by the Party claimed to have waived or consented.

25. SUBSEQUENT BREACH. Waiver of any default will not be deemed a waiver of any subsequent default. Waiver of breach of any provision of this Agreement will not be deemed to be a waiver of any other or subsequent breach and will not be construed to be a modification of the terms of the Agreement unless stated to be such through written approval of all Parties.

26. NOTICE. Any notice to the Executive Board will be in writing and will be addressed to the Chair of the Executive Board and to the SKHHP Program Manager. In the absence of a SKHHP Program Manager, notice will be given to the chief executive officer of the Administering Agency. Any notice to an Officer or Party will be sent, to the address specified by the chief executive officer of the Party.

27. ASSIGNMENT. No Party may sell, transfer or assign any of its rights or benefits under this Agreement without Executive Board approval.

28. APPLICABLE LAW AND VENUE. This Agreement and any rights, remedies, or obligations provided for in this Agreement will be governed, construed, and enforced in accordance with the substantive and procedural laws of the State. The Parties agree that the venue for any legal action under this Agreement is in the County in which a project is located, provided that the venue for any legal action against King County may be filed in accordance with RCW 36.01.050.

29. RETAINED RESPONSIBILITY AND AUTHORITY. Parties retain the responsibility and authority for managing and maintaining their own internal systems and programs related to affordable housing activities.

30. INDEPENDENT CONTRACTORS. Each Party to this Agreement is an independent contractor with respect to the subject matter of this Agreement. No joint venture or partnership is formed as a result of this Agreement.

Nothing in this Agreement will make any employee of one Party an employee of another party for any purpose, including, but not limited to, for withholding of taxes, payment of benefits, worker's

compensation pursuant to Title 51 RCW, or any other rights or privileges accorded by virtue of their employment. No Party assumes any responsibility for the payment of any compensation, fees, wages, benefits or taxes to or on behalf of any other Party's employees. No employees or agents of one Party will be deemed, or represent themselves to be, employees of another Party.

31. NO THIRD PARTY BENEFICIARIES. This Agreement is for the benefit of the Parties only, and no third party will have any rights under this agreement.

32. NONDISCRIMINATION. The Parties will comply with the nondiscrimination requirements of applicable federal, state and local statutes and regulations.

33. COUNTERPARTS. This Agreement may be signed in counterparts and, if so signed, will be deemed one integrated Agreement.

34. FILING AND EFFECTIVE DATE; PRIOR AGREEMENTS. This Agreement will become effective January 1, 2019, subject to its approval by the legislative bodies of all jurisdictions who are members of SKHHP as of January 1, 2019, and, pursuant to RCW 39.34.040, upon recording this Agreement or posting this Agreement on a Party's web site or other electronically retrievable public source. Although this Agreement may be approved and signed by a Party after the Agreement's effective date, all acts consistent with the authority of this Agreement that occur on or after January 1, 2019, are hereby ratified and affirmed, and the terms of this Agreement will be deemed to have applied.

(Signature Page Follows)

Approved and executed this 19th day of February, 2019.

Name of Party: **CITY OF AUBURN**



Nancy Backus, Mayor

Approved as to form:



Steve Gross, City Attorney

Exhibit A - SKHHP Sphere of Influence

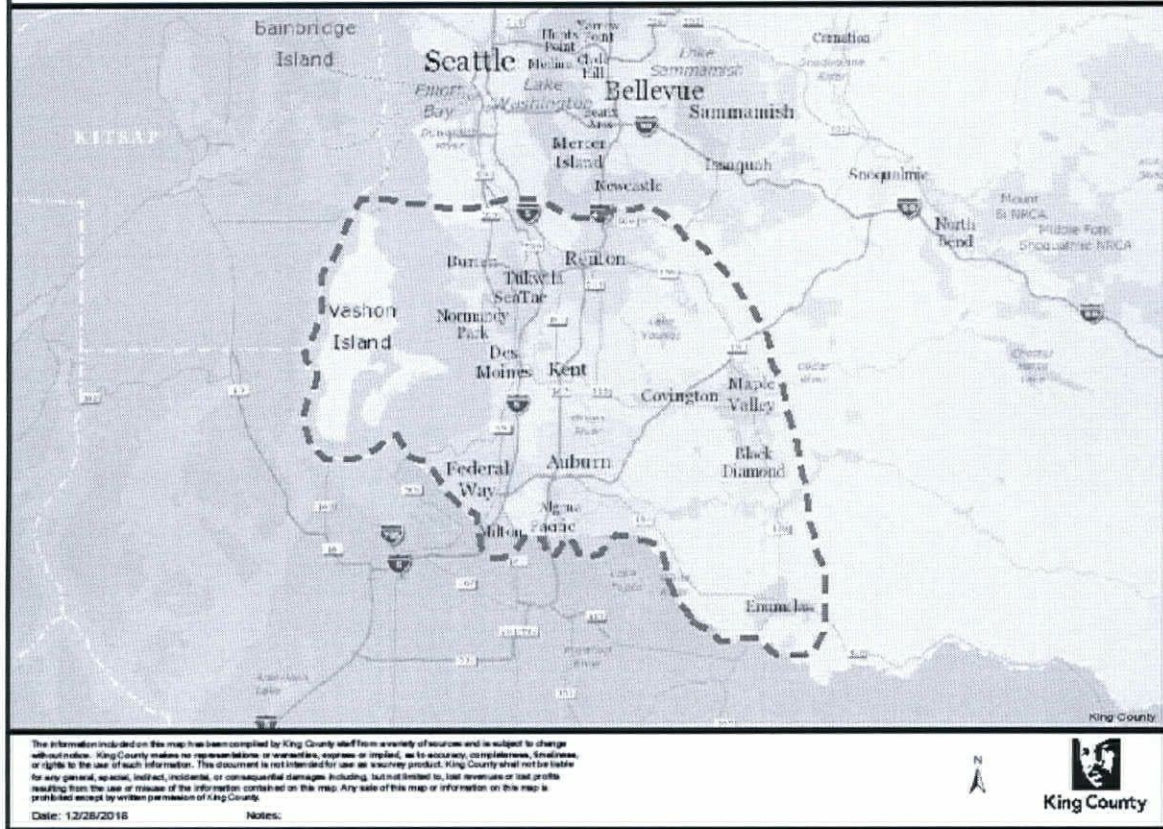


EXHIBIT B

FIRST YEAR SKHHP BUDGET			
9 cities & King County			
Year 1: 10 months of Operations			
Annual Expense Budget			
Full-time manager with salary/taxes/benefits		\$	130,000
Administrative & low-level policy support with salary/taxes/benefits		\$	90,000
Expenses - travel, phone, postage, and start-up costs		\$	19,000
Space		\$	12,000
SubTotal		\$	251,000
10% Fiscal Administration Fee		\$	25,100
TOTAL		\$	276,100
Cost for 10 months of Operations:		\$	230,083
Revenue Budget			
Outside sources* (County, philanthropy, aligned organizations)		\$	68,000
Office Space (in-kind donation) [Pro-rated]		\$	10,000
Shared among participating cities (see below)		\$	152,083
TOTAL		\$	230,083
Shares for participating cities:			
	Population (OFM 2018 est)	% of Population	Grouped by Size**
Auburn	80,615	12%	\$ 20,236
Burien	51,850	8%	\$ 11,675
Covington	20,080	3%	\$ 5,837
Des Moines	31,340	5%	\$ 5,837
Federal Way	97,440	15%	\$ 20,236
Kent	128,900	20%	\$ 26,463
Normandy Park	6,700	1%	\$ 3,113
Renton	104,100	16%	\$ 26,463
Tukwila	19,800	3%	\$ 5,837
Unincorporated SKC	111,000	17%	\$ 26,463
TOTAL	651,825		\$ 152,161
*Outside sources		**Grouped by Size Ranges	
KC Housing Authority	15,000	<10,000	\$ 3,113
Enterprise	5,000	10,001- 35,000:	\$ 5,837
King County***	48,000	35,001 - 65,000:	\$ 11,675
TOTAL	68,000	65,001 - 100,000	\$ 20,236
		100,001+ :	\$ 26,463
***King County has committed \$75,000; including covering the share for unincorporated (In Year 1, the accrual from the unincorporated SKC share is used for \$7K in startup costs)			

SECOND YEAR SKHHP DRAFT BUDGET

9 cities & King County

Year 2: Full Year of Operations

Annual Expense Budget

Full-time manager with salary/taxes/benefits	\$	130,000
Administrative & low-level policy support with salary/taxes/benefits	\$	90,000
Expenses - travel, phone, postage	\$	12,000
Space	\$	12,000
SubTotal	\$	244,000
10% Fiscal Administration Fee	\$	24,400
TOTAL	\$	268,400

Revenue Budget

Outside sources* (County, philanthropy, aligned organizations)	\$	61,000
Office Space (in-kind donation)	\$	12,000
Shared among participating cities (see below)	\$	195,400
TOTAL	\$	268,400

Shares for participating cities:

	Population (OFM 2018 est)	% of Population	Grouped by Size**
Auburn	80,615	12%	\$ 26,000
Burien	51,850	8%	\$ 15,000
Covington	20,080	3%	\$ 7,500
Des Moines	31,340	5%	\$ 7,500
Federal Way	97,440	15%	\$ 26,000
Kent	128,900	20%	\$ 34,000
Normandy Park	6,700	1%	\$ 4,000
Renton	104,100	16%	\$ 34,000
Tukwila	19,800	3%	\$ 7,500
Unincorporated SKC	111,000	17%	\$ 34,000
TOTAL	651,825		\$ 195,500

***Outside sources**

KC Housing Authority	15,000
Enterprise	5,000
King County***	41,000
TOTAL	61,000

****Grouped by Size Ranges**

<10,000	\$ 4,000
10,001- 35,000:	\$ 7,500
35,001 - 65,000:	\$ 15,000
65,001 - 100,000	\$ 26,000
100,001+ :	\$ 34,000

***King County has committed \$75,000;
including covering the share for unincorporated



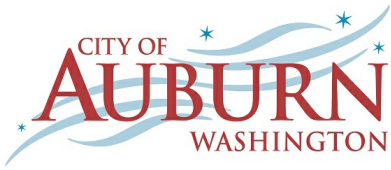
Staff Identification of Potential Top Priority SKHHP

June 2019

Staff of member jurisdictions have discussed a wide range of work plan ideas for SKHHP that were identified last year as part of the Example Work Plan. Their goal was to identify some initial thoughts about priorities for an 18-month work plan for the new SKHHP staff. Each jurisdiction was asked to identify what SKHHP “must do”, “should do” or “could do” in the next 18 months. The summary below lists all the identified “must do” or “should do” areas.

Next steps are to review this list with the Executive Board and get their reactions. Once the SKHHP Program Manager is hired this list can be used to discuss and ultimately create a draft 18-month work plan that will include deliverables. The SKHHP work plan will need to be approved by the Board and each member jurisdiction

Must Do	Should Do
Unified voice for South King County	Acquisition rehab program
Assessment of housing stock and condition	Weatherization programs/expansion
Schedule priority meetings and SKC ambassadors	Assess risk of manufactured housing
Develop key presentations for legislators/SCA	Policies for safe and healthy housing
Develop connection to regional planning efforts	Benchmark existing trust funds
Homelessness coordination	Explore support from other philanthropic fund sources
Implement the ILA and governance structure	Support city staff on enacting local policies on ADU's, zoning provisions, tenant protections
Annual work plan	Assist staff with comprehensive housing strategy plans
Assessment of Existing preservation programs	Assist staff from jurisdictions to align policies and share info
Reviewing housing elements & docs	Prepare materials/presentations for city councils, planning commissions and host Affordable housing tours
Catalogue best practice housing policies	Building support for affordable housing, including permanent supportive housing
Building resources for affordable housing or coordinating around HB 1406	



AGENDA BILL APPROVAL FORM

Agenda Subject:

Inland Development Group (Tate/Gaub)(25 Minutes)

Department:

Community Development

Attachments:

[Memo to Council](#)

Date:

January 7, 2020

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:**Background Summary:**

See attached memo.

Reviewed by Council Committees:

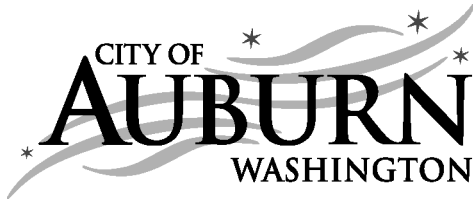
Councilmember: DaCorsi

Staff:

Tate/Gaub

Meeting Date: January 13, 2020

Item Number:



Memorandum

To: City Council Members

From: Jeff Tate, Director of Community Development
Ingrid Gaub, Director of Public Works

CC: Mayor Nancy Backus

Date: January 6, 2020

Re: Inland Development Agreement Overview

Development Agreement Defined

A development agreement (DA) is a voluntary contract between a local jurisdiction and a person who owns or controls property within the jurisdiction, detailing the obligations of both parties and specifying the standards and conditions that will govern development of the property. Although the agreements are voluntary, once made they are binding on the parties and successors.

A development agreement provides assurances to the developer that the development regulations that apply to the project will not change during the term of the agreement. The city or county may require conditions to mitigate project impacts, as well as clarification about project phasing and timing of public improvements. RCW 36.70B.170 describes the type of development standards that are appropriate in a development agreement.

The purpose of this memo is to provide an overview of the Development Agreement that was adopted by City Council and that applies to the site of the former Valley 6 Drive In.

