

LEASE

BETWEEN

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

AND

PUGET SOUND CLEAN AIR AGENCY

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**CENTRAL PUGET REGIONAL TRANSIT AUTHORITY
TERM LEASE**

THIS TERM LEASE ("Lease") is made as of June 17, 2008, by and between **CENTRAL PUGET REGIONAL TRANSIT AUTHORITY** ("Sound Transit"), a regional transit authority formed under the laws of the State of Washington, as Lessor, hereinafter referred to as "Sound Transit," and **PUGET SOUND CLEAN AIR AGENCY**, a municipal corporation under the laws of the State of Washington, hereinafter referred to as "Lessee."

RECITALS:

- A. WHEREAS, Lessee was renting a portion of WSDOT property in Kent, Washington under a Rental Agreement dated January 1, 1988, as amended July 1, 1998 and further amended December 15, 1999; and
- B. WHEREAS, Sound Transit entered into a Ground Lease with WSDOT for the entire site, less the existing Rental Agreement area; and subsequently entered into a Lease with Option to Purchase subject to the existing Rental Agreement; and
- C. WHEREAS, Sound Transit, by way of Letter of Understanding dated October 11, 1999 and amended January 10, 2000, agreed to enter into a direct Lease Agreement with Lessee upon Sound Transit's acquisition of the property; and
- D. WHEREAS, Sound Transit acquired ownership of the property from WSDOT by Quit Claim Deed dated April 9, 2002 subject to the lease with Lessee; and
- E. WHEREAS, Lessee submitted an application to lease the rental property from Sound Transit and Sound Transit approved the application; and
- F. WHEREAS, the parties desire to enter into a lease agreement.

WITNESSETH:

In consideration of their mutual promises, the parties hereto do hereby mutually agree as follows:

1. LEASED PREMISES

Sound Transit hereby leases to Lessee, and Lessee hereby hires and leases from Sound Transit, the following described premises located near the northeastern corner of the parking lot at Kent Station in the vicinity of Railroad Avenue and James Street which is legally described on Exhibit A-1 and situated in King County, State of Washington:

Approximately 546 square feet of space, located at Kent Station in Kent, Washington as depicted on Exhibit A-2, hereinafter called "the Premises." Sound Transit and Lessee agree that the Premises are and shall be deemed for all purposes to be 546 square feet. The Premises are part of a larger property owned by Sound Transit, which larger property is legally described in Exhibit B (the "Property").

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2. PARKING

Lessee shall be entitled to use one parking space in the vicinity of the Premises while Lessee is visiting the Premises. Sound Transit shall incur no liability related to Lessee's parking privileges in this Lease.

3. TERM

This Lease shall be for a term of five (5) years, beginning July 1, 2008 and ending June 30, 2013.

4. RENT

Lessee agrees to pay as rent for the Premises the sum of One Thousand Seven Hundred Fifty and 00/100 DOLLARS (\$1,750.00) per year plus Leasehold Tax. The rent and Leasehold Tax for each year shall be paid to Sound Transit in advance on or before the first day of each and every year of the Lease term and shall be payable at such place as Sound Transit may hereinafter designate. Leasehold Tax is currently 12.84%

5. LATE CHARGES

Lessee hereby acknowledges that late payment by Lessee to Sound Transit of rent, or any other sums due hereunder will cause Sound Transit to incur costs not otherwise contemplated by this Lease. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by Sound Transit within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay Sound Transit a late charge equal to 5% of such overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Sound Transit will incur by reason of late payment by Lessee. Acceptance of such late charge by Sound Transit shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent the Sound Transit from exercising any of the other rights and remedies granted hereunder. In addition to the late charges provided for in this paragraph, interest shall accrue on rent, or any other sums due hereunder, at the rate of 18% per annum or the maximum rate provided by law, whichever is less, from the date due until paid.