Property Description

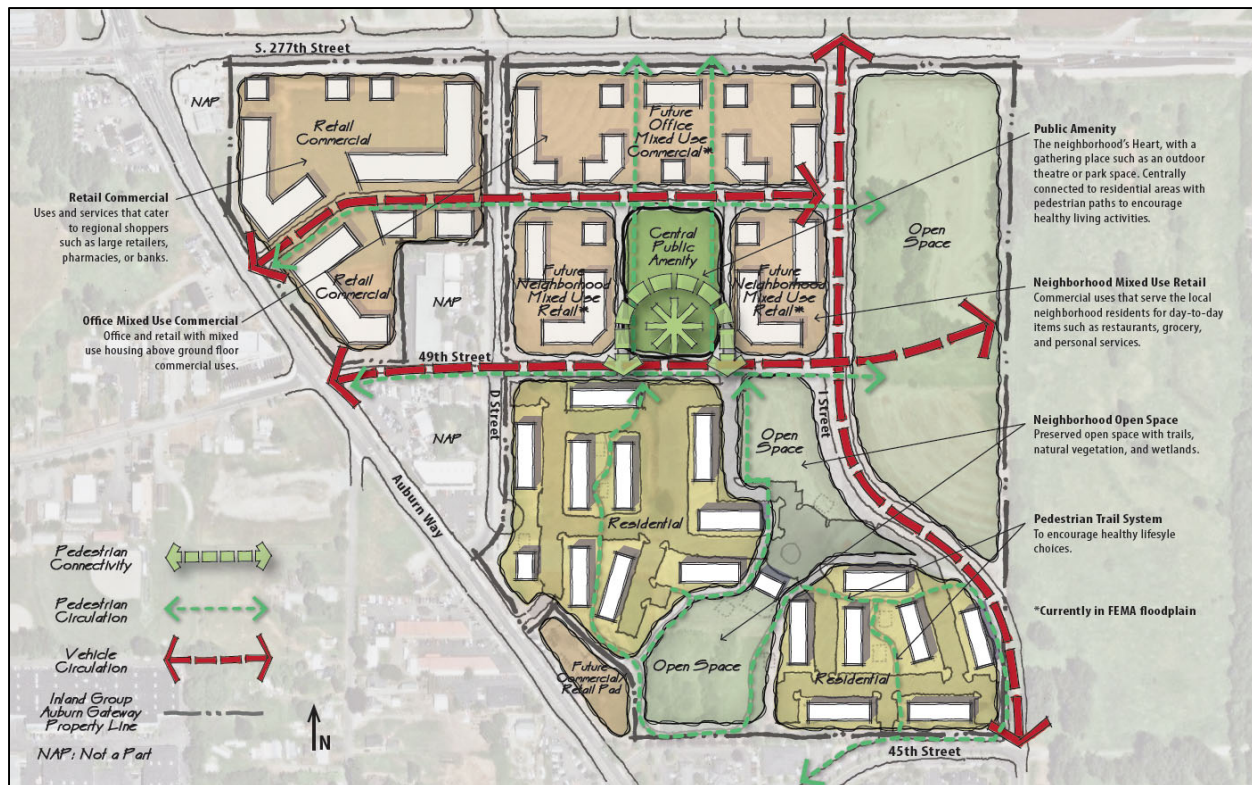
The Inland property is located on the north end of Auburn. It shares its northern boundary with the northern boundary of the city limits. It is approximately 70 acres in size and comprised of multiple parcels. Throughout the DA and in the more casual verbal descriptions of the development there is reference to the north site and the south site, the residential component and the commercial component. Generally speaking, 49th Street NE is the demarcation of the north and south. And the residential component of the development (a.k.a. Copper Gate) is located on the south side of the property and the commercial portion on the north side. Additionally, there are repeated references to "The Heart" which is also located north of 49th Street NE and near the center of the overall property. Below is an aerial image that defines the property ownership that is subject to the DA in red.



Inland Development Agreement Overview

On June 24, 2019 City Council adopted Resolution 5442 which is described as a restated and amended DA with Capital Acquisitions (a.k.a. Inland Development). Resolution 5442 amended Resolution 4756 which was a previous DA adopted in 2011 between the city and the former property owner Robertson Property Group (RPG). Resolution 4756 was the culmination of more than 10 years of work between the city and RPG. While there is more than 20 years of history relative to this property, the prior DA, environmental analysis, council discussions, etc. this memo focuses on the current DA.

The current DA has the effect of establishing a unique zoning designation (C-4) in the Auburn City Code and unique allowances and requirements on the property. Below is a map image that provides a visual representation of the concept that is authorized under the DA:

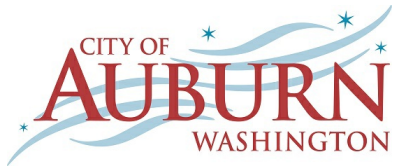


The Inland Development Agreement adopted under Resolution 5442 contains 80 pages of detailed land use and development requirements that include landscaping, building design, road construction, utilities installation, open space, trails, signage, sidewalks, flood storage, environmental protection, etc. Key highlights of the DA include:

1. Phase 1: The Residential – 500 units of residential multi-family housing. The housing element is targeted towards households earning 60% of King County median income. The 2018 median household income in King County was \$95,009 which means that households earning approximately \$57,000 per year are the targeted population (or an individual who earns about \$27 per hour). This is not low income housing; it is affordable workforce housing.
2. Phase 2: The Heart – an approximately 4 acre central community common area called The Heart. The Heart will provide active open space, landscaping, a performance stage, parking for 4 food trucks, public restrooms, and benches and trails. It will be open to the community at large and will accommodate both day time and night time activity. While it will remain private property and maintained by Inland, programming of the space will be carried out in consultation with the City Parks Department.
3. Phase 3: The Commercial – Surrounding The Heart and on the north side of the property are a mix of office and commercial uses. Tenants of these spaces are not yet known. Development of the commercial area will be governed by strict architectural standards that apply to both the buildings and the site improvements (e.g. gathering spaces, walkways, landscaping, benches, etc.).
4. Construction of I Street NE from S 277th to 45th Street NE. This will create a new north south connection that generally parallels Auburn Way North from S 277th to Harvey Road. Construction of this street will also include a traffic signal at S 277th and appropriate utilities.

5. Construction of 49th Street NE from Auburn Way North to I Street NE that includes a traffic signal at Auburn Way North and a roundabout at the intersection of 49th St NE and I St. NE. Construction of this street includes appropriate utilities.
6. Construction of D Street NE from S 277th to a cul-de-sac terminus located just north of Auburn Way North. Construction of this street includes appropriate utilities.
7. Pedestrian connections through the site that help better connect the Green River trail to the east and the Interurban to the west. These pedestrian connections will be open to the public.
8. Community amenities such as a community garden, a 5 stall trailhead parking lot at S 277th, a “Welcome to Auburn” gateway feature along Auburn Way North, multiple playgrounds and sports courts, and artistic utility box wraps.

The City has already begun issuance of building permits for portions of the Phase 1 residential construction and supporting civil plans for roads and utilities. The Phase 2 and Phase 3 elements are still under review. Phase 2 is likely to be approved and issued in the first quarter of 2020 with Phase 3 following closely behind. This construction project is likely to span approximately 3 years.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Overview of Special Focus Area Format (Hinman)(15 Minutes)

Date:

January 6, 2020

Department:

Administration

Attachments:

[SFA 2020 Meetings](#)

[SFA Meetings Format](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:**Background Summary:****Reviewed by Council Committees:****Councilmember:****Staff:**

Hinman

Meeting Date: January 13, 2020

Item Number:

SPECIAL FOCUS AREAS

COMMUNITY WELLNESS	FINANCE TECHNOLOGY & ECONOMIC DEVELOPMENT	PUBLIC WORKS & COMMUNITY DEVELOPMENT	MUNICIPAL SERVICES
PUBLIC HEALTH AND WELLNESS COMMUNITY & NEIGHBORHOOD SERVICES HOMELESSNESS & HOMELESSNESS PREVENTION HOUSING QUALITY, AFFORDABILITY & ATTAINABILITY HUMAN & SOCIAL SERVICES DOMESTIC VIOLENCE SERVICES COMMUNITY EQUITY	EQUIPMENT RENTAL FACILITIES INNOVATION & TECHNOLOGY CITY REAL PROPERTY BUSINESS DEVELOPMENT SISTER CITIES INTERNATIONAL	UTILITIES TRANSPORTATION SUSTAINABILITY ENVIRONMENTAL PROTECTION CULTURAL ARTS & PUBLIC ARTS PLANNING & ZONING PERMITS & DEVELOPMENT RIGHT OF WAY MANAGEMENT AIRPORT AIRPORT BUSINESS	POLICE SCORE JAIL DISTRICT COURT PARKS & RECREATION ANIMAL CONTROL SOLID WASTE EMERGENCY PLANNING MULTIMEDIA CEMETERY
Councilmember , Chair Councilmember, Vice Chair	Councilmember , Chair Councilmember , Vice Chair	Councilmember , Chair Councilmember , Vice Chair	Councilmember , Chair Councilmember, Vice Chair
2020 MEETING DATES March 9, 2020 May 11, 2020 July 13, 2020 September 14, 2020 November 9, 2020	2020 MEETING DATES January 27, 2020 March 23, 2020 May 26, 2020 July 27, 2020 September 28, 2020 November 23, 2020	2020 MEETING DATES February 10, 2020 April 13, 2020 June 8, 2020 August 10, 2020 October 13, 2020 December 14, 2020	2020 MEETING DATES February 24, 2020 April 27, 2020 June 22, 2020 August 24, 2020 October 26, 2020 December 28, 2020

SECTION 16 - COUNCIL STUDY SESSIONS, COMMITTEES AND CITIZEN ADVISORY BOARDS

- 16.1 In addition to the regularly scheduled City Council meetings (Regular Council Meetings) scheduled on the first and third Mondays of the month, City Council shall regularly schedule Council Study Sessions on the second, fourth and fifth Mondays of the month for review of matters that would come back before the City Council at Regular Council Meetings. Different than the format for Regular Council Meetings (identified in Section 3 hereof), Study Sessions shall be less formal than Regular Council Meetings and shall give the City Council the opportunity to discuss and debate issues coming before it for action at Regular Council meetings. The format for these meetings shall be as follows:

A. General Business Focus and Special Focus Areas

Study Sessions shall consist of two (2) Focus divisions per meeting; (1) a General Business Focus and (2) a Special Focus Area. The General Business Focus shall be scheduled first, and shall include agenda items that relate to issues of general City concern, items that will be coming before the City Council at upcoming meetings and presentations and reports to the City Council. The Special Focus Area groups shall, on a rotating basis described below, commence their portion of the Study Session following the conclusion of the Study Session General Business Focus. The Special Focus Area groups shall review matters of Council concern related to their areas of oversight responsibility. The Special Focus Area groups shall consist of the following: (1) Public Works & Community Development; (2) Municipal Services; (3) Health & Human Services; and (4) Finance & Economic Development. These Special Focus Area groups shall be tasked with oversight of Council considerations as follows:

1. Public Works & Community Development;
 - Utilities
 - Zoning Codes & Permits
 - Innovation & Technology
 - Transportation
 - Streets
 - Engineering
 - Capital Projects
 - Sustainability
 - Environmental Protection
 - Cultural Arts and Public Arts
 - Planning
2. Municipal Services
 - Police
 - SCORE Jail

- District Court
 - Parks & Recreation
 - Animal Control
 - Solid Waste
 - Emergency Planning
 - Airport
 - Airport Businesses
 - Sister Cities
 - Multi Media
3. Health & Human Services
 - Human Services Funding
 - Public Wellness
 - Domestic Violence Services
 - Homelessness Services
 - Affordable Housing
 - Community Services
 - Human Resources
 - Medical Community Relations
 4. Finance & Economic Development
 - City Budget & Amendments
 - Risk Management
 - Equipment Rental
 - Facilities
 - City Real Property
 - Legal
 - Development Incentives
 - Business Development
 - Economic Development Strategies

Aside from the above Special Focus Area topics, there shall be a Finance ad hoc Committee to review vouchers and payroll.

B. Scheduling of Special Focus Area.

1. The Special Focus Areas shall conduct their portion of the Study Sessions on 2nd and 4th Mondays of the month on a rotating basis such as follows: Public Works & Community Development, then Municipal Services, then Health & Human Services, then Finance & Economic Development, then Public Works & Community Development, then Municipal Services, and so on.
2. On 5th Mondays of the Month, Study Sessions will not typically include any of the above Special Focus Areas, but may include

special topics and issues of general concern to the City Council, including Council operating arrangements and Council Rules of Procedure. It is provided, however, that in order for the City Council to address the matters coming before the City Council, the Mayor and Deputy Mayor may, as they deem appropriate, insert into any Study Session any matters calling for City Council consideration and discussion, regardless of Special Focus Areas.

3. Topics for Special Focus Area consideration (for inclusion in the Special Focus Area portion of the Study Session agenda) shall be determined by the Chair of each Special Focus Area along with the Mayor and the Deputy Mayor, taking into account matters within the topics of the Special Focus Area calling for action or consideration, and suggestions by other Councilmembers of such topics.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Overview of Mel's Lot Development Agreement
(Hinman/Comeau)(30 Minutes)

Date:

January 9, 2020

Department:

City Attorney

Attachments:

[Amended DRA](#)

[Staff Memo](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

Currently, Auburn owns the "Mel's Lot" (1st NW & A Street) and uses it for employee parking and leased permit parking to Multicare. The portion of the lot that serves city employee parking, fulfill the parking requirement for the city's portion of the annex building. When the city purchased the Mel's Lot, it entered into a Development Rights Agreement with the prior owner. In 2019, the owner of those rights, now Lexi LLC, exercised its option under the 2010 Development Rights Agreement to regain title to the lot. The agreement requires the city to reconvey the lot to Lexi LLC upon the company meeting several criteria. Lexi LLC has since met those criteria, one of which was obtaining city approval of development applications for development of the lot. In response, Lexi LLC has proposed changes to the Development Rights Agreement to reflect the conveyance of the lot and the new relationship between the city and Lexi LLC. The firm has also proposed corresponding amendments to a "Parking Easement Agreement," which is the document that gives the city parking rights on the lot. Third, Lexi LCC has proposed a release of some of their permit applications and application appeals that were made extraneous when the firm decided against providing substitute parking on other lots and rather chose to keep the parking spots on the Mel's Lot.

Reviewed by Council Committees:**Councilmember:****Staff:**

Hinman/Comeau

Meeting Date: January 13, 2020

Item Number:

AFTER RECORDING RETURN TO:

Lexi, LLC
c/o Michael John Klein, CPA
30300 Agoura Road, Ste. 270
Agoura Hills, CA 91301

AMENDED AND RESTATED DEVELOPMENT RIGHTS AGREEMENT

Grantor:	CITY OF AUBURN, and AUBURN PROFESSIONAL PLAZA, LLC, a Washington limited liability company
Grantee:	LEXI, LLC, a Washington limited liability company
Legal Description:	Parcel A of City of Auburn Declaration of Lot Combination BLA 19-0005, recorded May 9, 2019 under King County recording number 20190509000812, also known as Block 7, Map of L.W. Ballard's Park Addition to Slaughter, according to the Plat Thereof recorded in Volume 3 of Plats, Page 91, records of King County, Washington; together with the vacated West 10 feet of Silver Street (now "A" Street NW) adjoining, except that portion conveyed to the City of Auburn by Deed recorded November 18, 2009 under King County recording number 20091118001497.
Tax Parcel Nos.:	0492000460, 0492000461 and 0492000463
Related Documents:	20100514000044

AMENDED AND RESTATED DEVELOPMENT RIGHTS AGREEMENT

This AMENDED AND RESTATED DEVELOPMENT RIGHTS AGREEMENT (“Agreement”) is entered into as of January __, 2020, by and between THE CITY OF AUBURN, a code city of the state of Washington (“City”), AUBURN PROFESSIONAL PLAZA, LLC, a Washington limited liability company (“APP”), and LEXI, LLC, a Washington limited liability company (“Lexi”), with reference to the following facts:

INTRODUCTION

I. On May 14, 2010, a Development Rights Agreement was entered into by and between the City, as Grantor, and APP, as Grantee, which Development Rights Agreement was recorded under King County recording number 20100514000044 (“Original DRA”).

II. On January 31, 2019, APP assigned all of its right, title, powers and interest as Grantee under the Original DRA to Lexi, as reflected in the Assignment of Grantee’s Interest in Development Rights Agreement recorded under King County recording number 20190131000785.

III. On February 1, 2019, a Memorandum of Exercise of Grantee’s Rights Pursuant to Development Rights Agreement was recorded under King County, Washington recording number 201902013000726.

IV. Notwithstanding its assignment referenced in Introduction II, APP retained rights as a Condo Unit Owner in the APP Parking Spaces.

V. The City, APP and Lexi wish to amend the Original DRA and restate it, with changes, in its entirety.

RECITALS

A. A Parking Easement Agreement was entered into as of November 17, 2009 by and between APP, as Grantor, and APP, as Grantee, and recorded under King County, Washington recording number 20091118001355 (“PEA”).

B. The PEA granted to APP an easement and right to use one hundred twenty (120) automobile parking spaces (the “Parking Spaces”) on the “Grantor Property,” commonly referred to as the Mel’s Property. The Mel’s Property is now legally described as Parcel A

of City of Auburn Declaration of Lot Combination BLA 19-0005, recorded May 9, 2019 under King County recording number 20190509000812, also known as Block 7, Map of L.W. Ballard's Park Addition to Slaughter, According to the Plat Thereof recorded in Volume 3 of Plats, Page 91, records of King County, Washington; together with the vacated West 10 feet of Silver Street (now "A" Street NW) adjoining, except that portion conveyed to the City of Auburn by Deed recorded November 18, 2009 under King County recording number 20091118001497. The Mel's Property is listed by the King County Tax Assessor as Assessor's Parcel Nos. 0492000460, 0492000461 and 0492000463.

C. The "Grantee Property" described in the PEA, together with the appurtenant easement rights granted to that real property in the PEA, was submitted by APP on May 12, 2010 to condominium status in a Condominium Declaration for One Main Street Professional Plaza, a Condominium, under King County recording number 20100512000511 (the "One Main Declaration"), together with a Survey Map and Plans recorded under King County recording number 20100512000510. Article 8 of the One Main Declaration assigned the one hundred twenty (120) parking spaces that were the subject of the PEA as Limited Common Elements to specific Units in the One Main Street Professional Plaza Condominium in Schedule B to the One Main Declaration, as amended.

D. On May 14, 2010, the City acquired fee simple title to the Mel's Property from APP in a Statutory Warranty Deed under King County recording number 20100514000042. Also, on May 14, 2010, the Original DRA was entered into by and between the City, as Grantor, and APP, as Grantee. Among other things, the Original DRA granted to APP the right to reacquire and develop the Mel's Property "in any manner that Grantee shall determine in its sole judgment," subject to the provisions of the Original DRA and applicable law.

E. On August 28, 2013, in conjunction with the sale by the City to APP of what was then-designated as Unit 380 described in the One Main Declaration, seven (7) of the one hundred twenty (120) Limited Common Element parking spaces that were the subject of the PEA and were assigned to City-owned Units in the One Main Street Professional Plaza Condominium were reassigned to APP-owned Unit 162 in the One Main Street Professional Plaza Condominium. (See Warranty Deed recorded under King County recording number 20130828001054 and Amendment No. 1 to Condominium Declaration for One Main Street Professional Plaza a Condominium, King County recording number 20130828001056.) These seven (7) parking spaces are referred to as the "APP Parking Spaces," the remaining one hundred thirteen (113) parking spaces assigned to City-owned Units in the One Main Street Professional Plaza Condominium are referred to as the "City

Parking Spaces” and, together the APP Parking Spaces and the City Parking Spaces are referred to as the “Condo Parking Spaces.”

F. On October 2, 2017, APP filed with the City a Completed Environmental Checklist Application, a Preliminary Stormwater Site Plan including a Preliminary Geotechnical Engineering Report, a Traffic Impact Analysis, a Rough Grading and TESC Plan, and related submittals for that certain First Street Plaza Medical Office & Parking Garage project (“First Street Plaza”) on the Mel’s Property, consisting of site preparation and construction of a four-story private parking structure for approximately 204 vehicles and a separate, three-story approximately 42,000 square foot medical office building. On September 17, 2018, the City issued Notice of Application (NOA) and Mitigated Determination of Non-Significance (MDNS) First Street Plaza Medical Office & Parking Garage SEP17-0018. No appeals were timely filed and the MDNS became the final decision of the City.

G. On November 1, 2018, APP filed Application No. MIS18-0016 with the City for Design Review approval of First Street Plaza. Based on supporting documents and revisions filed in January, February and April 2019, the project consisted of site preparation and construction of a four-story private parking structure for approximately 192 vehicles and a separate, three-story approximately 42,000 square foot medical office building on the Mel’s Property.

H. On January 30, 2019, APP notified the City of its election to exercise its rights under Paragraphs 1 and 2 of the Original DRA. Paragraph 1 of the Original DRA relates to development of the Mel’s Property. Paragraph 2 of the Original DRA relates to providing Substituted Property for the 120 parking spaces on the Mel’s Property.

I. On January 31, 2019, APP assigned all of its right, title, powers and interest as Grantee under the Original DRA to Lexi, as reflected in the Assignment of Grantee’s Interest in Development Rights Agreement under King County recording number 20190131000785. On February 1, 2019, a Memorandum of Exercise of Grantee’s Rights Pursuant to Development Rights Agreement was recorded under King County recording number 201902013000726.

J. On February 14, 2019, Lexi filed Building Permit Application File No. BLD19-0021. On March 14, 2019, the City advised Lexi that the Building Permit Application File No. BLD19-0021 was complete and, subject to fulfillment of other conditions, could be approved.

K. On February 14, 2019, Lexi notified the City that the initial development of the Mel's Property would consist of two tall decorative railroad signs as more particularly described in Building Permit Application File No. BLD19-0021, with additional development consisting of First Street Plaza, and requested that the City convey fee simple title to the Mel's Property to Lexi as provided in the Original DRA. The February 14, 2019 notice identified the Substituted Property proposed to be provided by Lexi pursuant to Paragraph 2 of the Original DRA, consisting of the "Alley Lots" (also known from time to time as the "A Street Parcels,") the "C Street Parcel," and the "Auburn Way North Parcel."

L. On February 14, 2019, Lexi filed applications to develop parking lots on the Alley Lots (FAC19-0009), the C Street Parcel (FAC19-0008) and the Auburn Way North Parcel (FAC19-0007). On February 15, 2019, the City advised Lexi that those applications were complete. (On April 12, 2019, Lexi notified the City that it intended to withdraw its application to develop a parking lot on the Auburn Way North Parcel and was adding additional contiguous parcels to the C Street Parcel "C Street Parcels").)

M. On or about February 18, 2019, Lexi filed applications for deferral of half-street improvements for the Alley Lots (SDR19-0006) and the C Street Parcels (SDR19-0005). On March 1, 2019, the Auburn City Engineer issued decisions denying Lexi's requests.

N. On February 28, 2019, the Central Puget Sound Regional Transit Authority ("Sound Transit") adopted Resolution No. R2019-05 authorizing Sound Transit's chief executive officer to acquire the Mel's Property and all property rights therein by purchase or condemnation proceedings, and to reimburse eligible relocation and reestablishment expenses, for the purpose of constructing a new parking garage on the Mel's Property for Sound Transit's Auburn Station Parking and Access Improvements Project.

O. On March 4, 2019, the City responded to Lexi's February 14, 2019 notice and request, indicating that the City was unable to convey title at that time because (i) Building Permit BLD19-0021 was not yet issued or ready for issuance, (ii) an assignment or dedication of funds to pay for the development had not yet been provided, and (iii) permits for development of the Substituted Property under Paragraph 2 of the Original DRA were not yet issued or ready for issuance.

P. On March 29, 2019, Lexi appealed the City Engineer's March 1, 2019 decisions denying deferral of half-street improvements for the Alley Lots (SDR19-0006) and the C Street Parcels (SDR19-0005). On April 19, 2019, the City's Director of Public Works issued decisions affirming and modifying the City Engineer's March 1, 2019 decisions

denying deferral of half-street improvements. On May 17, 2019, Lexi appealed the April 19, 2019 decisions of the City's Director of Public Works to the City Hearing Examiner. Those appeals are pending as of the date of this Agreement (the "Pending Appeals").

Q. On July 26, 2019, the City's Director of Community Development issued a Notice of Decision on Application No. MIS18-0016 approving the Design Review for First Street Plaza, subject to conditions. No appeals were timely filed and the Notice of Decision became the final decision of the City.

R. On July 30, 2019, the City issued Building Permit BLD19-0021 to Lexi.

S. On November 25, 2019, Sound Transit indicated by letter that it will provide 120 parking spaces to replace the Condo Parking Spaces in the new parking garage it proposes to construct on the Mel's Property.

AGREEMENT

In consideration of the covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lexi, APP and the City enter into this Amended and Restated Development Rights Agreement, as follows:

1. Conveyance of Mel's Property. Within ten (10) days after the date of City Council approval of this Agreement, the City shall submit into escrow an executed Statutory Warranty Deed in the form attached as Exhibit A, conveying title to the Mel's Property to Lexi. Title to the Mel's Property will be conveyed to Lexi subject only to the PEA and the Title Exceptions attached as Exhibit B. Lexi shall pay all applicable real estate transfer excise tax (if any), recording and escrow fees, and title insurance premiums. Subject to the PEA and the Title Exceptions, Lexi will be entitled to possession of the Mel's Property on closing.

2. Development of the Mel's Property. As part of its fee ownership, Lexi shall have the exclusive right from time to time to develop and redevelop the Mel's Property as First Street Plaza or in any other manner that Lexi shall determine in its sole judgment, subject to: (a) the provisions of this Agreement; (b) the provisions of the PEA; and (c) compliance with all applicable governmental codes, laws, and regulations. In connection with any such development or redevelopment of the Mel's Property Lexi may leave the Condo Parking Spaces in their current locations or change their locations on the Mel's Property. In any such development or redevelopment in which the Condo Parking Spaces are not intended

to remain in their current locations, Lexi shall, except as otherwise provided hereinafter, at its expense, relocate from time to time the Condo Parking Spaces within any such development or redevelopment on the Mel's Property. The City and APP, as owners of Units in the One Main Street Professional Plaza Condominium to which the City Parking Spaces are assigned, shall provide written consent to all necessary or appropriate development applications and related documents submitted by Lexi to governmental authorities. Provided, that nothing in this Agreement shall obligate the City to exercise any of its regulatory powers in favor of Lexi, and Lexi is not relieved of its obligations to obtain any necessary permits. The City, APP and Lexi shall from time to time execute an amendment to this Agreement showing the relocation of the Condo Parking Spaces, and once the replacement Condo Parking Spaces have been completed, the parties shall amend the PEA to reflect the relocated Condo Parking Spaces and to set forth terms and provisions pertaining to operating expenses, management, insurance and indemnity comparable to those set forth herein. Further, the City, APP and/or Lexi, as applicable, as members of the owners association of One Main Street Professional Plaza, a Condominium, shall also from time to time execute and record amendments to the Condominium Documents of One Main Street Professional Plaza necessary to show the relocated Condo Parking Spaces that are associated with the affected Units in said Condominium. Neither the City nor APP shall have the right to develop the Mel's Property while Lexi is the fee owner.