6. BOND OR OTHER SURETY

Lessee shall, upon execution of this Lease, provide security in the form described in this paragraph. This security is offered to Sound Transit as additional consideration for entering into this Lease and to guarantee Lessee's full performance under this Lease. Lessee must obtain and deliver to Sound Transit, subject to Sound Transit's approval, a good and sufficient letter of credit, corporate surety company bond, cash deposit or other security ("Security"). The Security must be in a form and amount that is acceptable to the Sound Transit. The Security will include, but not be limited to, an amount equal to \$0.00. The form, provisions and nature of the Security, and the identity of the surety or other obligor, must remain in place at all times during the term of this Lease and are subject to Sound Transit's continued approval. If the Security is in a form that periodically requires renewal, Lessee must renew the Security not less than 45 days before the Security period expires. Sound Transit will return the Security to Lessee following termination of this Lease if the Lessee has fully complied with all of the terms of this Lease. If the Security is a bond or letter of credit, Sound Transit may liquidate and keep the proceeds of the bond or letter of credit if Lessee has not fully complied with the terms of this Lease.

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7. USE OF PREMISES

Lessee shall use the Premises for operating an Ambient Air Monitoring Station and shall not use them for any other purpose without the prior written consent of Sound Transit. Lessee estimates that one technician driving one vehicle will access the Premises one time every two weeks to check the ambient air devices. Lessee agrees that it will not disturb Sound Transit or any other tenant of Sound Transit by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the Premises.

8. UTILITIES

Lessee shall be liable for, and shall pay throughout the term of this Lease, all charges for all utility services furnished to the Premises, including but not limited to light, heat, electricity, ADT or equivalent, gas, water, sewerage, garbage disposal, and janitorial services. In the event that the Premises are part of a building or part of any larger premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to Sound Transit Lessee's pro rata share of the cost of any such utility services. Lessee's pro rata share of any such services may be computed by Sound Transit on any reasonable basis, and separate metering or other exact segregation of cost shall not be required.

9. ACCEPTANCE OF PREMISES

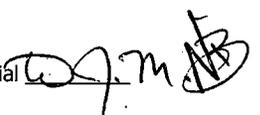
Lessee has examined the Premises, accepts them in their present condition and subject to the provisions of paragraph 11 below, agrees to make any changes in the Premises necessary to conform to federal, state and local law applicable to Lessee's use of the Premises.

10. MAINTENANCE AND REPAIR

At the expiration or sooner termination of this Lease, Lessee shall return the Premises to Sound Transit in the same condition in which received (or, if altered by Lessee with Sound Transit's consent, then the Premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or other unavoidable casualty excepted. Lessee shall, at its own expense, at all times keep the Premises neat, clean and in a safe and sanitary condition, free from infestation of pests and conditions which might result in harborage for, or infestation of, pests. (The word "pests," as used herein, shall include, without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created.)

11. ALTERATIONS AND IMPROVEMENTS

Lessee, at Lessee's sole cost and expense, shall be permitted to replace the existing trailer at the monitoring station with a new monitoring shed. The proposed monitoring shed is shown on Exhibit C. Lessee's project includes removing the fence fabric, cutting two fence posts, disconnecting the electrical and telephone (DSL) service, and towing the trailer away. Lessee shall be permitted to install the new plastic shed in the area previously occupied by the trailer. After the new shed is installed, Lessee shall reinstall electric and telephone service and will repair or replace the fence. All work performed shall be performed by licensed contractors and in accordance with all laws, rules, regulations, ordinances and requirements of governmental agencies, offices and boards having jurisdiction.



Except as provided above, Lessee shall make no alterations or improvements to or upon the Premises or install any fixtures (other than trade fixtures which can be removed without injury to the Premises) without first obtaining written approval from Sound Transit and subject to any and all conditions in such approval. Sound Transit may require Lessee to remove any improvements or alterations made by Lessee at the expiration of the term or earlier termination of the Lease, and to restore the Premises to the condition they were in at the commencement of the term..

12. POSSESSION

Lessee acknowledges that, with Sound Transit's consent, it has, taken possession of the Premises prior to the commencement of the term of this Lease, and that all of the terms and conditions of this Lease shall immediately become applicable.

13. DAMAGE OR DESTRUCTION

In the event of any damage to or destruction of the Premises or any improvements thereon from any causes whatever, either party may at its option, elect to terminate this Lease upon providing thirty (30) days written notice to the other party.