3. Deposit of Funds. Within five (5) days after the date of City Council approval hereof, Lexi shall deposit the sum of fifteen thousand and no/100 dollars (\$15,000.00) into a segregated bank account at Umpqua Bank, Auburn, Washington branch to cover the anticipated costs to construct the development authorized under Building Permit Application File No. BLD19-0021. Lexi shall cause Umpqua Bank to provide the City with an Assignment of Funds on the City's standard form in connection with the bank account, evidencing that the funds are on deposit and cannot be withdrawn absent City written consent.

4. Deletion of Paragraph 2 of the Original DRA, and Withdrawal of Election Under Original DRA ¶2. Paragraph 2 (along with the entirety) of the Original DRA has been deleted effective as of the date of recordation of this Agreement. Further, the City acknowledges that, as of the effective date of this Agreement, APP's January 30, 2019 election to exercise its rights under Paragraph 2 of the Original DRA is withdrawn and of no further effect. APP's election to exercise its rights under Paragraph 1 of the Original DRA remains effective except as modified by this Agreement.

5. Amendment of Parking Easement Agreement. On approval of this Agreement by the Auburn City Council, the parties shall execute and submit into escrow an amendment to the PEA in the form attached as Exhibit C.

6. Operations. If there are more parking spaces in the development on the Mel's Property than the one hundred twenty (120) Condo Parking Spaces required to be provided by Lexi for the benefit of the City and APP as owners of the Condo Units under this Agreement, the term "Parking Lot" shall mean the parking garage or facility in that development or on the property. Lexi shall reasonably determine the portion of the Operating Expenses allocable to the Parking Lot and the parties shall share such costs based upon the number of parking spaces allocated to each of Lexi, the City and APP.

(a) "Operating Expenses" means all costs and expenses incurred in connection with: (i) all utility services provided to the Parking Lot; (ii) all permits, licenses and certificates necessary to operate, manage, maintain and repair the Parking Lot; (iii) all Insurance Costs; (iv) the purchase or rental of supplies, tools, equipment and materials to the extent they are used in connection with the use, operation, maintenance, repair or restoration of the Parking Lot; (v) expenses incurred in order to comply with any laws, regulations or governmental requirements of any kind; (vi) wages, salaries and other compensation and benefits for all persons, only to the extent that they were engaged in connection with the operation, maintenance, repair, or restoration of, and providing security services for the Parking Lot, including employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on those wages, salaries, compensation and benefits; (vii) all Property Taxes; (viii) all operating costs of the Parking Lot and all systems and equipment servicing the Parking Lot and component services, including, but not limited to, janitorial service, security, trash removal, cleaning, management, maintenance, repair and replacement of lighting, gates, fences, barriers, signs, walkways, driveways, curbs, security and access equipment, devices, and systems, and drainage facilities; (ix) resurfacing, repair, repaving and re-striping of the Parking Lot and the surrounding areas and sidewalks providing access thereto; (x) removal of ice and snow from the Parking Lot and its entrances and exits; and (xi) any service or maintenance contracts related to the operation, maintenance, repair, or restoration of the Parking Lot.

(b) "Property Taxes" means all federal, state, county or local governmental or municipal taxes, assessments, levies, fees, charges or other impositions of every kind and nature levied against the Parking Lot including, without limitation, real and personal property taxes, general and special assessments, transit taxes, water and sewer rent or other similar taxes, fees or changes in taxes assessed in lieu of any of the foregoing. If the Property Taxes for Condo Parking Spaces are separately assessed against Lexi, and the remainder of the Mel's Property is separately assessed, then Property Taxes shall not be part of Operating Expenses that are to be paid proportionately. The parties each agree to cooperate with the other, including attending meetings with the tax assessor, to facilitate such separate assessment or an accurate billing and calculation of Property Taxes as contemplated by this Agreement.

(c) “Insurance Costs” means all property and liability insurance premiums with respect to the Parking Lot required to be carried by Lexi as provided below, including any deductibles incurred in connection with any covered loss.

(i) Lexi shall maintain or cause to be maintained, subject to reasonable deductibles as Lexi may determine, property insurance on the Parking Lot in an amount not less than 100% of the full replacement cost of such improvements, without deduction for depreciation, including the cost of debris removal, insuring against loss or damage by fire and such other risks as may be covered from time to time by a “Causes of Loss–Special Form” policy or its equivalent and those other insurable hazards and containing those additional coverages and endorsements as the parties or their respective lenders may request from time to time. The property insurance may cover loss due to earthquake, earth movement and/or flood, as determined by Lexi. Lexi may maintain this property insurance in whole or in part under blanket policies. The cost of the property insurance, including any deductibles paid and any earthquake, earth movement and/or flood insurance premiums, shall be included as part of the Operating Expenses; provided the cost of any additional coverages and endorsements requested by the City or APP shall not be part of Operating Expenses, but paid solely by the requesting party.

(ii) Lexi, on behalf of the parties, shall at all times, at its sole cost and expense, keep in full force and effect a policy of commercial general liability insurance insuring against claims or liability arising out of the use or maintenance of the Parking Lot in an amount which is not less than Two Million Dollars (\$2,000,000.00) per occurrence, covering bodily injury to persons, including death, and damage to property, and including automobile liability coverage and contractual liability endorsement; shall insure the hazards of the insured party's operations on the Parking Lot, including the acts of its independent contractors; and shall name the other parties to this Agreement as an “additional insured.” Notwithstanding the foregoing, if a party is the City of Auburn, (the “Governmental Owner”) insurance for all of the Condo Parking Spaces may be completely met by the Governmental Owner's membership in the Washington Cities Insurance Authority (“WCIA”), a municipal insurance pool. So long as the Governmental Owner is providing the insurance for all of the Condo Parking Spaces, through WCIA, the Governmental Owner will not be required to provide policies or certificates of insurance, and will not be required to name Lexi, APP or any other party or person as an “additional insured”, “additional named insured”, “named insured,” “loss payee,” or any similar designation. The Governmental Owner shall provide reasonable evidence of its continued participation in WCIA on request of another party.

(iii) The parties, in the exercise of their commercial business judgment, acknowledge that the use of insurance is the best way to protect against the risk of loss to their respective properties and economic interests. Accordingly, (a) the City hereby waives its right of recovery, claims, actions or causes of action against APP and Lexi for loss or damage to the Mel's Property or the Parking Lot, or any personal property therein belonging to the City and its officers, employees, and agents (collectively, the "City Parties") to the extent of any insurance proceeds paid to the party suffering the loss and any additional insurance proceeds that would have been paid to the party suffering the loss had the insurance required under this Agreement been carried by such party; (b) Lexi hereby waives its right of recovery, claims, actions or causes of action against the City and APP for loss or damage to the Mel's Property or the Parking Lot, or any personal property therein belonging to Lexi and its officers, employees, members, and agents ("Lexi Parties") to the extent of any insurance proceeds paid to the party suffering the loss and any additional insurance proceeds that would have been paid to the party suffering the loss had the party obtained the same insurance coverage required under this Agreement had been carried, and (c) APP hereby waives its right of recovery, claims, actions or causes of action against the City and Lexi for loss or damage to the Mel's Property or the Parking Lot, or any personal property therein belonging to APP and its officers, employees, members, and agents ("APP Parties") to the extent of any insurance proceeds paid to the party suffering the loss and any additional insurance proceeds that would have been paid to the party suffering the loss had the party obtained the same insurance coverage required under this Agreement had been carried. Each party shall cause any insurance policy obtained by it (including the insurance required under this Article 6) to provide that the insurance company waives all right to recover by way of subrogation against the other.

(d) Subject to the waiver of claims hereinabove provided, (i) the City shall defend, indemnify and hold harmless Lexi and APP from and against all claims, demands, losses, liabilities, damages, actions, proceedings, expenses and costs (including reasonable attorneys' fees and costs of suit) of any nature whatsoever brought by third parties and arising out of or resulting from the City's use of the Parking Lot, or from any other activity, work, or thing done, permitted or suffered by the City in, on or about the Mel's Property; (b) Lexi shall defend, indemnify and hold harmless the City and APP from and against all claims, demands, losses, liabilities, damages, actions, proceedings, expenses and costs (including reasonable attorneys' fees and costs of suit) of any nature whatsoever brought by third parties and arising out of or resulting from Lexi's use of the Parking Lot, or from any other activity, work, or thing done, permitted or suffered by the Lexi in, on or about the Mel's Property, and (c) APP shall defend, indemnify and hold harmless the City and Lexi

from and against all claims, demands, losses, liabilities, damages, actions, proceedings, expenses and costs (including reasonable attorneys' fees and costs of suit) of any nature whatsoever brought by third parties and arising out of or resulting from APP's use of the Parking Lot, or from any other activity, work, or thing done, permitted or suffered by the Lexi in, on or about the Mel's Property. In the event of concurrent negligence, the indemnifying party shall only be liable for that portion of liability related to the percentage of its respective negligence or misconduct.

7. Condemnation. If Sound Transit or another governmental authority acquires the Mel's Property by eminent domain or otherwise, Lexi, as the fee owner, shall have the sole right and authority to negotiate with Sound Transit regarding the price and terms of acquisition and the sole right to establish, through agreement or litigation, the amount of just compensation to be paid for the Mel's Property. Provided, however, that the City and APP shall have the right to establish through negotiation, agreement, or litigation with Sound Transit the amount to be paid to each of them for any damages to the value of their respective Condominium Units.

If Sound Transit or another governmental authority acquires the Mel's Property by eminent domain or otherwise and constructs a parking garage on the Mel's Property and provides a total of one hundred twenty (120) parking spaces in that garage as replacement parking under the PEA for the benefit of APP and the City as Condo Unit Owners, the parties agree to modify the Condo Declarations so that the City shall be assigned one hundred thirteen (113) and APP shall be assigned seven (7) parking spaces in the garage to replace the existing Condo Parking Spaces.

If Sound Transit or another governmental authority acquires the Mel's Property through eminent domain or otherwise and provides one hundred twenty (120) replacement parking spaces on the Mel's Property, all compensation of any kind or nature paid or given by Sound Transit for and/or in connection with any acquisition of the Mel's Property, other than provision to the City of one hundred thirteen (113) and to APP of seven (7) parking spaces on the Mel's Property and any compensation paid for damages to the value of the City's and APP's respective Condominium Units, shall be payable to Lexi alone and the City and APP shall have no right, claim or interest in that compensation.

If Sound Transit or another governmental authority acquires the Mel's Property through eminent domain or otherwise but does not provide one hundred twenty (120) replacement parking spaces on the Mel's Property and instead provides such replacement parking spaces in a location other than the Mel's Property that is of lesser value to the City and APP for their intended use, then the compensation paid by Sound Transit or such other

condemning authority for the diminished value to the Condominium Units and for any other damages to the Condominium Units resulting from relocation of the parking spaces shall be paid ninety-four percent (94%) to the City and six percent (6%) to APP, in proportion to their respective shares of the 120 Condo Parking Spaces, and all other compensation paid for the taking of the Mel's Property shall be paid to Lexi.

If Sound Transit or another governmental authority acquires the Mel's Property through eminent domain or otherwise but does not provide one hundred twenty (120) replacement parking spaces on the Mel's Property or elsewhere, then the compensation paid by Sound Transit or such other condemning authority for the cost to secure replacement parking spaces elsewhere and the diminished value to the Condominium Units and for any other damages to the Condominium Units resulting from relocation of the parking spaces shall be paid ninety-four percent (94%) to the City and six percent (6%) to APP, in proportion to their respective shares of the 120 Condo Parking Spaces, and all other compensation paid for the taking of the Mel's Property shall be paid to Lexi.

8. Further Approvals and Documentation. This Agreement shall become effective on the effective date of approval by the City Council and signature of the parties. The parties will execute and deliver those other and further documents reasonably required to carry out the intent of this Agreement.

9. Suspension and Dismissal of Pending Appeals. The parties agree to suspend the Pending Appeals pending approval of this Agreement by the Auburn City Council and to jointly notify the Hearing Examiner of the agreement and request. On approval of this Agreement by the Auburn City Council, Lexi will promptly dismiss the Pending Appeals and release the City from all claims related to the Pending Appeals, in the form attached as Exhibit D.

10. Construction. This Agreement was negotiated, drafted, and approved by the Parties. Any rule that would otherwise require an ambiguity in this Agreement to be construed against the drafting party is waived.

11. Attorneys' Fees. In connection with this Agreement and its performance, Lexi, APP and the City shall each pay their own attorney's fees. If there is any default or other breach by a party to this Agreement, the prevailing party shall be entitled to recover attorney's fees in any action to enforce the provisions of this Agreement. "Attorney's fees" means all reasonable legal fees and charges, including but not limited to appellate fees and charges, paralegal fees and charges, court, filing, and process fees, marshal's and sheriffs' fees and charges, investigative fees and charges, and all other related sums.

12. Force Majeure. Any delay in the performance of any obligation under this Agreement shall be excused, if and so long as the performance of the obligation is prevented, delayed or otherwise hindered by any act not within the control of a party (other than lack or inability to procure money to fulfill its commitments and obligations under this Agreement) such as fire, earthquake, flood, explosion, actions of the elements, war, riots, mob violence, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, court orders, operation of laws, orders of governmental or military authorities.

13. Severability. If any one or more of the provisions of this Agreement, or the applicability of any provision to a specific situation, shall be held invalid or unenforceable, that provision shall be modified to the extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected.

14. Governing Law. This Agreement shall be governed and interpreted solely by the laws of the State of Washington. Venue for any action shall solely be in King County, Washington.

15. Recitals and Captions. The Introduction and Recitals are an integral part of this Agreement and are incorporated herein for the purpose of interpreting this Agreement. Captions of Sections and subsections of this Agreement are for convenience only and shall not be considered in resolving any questions of interpretation or construction of any term, covenant or provision.

16. Time. Time is of the essence of this Agreement and of each and every provision hereof.

17. Agreement Supersedes the Original DRA. This Amended and Restated Development Rights Agreement supersedes and replaces the Original DRA in its entirety, and contains the complete agreement of the parties with respect to the subject matter of the Agreement.

18. Non-Waiver. No covenant, term or condition of this Agreement (including breach) shall be deemed waived unless expressly waived in a written instrument executed by the waiving party specifically reciting the covenant, term or condition (including breach) being

waived, and any waiver of one covenant, term, condition or breach, shall not be deemed to be a waiver of any preceding or succeeding, covenant, term, condition, or breach.

19. Notices. All notices and other communications given pursuant to this Agreement shall be in writing and shall be deemed properly served if delivered in person to the party to whom it is addressed or two (2) business days after deposit in the U.S. mail, postage prepaid, certified or registered mail, return receipt requested at the following addresses:

Lexi: Lexi, LLC
P.O. Box 1294
Auburn, Washington 98071-1294
Attn: President

With concurrent copies to:

Lexi LLC c/o Michael John Klein. CPA
30300 Agoura Road, Suite 270
Agoura Hills, California 91301

And to:

Lexi LLC c/o Anthony L. Rafel, Esq.
Rafel Law Group PLLC
4126 E. Madison St. Ste. 202
Seattle, Washington 98112

APP: Auburn Professional Plaza, LLC
P.O. Box 1294
Auburn, Washington 98071-1294
Attn: President

With concurrent copies to:

Auburn Professional Plaza, LLC c/o Michael J Klein. CPA
30300 Agoura Road, Suite 270
Agoura Hills, California 91301

And to:

Auburn Professional Plaza, LLC c/o Anthony L. Rafel, Esq.
Rafel Law Group PLLC

4126 E. Madison St. Ste. 202
Seattle, Washington 98112

City of Auburn:

City of Auburn
25 West Main Street
Auburn, Washington 98001-4998
Attention: Mayor

With concurrent copies to:

City of Auburn
25 West Main Street
Auburn, Washington 98001-4998
Attention: Director of Administration

And to:

City of Auburn
25 West Main Street
Auburn, Washington 98001-4998
Attention: City Attorney

or to any other or additional addresses as any party may from time to time designate by providing notice in writing to the other parties.

[This page ends here.]

IN WITNESS WHEREOF, Lexi, LLC, Auburn Professional Plaza, LLC and the City of Auburn have duly executed this Agreement as of the day and year first written above.

LEXI, LLC
a Washington limited liability company

By: Oliphant Real Estates Services, Inc.
a Washington corporation
its manager and managing member

By: _____
Jeffrey L. Oliphant, President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2020, before me, _____, Notary Public, personally appeared Jeffrey L. Oliphant, satisfactorily proven to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which he acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

AUBURN PROFESIONAL PLAZA, LLC
a Washington limited liability company

By: Oliphant Real Estates Services, Inc.
a Washington corporation
its manager and managing member

By: _____
Jeffrey L. Oliphant, President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2020, before me, _____, Notary Public, personally appeared Jeffrey L. Oliphant, satisfactorily proven to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which he acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

THE CITY OF AUBURN, WASHINGTON
a municipal corporation

By: _____
Nancy Backus, Mayor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2020, before me, _____, Notary Public, personally appeared Nancy Backus, satisfactorily proven to me to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same in her authorized capacity, and that by her signature on the instrument the person(s), or the entity upon behalf of which she acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

EXHIBIT A

[Statutory Warranty Deed from City to Lexi]

Return Address:
City of Auburn
City Clerk
25 West Main
Auburn, WA 98001

Above this line reserved for recording information.

STATUTORY WARRANTY DEED

Reference # (if applicable):	20091118001497; 20091118001355
Grantor:	City of Auburn, a Washington Municipal Corporation
Grantee:	Lexi, LLC, a Washington Limited Liability Company
Abbreviated Legal Description:	PTN SE ¼, NE ¼, SEC. 13, T21N, R4E, WM
Assessor's Tax Parcel ID#:	049200-0460; 049200-0461; 049200-0463

For and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor, **the City of Auburn**, a municipal corporation of the State of Washington conveys and warrants to **Lexi, LLC**, a Washington limited liability company ("Grantee"), its successors and assigns, the property legally described as follows:

BLOCK 7 IN L.W. BALLARD'S PARK ADDITION TO SLAUGHTER, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 91, IN KING COUNTY, WASHINGTON;
TOGETHER WITH THE VACATED WEST 10 FEET OF SILVER STREET (NOW "A" STREET N.W.) ADJOINING;
EXCEPT THAT PORTION CONVEYED TO THE CITY OF AUBURN BY DEED RECORDED NOVEMBER 18, 2009, UNDER RECORDING NUMBER 20091118001497.

SUBJECT TO that Parking Easement Agreement dated November 17, 2009 under Recording Number 20091118001355, as amended by the Development Rights Agreement dated May 14, 2010 under Recording Number 20100514000044, and the First Amendment to the Parking Easement Agreement dated _____, 2020 under Recording Number 2020_____.

EXHIBIT B

[Title Exceptions]

SCHEDULE B, PART II
EXCEPTIONS
(continued)

SPECIAL EXCEPTIONS

1. Covenants, conditions, restrictions, recitals, reservations, easements, easement provisions, dedications, building setback lines, notes, statements, and other matters, if any, but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth on survey:

[Recording No.: 20040322900011](#)

2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Puget Sound Energy, Inc.
Purpose: Electric transmission and/or distribution system and sale of electricity
Recording Date: October 27, 2009
[Recording No.: 20091027001708](#)
Affects: the North 13.00 feet of the East 15.00 feet of Parcel C

3. Parking Easement Agreement and the terms and provisions thereof:

Executed by: Auburn Professional Plaza LLC, a Washington limited liability company
Recording Date: November 18, 2009
[Recording No.: 20091118001355](#)

4. Storm Water Easement and Maintenance Agreement and the terms and provisions thereof:

Executed by: City of Auburn, a municipal corporation and Auburn Professional Plaza. LLC
Recording Date: November 18, 2009
[Recording No.: 20091118001493](#)

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Auburn
Purpose: Water line and appurtenances
Recording Date: November 18, 2009
[Recording No.: 20091118001494](#)
Affects: portion on easterly portion of Parcel C as described and delineated in said document

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SCHEDULE B, PART II
EXCEPTIONS
(continued)

6. Local Improvement District No Protest Agreement and the terms and provisions thereof:

Executed by: City of Auburn, a municipal corporation and Auburn Professional Plaza, LLC
Recording Date: November 18, 2009
[Recording No.: 20091118001495](#)

7. Agreement for Deferral of Improvements and the terms and provisions thereof:

Executed by: City of Auburn, a municipal corporation and Auburn Professional Plaza, LLC
Recording Date: November 18, 2009
[Recording No.: 20091118001496](#)

8. Revocable License for Pedestrian and Vehicular Access

Recording Date: February 18, 2010
[Recording No.: 20100218000151](#)

9. Development Rights Agreement and the terms and provisions thereof:

Executed by: City of Auburn and Auburn Professional Plaza LLC, a Washington limited liability company
Recording Date: May 14, 2010
[Recording No.: 20100514000044](#)

The right, title and interest of Auburn Professional Plaza LLC in said agreement was assigned to Lexi, LLC, a Washington limited liability company by instrument recorded under [recording number 20190131000785](#).

Memorandum of exercise of grantee's rights pursuant to development rights agreement

Recording Date: February 13, 2019
[Recording No.: 20190213000726](#)

10. Covenants, conditions, restrictions, recitals, reservations, easements, easement provisions, dedications, building setback lines, notes, statements, and other matters, if any, but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth on survey:

[Recording No.: 20190122900008](#)

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SCHEDULE B, PART II
EXCEPTIONS
(continued)

11. Covenants, conditions, restrictions, recitals, reservations, easements, easement provisions, dedications, building setback lines, notes, statements, and other matters, if any, but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth on Declaration of Lot Combination:

Recording No: 20190509000812

12. The property herein described is carried on the tax rolls as exempt. However, it will become taxable on the date of the execution of a conveyance to a taxable entity and subject to the lien of real property taxes for the balance of the year from that date:

Tax Account Numbers: 049200-0460, 049200-0463 and 049200-0461
Levy Code: 0133

13. Conservation and other special taxes and charges, payable February 15, delinquent if first half unpaid on May 1, second half delinquent if unpaid on November 1 of the tax year (amounts do not include interest and penalties):

Year: 2019
Tax Account No.: 049200-0460
Levy Code: 0133

General and Special Taxes:

Billed: \$14.74
Paid: \$14.74
Unpaid: \$0.00

Affects: Portion of herein described premises

14. Conservation and other special taxes and charges, payable February 15, delinquent if first half unpaid on May 1, second half delinquent if unpaid on November 1 of the tax year (amounts do not include interest and penalties):

Year: 2019
Tax Account No.: 049200-0463
Levy Code: 0133

General and Special Taxes:

Billed: \$14.64
Paid: \$14.64
Unpaid: \$0.00

Affects: Portion of herein described premises

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**SCHEDULE B, PART II
EXCEPTIONS**
(continued)

15. Conservation and other special taxes and charges, payable February 15, delinquent if first half unpaid on May 1, second half delinquent if unpaid on November 1 of the tax year (amounts do not include interest and penalties):

Year: 2019
Tax Account No.: 049200-0461
Levy Code: 0133

General and Special Taxes:

Billed: \$14.65
Paid: \$14.65
Unpaid: \$0.00

Affects: Remainder of herein described premises

16. Liability for Sewer Treatment Capacity Charges, if any, affecting certain areas of King, Pierce and Snohomish Counties. Said charges could apply to property connecting to the metropolitan sewerage facilities or reconnecting or changing its use and/or structure after February 1, 1990.
Please contact the King County Wastewater Treatment Division, Capacity Charge Program, for further information at 206-296-1450 or Fax No. 206-263-6823 or email at CapChargeEscrow@kingcounty.gov.

* A map showing sewer service area boundaries and incorporated areas can be found at:
<http://www.kingcounty.gov/services/gis/Maps/vmc/Utilities.aspx>

Unrecorded Sewer Capacity Charges are not a lien on title to the Land.

NOTE: This exception will not appear in the policy to be issued.

17. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.
18. Any unrecorded leaseholds, right of vendors and holders of security interests on personal property installed upon the Land and rights of tenants to remove trade fixtures at the expiration of the terms.

END OF SCHEDULE B, PART II

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EXHIBIT C

[Amendment to Parking Easement Agreement]

AFTER RECORDING RETURN TO:

Auburn Professional Plaza LLC
c/o Michael John Klein, CPA
30300 Agoura Road, Suite 270
Agoura Hills, CA 91301

FIRST AMENDMENT TO PARKING EASEMENT AGREEMENT

Grantor:	CITY OF AUBURN; and LEXI, LLC, a Washington limited liability company
Grantee:	AUBURN PROFESSIONAL PLAZA LLC, a Washington limited liability company; and ONE MAIN STREET PROFESSIONAL PLAZA OWNERS ASSOCIATION, a Washington nonprofit corporation
Legal Description:	Parcel A of City of Auburn Declaration of Lot Combination BLA19-0005, recorded May 9, 2019 under King County recording number 20190509000812, also known as Block 7, Map of L.W. Ballard's Park Addition to Slaughter, according to the Plat Thereof recorded in Volume 3 of Plats, Page 91, records of King County, Washington; together with the vacated West 10 feet of Silver Street (now "A" Street NW) adjoining, except that portion conveyed to the City of Auburn by Deed recorded November 18, 2009 under King County recording number.20091118001497
Tax Parcel Nos.:	0492000460, 0492000461 and 0492000463
Related Documents:	20091118001355, 20100512000511, 20100512000510

FIRST AMENDMENT TO PARKING EASEMENT AGREEMENT

This FIRST AMENDMENT TO PARKING EASEMENT AGREEMENT (“First Amendment”) is entered into as of January __, 2020, by and between THE CITY OF AUBURN, a code city of the state of Washington (“City”), LEXI, LLC, a Washington limited liability company (“Lexi”), ONE MAIN STREET PROFESSIONAL PLAZA OWNERS ASSOCIATION, a Washington nonprofit corporation (“One Main”), and AUBURN PROFESSIONAL PLAZA LLC, a Washington limited liability company (“APP”), with reference to the following facts:

RECITALS

A. A Parking Easement Agreement was entered into as of November 17, 2009 by and between Auburn Professional Plaza LLC, as Grantor, and Auburn Professional Plaza LLC, as Grantee, and recorded under King County recording number 20091118001355 (“PEA”).

B. The PEA granted to APP an easement and right to use one hundred twenty (120) automobile parking spaces on the “Grantor Property,” commonly referred to as the “Mel’s Property.” The Mel’s Property is legally described as Block 7, Map of L.W. Ballard’s Park Addition to Slaughter, According to the Plat Thereof recorded in Volume 3 of Plats, Page 91, records of King County, Washington; together with the vacated West 10 feet of Silver Street (now “A” Street NW) adjoining, and is listed as King County Tax Assessor’s Parcel Nos. 0492000460, 0492000461 and 0492000463.

C. The “Grantee Property” described in the PEA, together with the appurtenant easement rights granted to that real property in the PEA, was submitted by APP on May 12, 2010 to condominium status in a Condominium Declaration for One Main Street Professional Plaza, a Condominium, recorded under King County recording number 20100512000511 (the “One Main Declaration”), together with a Survey Map and Plans recorded in the official records of King County, Washington under recording number 20100512000510. Article 8 of the One Main Declaration assigned the 120 parking spaces that were the subject of the PEA as Limited Common Elements to specific Units in the One Main Street Professional Plaza Condominium in Schedule B to the One Main Declaration, as amended.

D. On May 14, 2010, the City acquired fee simple title to the Mel’s Property from APP in a Statutory Warranty Deed recorded under King County recording number 20100514000042. Also, on May 14, 2010, a Development Rights Agreement was entered into by and between the City, as Grantor, and APP, as Grantee, and recorded in the official records of King County,

Washington under recording number 20100514000044 (“Original DRA”). The Original DRA granted to APP the right to reacquire and develop the Mel’s Property “in any manner that Grantee shall determine in its sole judgment,” subject to the provisions of the Original DRA and applicable law.

E. On August 28, 2013, in conjunction with the sale by the City to APP of what was then-designated as Unit 380 described in the One Main Declaration, seven (7) of the one hundred twenty (120) Limited Common Element parking spaces that were the subject of the PEA and were assigned to City owned Units in the One Main Street Professional Plaza Condominium were reassigned to APP-owned Unit 162 in the One Main Street Professional Plaza Condominium. (See Warranty Deed recorded under King County recording number 20130828001054, and Amendment No. 1 to Condominium Declaration for One Main Street Professional Plaza a Condominium, recorded under King County recording number 20130828001056.) These seven (7) parking spaces are referred to as the “APP Parking Spaces,” the remaining one hundred thirteen (113) parking spaces assigned to City owned Units in the One Main Street Professional Plaza Condominium are referred to as the “City Parking Spaces,” and together the City Parking Spaces and the APP Parking Spaces are referred to as the “Condo Parking Spaces.”

F. On January 30, 2019, APP notified the City of its election to exercise its rights under the Original DRA.

G. On January 31, 2019, APP assigned all of its right, title, powers and interest as Grantee under the Original DRA to Lexi, LLC, a Washington limited liability company (“Lexi”), as reflected in the Assignment of Grantee’s Interest in Development Rights Agreement recorded under King County recording number 20190131000785. On February 1, 2019, a Memorandum of Exercise of Grantee’s Rights Pursuant to Development Rights Agreement was recorded under King County recording number 201902013000726. Notwithstanding this assignment, APP retained ownership rights in the APP Parking Spaces on the Mel’s Property.

H. On January ___, 2020, Lexi and the City entered into an Amended and Restated Development Rights Agreement, which supersedes and replaces the Original DRA in its entirety.

NOW, THEREFORE, in consideration of the covenants and promises contained in this Agreement and the Amended and Restated Development Rights Agreement Lexi, APP, and the City amend the PEA as follows:

1. Section 3.1 is amended by adding the following sentences at the end of the section:

No Party shall have the right to use the Parking Spaces allocated to it in any manner that would materially impact the other Parties' use of the Grantor Property under this Easement.

2. Section 3.2 is deleted in its entirety.

3. The following new subsections are added to Article 3:

3.6 Restricted Access System. Grantor or Grantee may implement an access card, sticker or other identification or entrance system; provided (i) the access system does not restrict continuous access to the Parking Lot by the Grantee Parties designated by Grantee and (ii) if applicable, Grantor promptly provides Grantee with sufficient parking identification, key-cards, or other access devices (including temporary passes and replacements for lost or stolen identification, cards or devices) necessary for continuous access. Grantor or Grantee may impose a reasonable charge for providing identification, cards, or devices, provided that charge does not exceed the actual out-of-pocket administrative and replacement cost incurred in obtaining, operating, managing and otherwise producing such identification, cards or devices.

3.7 Other Easements. Grantor shall have the right to grant other persons easement rights on or across the Grantor Property only if those easement rights do not interfere with the easements and rights granted to Grantees under this Agreement or the rights granted to Lexi under that certain Amended and Restated Development Rights Agreement between the City of Auburn and Auburn Professional Plaza, LLC, as Grantor, and Lexi, LLC, as Grantee.

4. Article 4 is deleted in its entirety.

5. Section 6.7 is deleted in its entirety.

6. Section 7.1 is amended to delete the following words from the first sentence thereof: "or Grantor provides Substitute Property in which the Parking Spaces are in a garage".

7. Section 8.3 is deleted in its entirety and replaced with the following new Section 8.3:

8.3 Condemnation Award. Grantee and/or Unit Owners in One Main Street Professional Plaza, a Condominium, the Declaration of which was recorded under King County recording number 20100512000511, as their interests may appear, are entitled to receive and keep all damages, awards or payments resulting from any loss or damage to

Grantee's and/or Unit Owners' rights under this Agreement, as provided in this Agreement and the Amended and Restated DRA. Grantee (and/or Unit Owners) may file a separate claim with the condemning authority for any loss of or damage to Grantee's (or Unit Owners') rights under this Agreement and the Amended and Restated DRA. If the condemning authority does not enter separate awards for the taking of the Grantor Property on the one hand and the taking of the Parking Easement on the other hand, or does not allocate the award between the Grantor Property on the one hand and the Parking Easement on the other hand, Grantee and/or Unit Owners may request the court make an allocation of the award as provided in the Amended and Restated DRA.

8. Section 10.4 is deleted in its entirety and replaced with the following new Section 10.4:

10.4 Notices. All notices and other communications given pursuant to this Agreement shall be in writing and shall be deemed properly served if delivered in person to the party to whom it is addressed or two (2) business days after deposit in the U.S. mail, postage prepaid, certified or registered mail, return receipt requested at the following addresses:

APP: Auburn Professional Plaza, LLC
P.O. Box 1294
Auburn, Washington 98071-1294
Attn: President

With concurrent copies to:

Auburn Professional Plaza, LLC c/o Michael J Klein. CPA
30300 Agoura Road, Suite 270
Agoura Hills, California 91301

And to:

Auburn Professional Plaza, LLC
c/o Anthony L. Rafel, Esq.
Rafel Law Group PLLC
4126 E. Madison St. Ste. 202
Seattle, Washington 98112

City of Auburn:

City of Auburn
25 West Main Street
Auburn, Washington 98001-4998
Attention: Mayor

With concurrent copies to:

City of Auburn
25 West Main Street
Auburn, Washington 98001-4998
Attention: Director of Administration

And to:

City of Auburn
25 West Main Street
Auburn, Washington 98001-4998
Attention: City Attorney

Lexi:

Lexi, LLC
P.O. Box 1294
Auburn, Washington 98071-1294
Attn: President

With concurrent copies to:

Lexi, LLC c/o Michael John Klein. CPA
30300 Agoura Road, Suite 270
Agoura Hills, California 91301

And to:

Lexi, LLC c/o Anthony L. Rafel, Esq.
Rafel Law Group PLLC
4126 E. Madison St. Ste. 202
Seattle, Washington 98112

One Main:

One Main Street Professional Plaza Owners Association
P.O. Box 1294
Auburn, Washington 98071-1294
Attn: President

With concurrent copies to:

One Main Street Professional Plaza Owners Association
c/o Michael John Klein. CPA
30300 Agoura Road, Suite 270
Agoura Hills, California 91301

And to:

Anthony L. Rafel, Esq.
Rafel Law Group PLLC
4126 E. Madison St. Ste. 202
Seattle, Washington 98112

And to:

City of Auburn
25 West Main Street
Auburn, Washington 98001-4998
Attention: City Attorney

or to such other or additional addresses as any party may from time to time designate by providing written notice to all other parties.

9. Section 10.5 is deleted in its entirety and replaced with the following new Section 10.5:

10.5 Construction. This Agreement was negotiated, drafted, and approved by the Parties. Any rule that would otherwise require an ambiguity in this Agreement to be construed against the drafting party is waived.

10. Except as expressly modified in this Amendment, the PEA shall remain in full force and effect.

[This page ends here.]

IN WITNESS WHEREOF, the parties have duly executed this First Amendment as of the day and year first written above.

AUBURN PROFESSIONAL PLAZA LLC
a Washington limited liability company

By: Oliphant Real Estates Services, Inc.
a Washington corporation
its manager and managing member

By: _____
Jeffrey L. Oliphant, President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2020, before me, _____, Notary Public, personally appeared Jeffrey L. Oliphant, satisfactorily proven to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which he acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

THE CITY OF AUBURN, WASHINGTON
a municipal corporation

By: _____
Nancy Backus, Mayor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2020, before me, _____, Notary Public, personally appeared Nancy Backus, satisfactorily proven to me to be the persons whose name is subscribed to the within instrument and acknowledged that she executed the same in her authorized capacity, and that by her signature on the instrument the person(s), or the entity upon behalf of which she acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

LEXI, LLC
a Washington limited liability company

By: Oliphant Real Estates Services, Inc.
a Washington corporation
its manager and managing member

By: _____
Jeffrey L. Oliphant, President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2020, before me, _____, Notary Public, personally appeared Jeffrey L. Oliphant, satisfactorily proven to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which he acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

ONE MAIN STREET PROFESSIONAL PLAZA
OWNERS ASSOCIATION
a Washington corporation

By: _____
Jeffrey L. Oliphant, President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2020, before me, _____, Notary Public, personally appeared Jeffrey L. Oliphant, satisfactorily proven to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which he acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

EXHIBIT D

[Withdrawal of Appeal and Release]

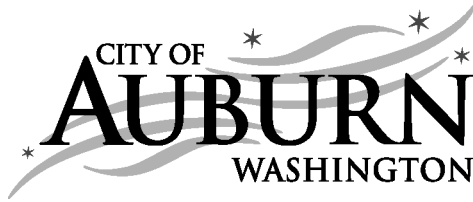
**WITHDRAWAL OF APPEAL
AND RELEASE**

For good and valuable consideration spelled out in more detail in the Amended and Restated Development Agreement between the City of Auburn, Lexi LLC, and Auburn Professional Plaza, LLC dated _____, the receipt of which is acknowledged, Lexi, LLC, its affiliates, successors, and assigns, agrees as follows:

1. Except as set forth herein, the permit applications designated on Attachment 1 hereto related to the development of parking lots on Auburn Way North, C St. NW, and A St., all in the city of Auburn, are withdrawn as of the date of this document. All other permit applications by or on behalf of Lexi, LLC on file with the City of Auburn shall remain active and shall be processed in the ordinary course of business.
2. All appeals related to the permit applications designated on Attachment 1 hereto are withdrawn, and Lexi agrees to prepare and submit a joint motion to dismiss the appeals with prejudice not later than 10 working days after the effective date of the Amended and Restated Development Rights Agreement.
3. Lexi, LLC releases and forever discharges the City, its officials, attorneys, employees, and agents from every claim, demand, and cause of action whatsoever, of every kind and nature, whether presently known or unknown, suspected or unsuspected, arising or alleged to have arisen as a result of or in connection with the permits designated on Attachment 1 hereto, whether based in tort, contract, civil rights, delay of development, and/or any other theory of recovery, and excepting only the obligations created by the Amended and Restated Development Agreement.
4. Lexi, LLC reserves the right and neither the withdrawal of the permit applications designated on Attachment 1 hereto, the dismissal of the appeals referenced in paragraph 2 hereto, nor anything herein shall prohibit Lexi, LLC from filing with the City new future applications (and associated requests for permits, variations, deviations and the like) concerning the Alley Lots and/or the C Street Parcels, that contain requests that were part of the withdrawn permit applications and dismissed appeals, and the foregoing release (Paragraph 3) shall not apply to such new future applications. Any such new future filing shall be governed by the laws and regulations in effect at the time of such filing.

Lexi, LLC by _____

Record #	Status	Result	Source	Type	Address
C Street NW Lots (Norbe+ Lots)					
FAC19-0008	REVIEW RETURNED	LEXI LLC: C STREET PARKING LOT	Project Description	FACILITYEXTEN	15 C ST NW AUBURN
MIS19-0003	IN REVIEW	LEXI, LLC: NEW SURFACE PARKING LOT	Project Description	MISCELLANEOUS	15 C ST NW AUBURN
SDR19-0005	DENIED	LEXI LLC: C STREET PARKING	Project Description	STREET DELAY REQUEST	15 C ST NW AUBURN
SDR19-0009	VOID/WITHDRAWN	LEXI, LLC: C STREET LOTS	Project Description	STREET DELAY REQUEST	15 C ST NW AUBURN
DEV19-0017	APPROVED	C ST PARKING DRIVEWAY LOCATION	Project Description	DEVIATION	15 C ST NW AUBURN
Auburn Way North Lot					
FAC19-0007	REVIEW RETURNED	LEXI LLC AUBURN WAY PARKING LOT	Project Description	FACILITYEXTEN	206 AUBURN WAY N AUBURN
MIS19-0002	IN REVIEW	LEXI, LLC: NEW SURFACE LOT PARKING	Project Description	MISCELLANEOUS	206 AUBURN WAY N AUBURN
SDR19-0004	DENIED	LEXI LLC AUBURN WAY PARKING LOT	Project Description	STREET DELAY REQUEST	206 AUBURN WAY N AUBURN
DEM19-0013	HOLD	LEXI, LLC: DEMO MULTIFAMILY BLDG & GARAGE	Permit Description	DEMOLITIO	206 AUBURN WAY N AUBURN
A Street SW Lots (Alley Lots)					
SDR19-0006	DENIED	LEXI LLC: A STREET PARKING	Project Description	STREET DELAY REQUEST	10 2ND ST SW AUBURN
FAC19-0009	REVIEW RETURNED	LEXI LLC: A-STREET PARKING LOT	Project Description	FACILITYEXTEN	222 A ST SW AUBURN
MIS19-0004	IN REVIEW	LEXI, LLC: NEW SURFACE PARKING LOT	Project Description	MISCELLANEOUS	222 A ST SW AUBURN
SEP19-0005	IN REVIEW	LEXI, LLC: NEW SURFACE PARKING LOT	Project Description	SEPADETERMINATION	222 A ST SW AUBURN
SDR19-0008	VOID/WITHDRAWN	LEXI, LLC: ALLEY LOTS	Project Description	STREET DELAY REQUEST	222 A ST SW AUBURN
DEV19-0016	DENIED	A ST PARKING DRIVEWAYS	Project Description	DEVIATION	222 A ST SW AUBURN



Memorandum

To: City Council

From: Dana Hinman, Director of Administration
Kendra Comeau, City Attorney
Doug Ruth, Assistant City Attorney

Date: January 9, 2020

Re: "Mel's Lot" – Amendments to Development and Other Agreements

Staff seeks Council's authorization for the Mayor to sign agreements amending an existing development agreement, parking easement agreement, and miscellaneous documents related to the City Hall Annex. The purpose of this memorandum is to provide background information related to these documents.

BACKGROUND

In 2009, the city entered into an agreement with Auburn Professional Plaza, LLC ("APP"). Under that agreement, APP would build what was to become the One Main Plaza Building and the City would lease certain units in that building, with an option to buy those units. Parking for the City units was provided off-site in an APP-owned parking lot at the corner of 1st Street NW and A Street NW. This is commonly referred to as the "Mel's Lot" because it was the site of the former Mel's Lumber company.

The City exercised its option to purchase in 2010. As part of that purchase, APP conveyed the Mel's Lot to the City, but kept the right to develop the lot for 10 years. The Development Rights Agreement ("DRA") gave APP two options. It could replace parking on the Mel's Lot, or it could substitute new parking, as long as the substitute parking was within 1000' of the One Main Plaza Building. The DRA requires the City to convey title of the Mel's Lot to Lexi once Lexi has met certain conditions designed to show that the City can issue Lexi permits to construct its proposed project, and that it has the financial ability to construct those projects.

APP filed certain permit applications in October 2017 to develop the Mel's Lot into a medical office building and a four-story parking structure. It filed additional permit applications through 2018.

In January 2019, APP formally notified the City that it intended to exercise its right to develop the property under the DRA, and that it was exercising Option 2, to substitute parking instead of replacing it on-site.

Meanwhile, in February 2019 Sound Transit authorized acquisition of the Mel's Lot to construct a new parking garage on that site.

Throughout 2019, APP took several actions in support of its development. It assigned its rights under the DRA to a new entity, Lexi LLC. It modified its development plan to be conducted in two phases: installation of decorative railroad signs, followed by construction of the medical office building and parking garage. Lexi also filed permits for development of the substitute parking lots. These permits are in various stages of processing. Some have been approved, others are on hold pending certain appeals.

CURRENT ACTION NEEDED

The DRA requires Lexi and the City to take certain administrative actions, including amending the Development Agreement to reflect the choices made by Lexi, and to amend other related documents, such as the Parking Easement. Most of the proposed amendments are ministerial – they will just reflect the decisions Lexi has already made in exercising its development rights.

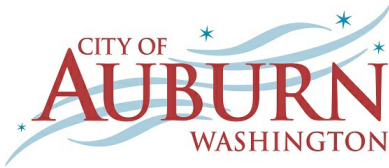
However, there are a few changes that are substantive.

1. Lexi exercised its choice to construct substitute parking off the Mel's Lot and on to two separate properties that are each within the 1000' feet allowed. With Sound Transit's clear statement that it intends to build the replacement parking in the new structure on the Mel's Lot, Lexi asks the City to allow it to withdraw that choice.
2. The Original DRA gives Lexi the sole right to negotiate terms of acquisition of the property. The parties have agreed that, while Lexi has the right to negotiate for its fee interest, both the City and APP will have the right to negotiate directly with a condemning agency any compensation that may be owed for their interests as owners of condominium units.
3. Lexi also agrees to remove the condition in both the DRA and the Parking Easement that allows it to move locate the parking on property other than the Mel's Lot.

Staff recommends Council authorize the Mayor to sign agreements necessary to amend the existing agreements.

Attachments:

Map showing City Hall, Mel's Lot, and currently proposed substitute parking.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5486 (Gaub)(10 Minutes)

Department:

Public Works

Attachments:

[Resolution No. 5486](#)

[Vicinity Maps](#)

[TIP# N-10 M Street Sidewalks](#)

[TIP# P-3 2nd Street SE Pres](#)

Date:

January 7, 2020

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

Previous TIP modifications were made with the annual TIP update adopted in June 2019, and during October 2019. Since then, changes in available project funding and the addition of a new project associated with recent grant awards necessitates additional modifications in order to meet obligation requirements of the grants.

SUMMARY OF PROPOSED AMENDMENTS TO THE 2020-2025 TIP

Modifications: The following existing project is proposed to be revised:

- TIP P-3: 2nd Street SE Reconstruction (\$0.98M) – The project will reconstruct 2nd Street SE between A Street SE and Auburn Way S. TIB grant funding for the project was awarded in November 2019.

Additions: The following project is proposed to be added to the updated TIP:

- TIP N-10: M Street SE Sidewalk Improvements (\$0.67M) – The project would fund the design and construction of sidewalk improvements along M Street SE between Auburn Way S and 8th Street SE. TIB grant funding for the project was awarded in November 2019.

NEXT STEP:

The public hearing and adoption of Resolution No. 5486 are scheduled for the January 21st City Council meeting.

Reviewed by Council Committees:**Councilmember:****Staff:**

Gaub

Meeting Date: January 13, 2020

Item Number:

RESOLUTION NO. 5486

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, APPROVING AND ADOPTING THE MODIFICATION OF THE 2020-2025 TRANSPORTATION IMPROVEMENT PROGRAM OF THE CITY OF AUBURN

WHEREAS, RCW 35.77.010 requires that the legislative body of each City prepare and adopt a comprehensive Transportation Improvement Program for the ensuing six years, but only after conducting a public hearing; and

WHEREAS, a public hearing to review the 2020-2025 Transportation Improvement Program for the City of Auburn was held on January 21, 2020 at the hour of 7:00 p.m. in the Council Chambers of the Auburn City Hall, pursuant to notice published in the legal newspaper of the City of Auburn on January 9, 2020.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The modifications to the 2020-2025 comprehensive Transportation Improvement Program are adopted, which will be in substantial conformity with the attached Exhibit "A."

Section 2. The Mayor is authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. This Resolution shall take effect and be in full force on passage and signatures.

Dated and Signed this _____ day of _____, 2020.

CITY OF AUBURN

NANCY BACKUS, MAYOR

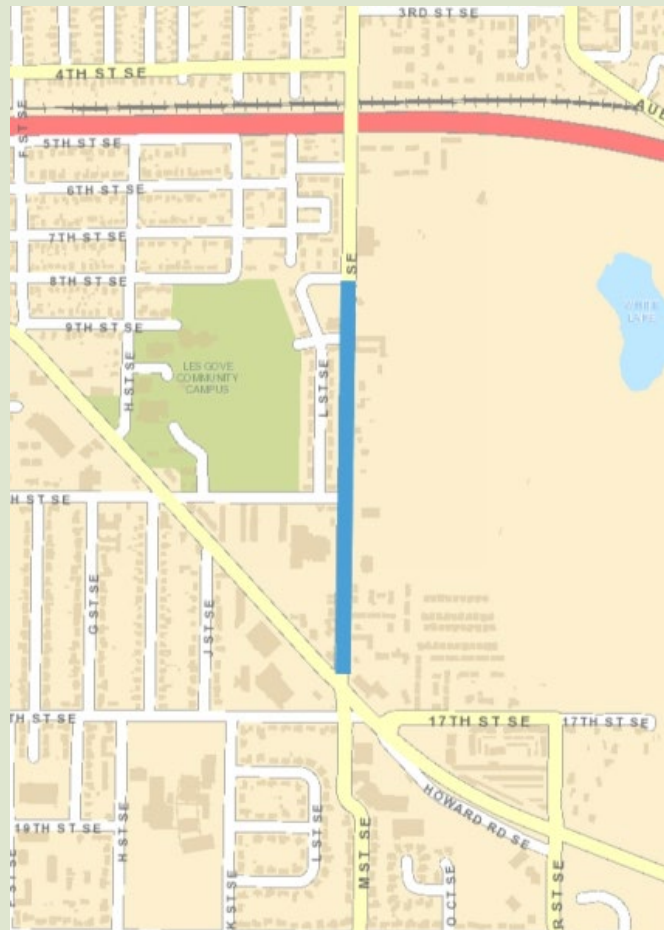
ATTEST:

APPROVED AS TO FORM:

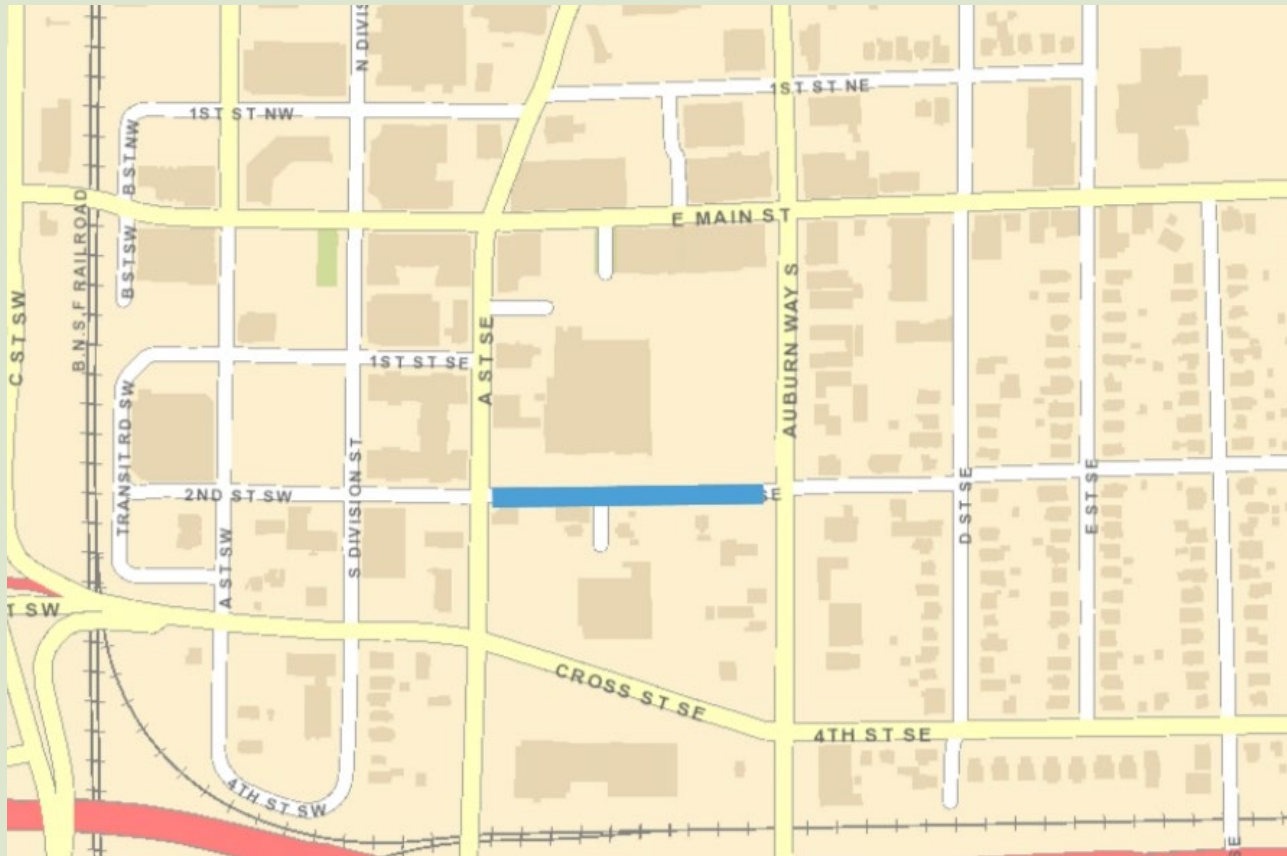
Shawn Campbell, MMC, City Clerk

Kendra Comeau, Acting City Attorney

TIP# N-10 – M STREET SE SIDEWALKS



TIP# P-3 – 2ND STREET SE PRESERVATION



Six Year Transportation Improvement Plan

ARTERIAL STREET FUND (102)

TIP# N-10

Project Title: **M Street SE Sidewalk Improvements**
 Project No: **TBD**
 Project Type: **Non-Motorized**
 Project Manager: **TBD**

STIP# AUB-N/A

LOS Corridor ID# N/A

Description:

The project will design and construct sidewalks along the M Street SE corridor between Auburn Way S and 8th Street SE. The project will complete the missing sections of sidewalk along the west side of M Street SE between Auburn Way S and 8th Street SE, and will complete the missing segments of sidewalk along the east side between Auburn Way S and 12th Street SE. The project will construct approximately 2,000 linear feet of new sidewalk to match adjacent widths. The project will also construct ADA compliant curb ramps, relocate existing utility poles and overhead signage to provide ADA access.

Progress Summary:

Grant funding for the project was awarded by TIB in 2019. The design phase will be started in 2020 and construction completed during 2021.

Future Impact on Operating Budget:

This project will have no impact on the operating budget for street maintenance.

Activity:	2019 YE		Budget			Forecast Project Cost				
Funding Sources:	Prior to 2019	Estimate	2020	2021	2022	2023	2024	2025	Beyond 2025	Total Project Cost
Unrestricted Street Revenue	-	-	14,980	209,562	-	-	-	-	-	224,542
Secured Grant	-	-	30,020	419,980	-	-	-	-	-	450,000
Traffic Impact Fees	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Funding Sources:	-	-	45,000	629,542	-	-	-	-	-	674,542
Capital Expenditures:										
Design	-	-	45,000	-	-	-	-	-	-	45,000
Right of Way	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	629,542	-	-	-	-	-	629,542
Total Expenditures:	-	-	45,000	629,542	-	-	-	-	-	674,542

Six Year Transportation Improvement Plan

ARTERIAL PRESERVATION FUND (105)

TIP# P-3

Project Title: **2nd Street SE Preservation**
 Project No: **TBD**
 Project Type: **Preservation**
 Project Manager: **TBD**

STIP# AUB-N/A

LOS Corridor ID# N/A

Description:

This project will reconstruct 2nd Street SE between A Street SE and Auburn Way S. The reconstruction will utilize full depth reclamation techniques. The project will also remove fixed objects within the clear zone, remove barriers to ADA access, and install new LED street lighting.

Progress Summary:

Grant funding for this project was awarded by TIB in 2019. The design phase will be started in 2020 and construction completed during 2021.

Future Impact on Operating Budget:

This project will have no impact on the operating budget for street maintenance.

Activity:	2019 YE		Budget			Forecast Project Cost				Total Project Cost
	Prior to 2019	Estimate	2020	2021	2022	2023	2024	2025	Beyond 2025	
Funding Sources:										
Arterial Preservation Fund	-	-	46,000	347,502	-	-	-	-	-	393,502
Secured Grant	-	-	69,000	521,253	-	-	-	-	-	590,253
Other	-	-	-	-	-	-	-	-	-	-
Total Funding Sources:	-	-	115,000	868,755	-	-	-	-	-	983,755
Capital Expenditures:										
Design	-	-	115,000	-	-	-	-	-	-	115,000
Right of Way	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	868,755	-	-	-	-	-	868,755
Total Expenditures:	-	-	115,000	868,755	-	-	-	-	-	983,755



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5487 (Gaub)(10 Minutes)

Department:

Public Works

Attachments:

[Resolution No. 5487](#)

[Amendment 5 to the Transit Partnership](#)

[Agreement](#)

Date:

December 31, 2019

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

Resolution No. 5487 authorizes the Mayor to execute a 5th Amendment to the Transit Service Direct Financial Partnership Agreement between the City of Auburn, King County Metro and the Pierce County Transit Benefit Authority (Pierce Transit) that established the Route 497 service. The Route 497 service provides a transit connection between Lakeland Hills and the Auburn Station. The current agreement expires in February 2020 and the amendment will extend the agreement term until September 2020. City staff continue to work with King County and Pierce Transit to complete a new agreement that would continue the Route 497 service beyond September 2020.

The proposed cost to the City of Auburn for this service is \$118,262.43 and is within the funding that was included in the 2020 adopted budget in the 102 Arterial Street Fund. This route has over 80,000 riders per year and an average of 330 weekday boardings.

Reviewed by Council Committees:**Councilmember:****Staff:**

Gaub

Meeting Date: January 13, 2020

Item Number:

RESOLUTION NO. 5487

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE A FIFTH AMENDMENT TO THE TRANSIT SERVICE DIRECT FINANCIAL PARTNERSHIP AGREEMENT BETWEEN THE CITY OF AUBURN, KING COUNTY, AND PIERCE COUNTY PUBLIC TRANSIT BENEFIT AUTHORITY (PIERCE TRANSIT)

WHEREAS, on December 22, 2008 the City of Auburn, King County, and Pierce County Public Transit Benefit Authority (collectively referred to as the “Parties”) entered into a Transit Service Direct Financial Partnership Agreement (the “Agreement”) to provide the Lakeland Hills-Auburn Sounder Station route (“Route 497”); and

WHEREAS, The agreement has been amended three times to extend the service beyond the expiration date in the original agreement and once to add additional service stops; and

WHEREAS, the third amendment extended service until February 9, 2020; and

WHEREAS, there is a continued need to provide the Route 497 service to alleviate parking issues in downtown Auburn and traffic congestion on roads between the Lakeland Hills neighborhood and the Auburn Sounder Station; and

WHEREAS, the Parties desire to continue the Route 497 service; and

WHEREAS, King County does not desire to extend the agreement term beyond September 2020 because the funding program King County has utilized to provide its contribution to the 497 Route expires in September 2020; and

WHEREAS, there is an understanding between the Parties that they will work together to prepare another amendment or new agreement that addresses the King County funding issue to allow the Route 497 agreement to continue beyond September 2020.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. That the Mayor is authorized to execute a 5th amendment to the Transit Service Direct Financial Partnership Agreement between the City of Auburn and King County, which amendment shall be in substantial conformity with the amendment attached as Exhibit "A".

Section 2. That the Mayor is authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. That this Resolution shall take effect and be in full force on passage and signatures.

Dated and Signed this _____ day of _____, 2020.

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

Shawn Campbell, City Clerk

APPROVED AS TO FORM:

Kendra R. Comeau, City Attorney

AMENDMENT No. 5
to the
TRANSIT SERVICE DIRECT FINANCIAL PARTNERSHIP AGREEMENT
between
KING COUNTY
and
THE CITY OF AUBURN, WASHINGTON
and
PIERCE TRANSIT

This Amendment No. 5 to the Transit Service Direct Financial Partnership Agreement ("Amendment No. 5" or the "Third Amendment") is made by and between King County, a home rule charter county of the State of Washington, by and through its Metro Transit Department (hereinafter the "County" or "Metro Transit") and the City of Auburn (the "City") and the Pierce County Public Transportation Benefit Authority ("Pierce Transit"), both Washington municipal corporations (referred to collectively as "Service Partner," whether one entity or multiple entities), all of which entities may be referred to hereinafter separately as "Party" or together as "Parties."

WHEREAS, on December 22, 2008 the Parties entered into a Transit Service Direct Financial Partnership Agreement (the "Agreement"); and

WHEREAS, Section 4.1 of the Agreement provides that each service specified in Attachment A to the Agreement will expire five (5) years after the start of service , unless extended pursuant to the terms of the Agreement; and

WHEREAS, Section 4.1 of the Agreement further provides that if, after five (5) years the enhanced transit service described in Section 1 of Attachment A to the Agreement is deemed viable by the County pursuant to the performance indicators set forth in Section 2.2 of the Agreement and the additional performance benchmarks specified in Attachment A of the Agreement, and the Parties desire to have Pierce Transit continue to provide the enhanced transit service beyond the initial period, the Agreement may be extended by the Parties; and

WHEREAS, the transit service enhancements provided for in Part I of Attachment A in the Agreement were implemented on or about February 9, 2010; and

WHEREAS, in December 2014 the Parties extended the Agreement to provide the enhanced transit service described in Part I of Attachment A (i.e., Lakeland Hills-Auburn Sounder Station route) until March 12, 2016, during which the Parties agreed to evaluate whether or not to extend the Agreement again consistent with the provisions of Section 4.1 of the Agreement; and

WHEREAS, in January 2016 the Parties extended the Agreement to provide the enhanced transit service described in Part I of Attachment A (i.e., Lakeland Hills-Auburn Sounder

Station route) until February 9, 2020, and adjusted the monetary contributions of the Parties to reflect increases to Pierce Transit's operating and capital costs for providing Route 497; and

WHEREAS, in January 2018 the Parties agreed to implement additional trips on the Route 497 and adjust the monetary contributions for each Party accordingly; and

WHEREAS, Section 8 of the Agreement provides that the Agreement may be amended or modified by written agreement of the Parties, and further provides that such amendments and modifications may be made for the County by Metro's General Manager when such amendments are consistent with the intent and purpose of the Agreement; and

WHEREAS, the Parties agree that the performance indicators set forth in the agreement for Route 497 have been met; and

WHEREAS, the Parties desire to continue the Route 497 partnership service; and

WHEREAS, the King County Transit Now agreement utilized by the County to fund its share of this Route 497 partnership will reach the end of its 10-year term in September 2020; and

WHEREAS, there is an understanding between the Parties that they will work together to determine the appropriate contracting mechanism for continuing the Route 497 partnership beyond September 2020;

NOW, THEREFORE, in consideration of the terms, conditions and mutual covenants set forth herein, the Parties agree to amend the Agreement as follows:

1. Extension of Term of Agreement

As provided for in Section 4.1, the enhanced transit service described in Part I of Attachment A (Lakeland Hills Service) in the Agreement is extended until September 30, 2020.

2. Lakeland Hill Service Cost

Operating Cost:

The operating cost for the Lakeland Hills service (Rt. 497) beginning on February 10, 2020 will be based on Pierce Transit's hourly rate of \$102.97.

Capital Cost:

In addition to the operating costs, the Parties agree to pay for Pierce Transit's capital costs associated with the Lakeland Hills service. The total capital cost for this extension period from February 2020 to September 2020 is \$56,853.89.

Monetary Contributions:

The Parties agree that beginning February 10, 2020 and through the term of this extension, the costs for continuing to provide nine (9) weekday AM northbound and nine (9) weekday PM southbound trips on the Lakeland Hills service (Route 497) will be divided equally between the three parties, King County, City of Auburn and Pierce Transit.

The total Service costs for this extension period are estimated below. The Parties will each be responsible for one-third (1/3) of the total costs.

Feb 2020 – Sept 2020	Operating Cost (\$102.97/hr x 2,893.4 hrs.)	Capital Cost	TOTAL COST
AUBURN	\$99,311.13	\$18,951.30	\$118,262.43
KING COUNTY	\$99,311.13	\$18,951.30	\$118,262.43
PIERCE TRANSIT	\$99,311.13	\$18,951.30	\$118,262.43
TOTAL:	\$297,933.39	\$56,853.90	\$354,787.29

3. No Other Modifications.

Except as specifically provided for in this Amendment No. 5, all other provisions of the Agreement shall remain unchanged and in full force and effect.

4. Effective Date.

This Amendment No. 5 shall be effective upon execution by the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment No. 5 to the Agreement as of the date set forth below their signatures.

KING COUNTY

By: _____
Rob Gannon
General Manager, Metro Transit Department

Date: _____

CITY OF AUBURN

By: _____
Nancy Backus
Mayor
City of Auburn

Date: _____

PIERCE TRANSIT

By: _____
Sue Dreier
Chief Executive Officer
Pierce Transit

Date: _____



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5489 (Hinman)(5 Minutes)

Department:

Administration

Attachments:

[RES 5489 - Classic Helicopter Corp Lease](#)
[Term Sheet with Premises](#)

Date:

January 7, 2020

Budget Impact:

Current Budget: \$0
Proposed Revision: \$0
Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

Classic Helicopter Corp. was an existing tenant on the Auburn Municipal Airport between June of 2016 and December 2019. Toward the end of Classic Helicopter's previous Auburn Airport term, Classic Helicopter was sold. The new owner wishes to maintain a presence on the Auburn Airport.

Reviewed by Council Committees:**Councilmember:**

Meeting Date: January 13, 2020

Staff:

Hinman

Item Number:

RESOLUTION NO. 5489

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RELATING TO AN AIRPORT LEASE AND AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE AN AIRPORT OFFICE AND TIE DOWN LEASE WITH CLASSIC HELICOPTER CORP.

WHEREAS, The Auburn municipal airport has office space and aircraft tie downs available for lease to private airport-related businesses; and

WHEREAS, Classic Helicopter Corp is interested in leasing such office and tie down space for their aircraft rental, flight instruction and scenic tours business; and

WHEREAS, the public, and airport customers benefit from having Skyline Leasing LLC located on the airport.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The Mayor is authorized to negotiate and execute a lease between the City of Auburn and Classic Helicopter Corp., in substantial conformity with the attached "Term Sheet".

Section 2. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed: _____

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney

Classic Helicopter terms for the Auburn Airport

December 18, 2019
Classic Helicopter Corporation
Attn: Dan Dolan

Term Sheet

Premises: That "Instr 2" portion of the Airport Administration Building as depicted in the attached "Premises" Exhibit.

A single available tie-down located anywhere on the Auburn Municipal Airport

Tenant is taking the Premises As-is, where-is.

Base Rental Rate: \$605.00 per month will be inclusive of the Premises identified above and all common area usage and maintenance fees, utilities (excluding internet & communication services) and security fees.

Leasehold Tax: A State mandated Leasehold Tax in the amount of 12.84% will be charged to the gross monthly rental payments.

Common Area Fees: Included as part of the base rental rate.

Rental Adjustments: City reserves the right to adjust the base rental rate as it deems necessary by providing Tenant with 30 day advanced written notice.

Uses: Aircraft rental, Flight instruction & Helicopter tours.

Term: Month-to-month.

Internet & Communication Services: Tenant is responsible at its sole cost and expense for establishing and maintaining its own internet and communication services.

Auburn City Council: The terms contained within are subject to the ratification of the Auburn City Council. If approved both parties will take reasonable steps to execute a formal lease based in substantial conformity to the terms contained within this term sheet.

Each party by signing below acknowledges and agrees to the terms as set forth above.

Tenant

Signature: 
Print Name: Daniel J. Dolan
Title: CEO

Landlord

Signature: _____
Print Name: _____
Title: _____

Date: 12/22/19

Date: _____