14. INDEMNIFICATION AND LIABILITY INSURANCE

- a. Sound Transit, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Lessee or by others, including but not limited to all persons directly or indirectly employed by the Lessee, or any agents, contractors, subcontractors, licensees, or invitees of Lessee, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to the Premises and the areas adjacent thereto, or related in any way to Lessee's use or occupancy of the Premises and of areas adjacent thereto. Lessee agrees to defend and to hold and save Sound Transit harmless from all liability or expenses (including attorneys' fees, costs, and all expenses of litigation) in connection with any such items of actual or alleged injury or damage, except when such injury or damage is caused by the sole negligence of Sound Transit. Lessee expressly agrees that its duty to defend and indemnify Sound Transit includes negligent acts which are concurrent, contributory, or both by Sound Transit, resulting in said damage or injury. However to the extent this Lease is construed to be subject to RCW 4.24.115, and where the injury or damage arises from the concurrent negligence of Sound Transit and Lessee, Lessee's indemnity will only extend to its negligence.
- b. Lessee shall at its expense procure and maintain throughout the term of the Lease, the following insurance policies:
 - i. Commercial Liability insurance in amounts of not less than a combined single limit of \$2,000,000 or in such other amounts as Sound Transit may from time to time reasonably require, insuring Lessee, Sound Transit, Sound Transit's agents and their respective affiliates against all liability for injury to or death of a person or persons or damage to property arising from the use and occupancy of the Premises;
 - ii. Commercial Liability insurance described in (a) above, shall include coverage for Bodily Injury and Property Damage Liability, Personal Injury liability and containing

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endorsements covering Contractual Liability, Fire Legal Liability and Stop-Gap coverage endorsements sufficient to cover Lessee's indemnity obligations hereunder;

- iii. Automobile Liability insurance in amounts of not less than a combined single limit of \$1,000,000 covering Lessee's owned, non-owned, leased or rented vehicles;
- iv. All-risk Property insurance covering the full value of Lessee's property and improvements (including all initial improvements), and other property (including property of others), in the Premises;
- v. Workers' Compensation and Employers' Liability in accordance with the provisions of Title 51 of the Revised Code of Washington and covering Lessee's employees' industrial accidents and injuries;
- vi. Prior to taking occupancy, Lessee shall furnish Sound Transit with a Certificate(s) of Insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above and naming Sound Transit as an additional insured.

15. WAIVER OF SUBROGATION

Sound Transit and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under the respective fire insurance contracts, including any extended coverage endorsements thereto: Provided, that this paragraph 15 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of Sound Transit or Lessee.

16. INCREASE IN COST OF INSURANCE

Lessee shall not use the Premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of Sound Transit, the full amount of any resulting increase in premiums paid by Sound Transit with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rent hereinabove specified and shall be paid by Lessee to Sound Transit upon the monthly rental day next thereafter occurring.

17. TAXES

Lessee shall be liable for, and shall pay throughout the term of this Lease, all license fees and all taxes payable for, or on account of, the activities conducted on the Premises and all taxes on the property of Lessee on the Premises and any taxes on the Premises and/or on the leasehold interest created by this Lease and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, the rentals payable hereunder, whether imposed on Lessee or on Sound Transit. With respect to any such taxes payable by Sound Transit which are on or measured by the rent payments hereunder, Lessee shall pay to Sound Transit with each rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which Sound Transit is or will be entitled to reimbursement from Lessee shall be payable by Lessee to the Sound Transit at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Lessee shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

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18. COMPLIANCE SOUND TRANSIT REGULATIONS AND WITH ALL LAWS

Lessee agrees to comply with all applicable rules and regulations of Sound Transit pertaining to the building or other realty of which the Premises are a part now in existence or hereafter promulgated for the general safety and convenience of Sound Transit, its various tenants, invitees, licensees and the general public. Lessee further agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations, including without limitation those relating to environmental matters. Any fees for any inspection of the Premises during or for the Lease term by a federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

19. ASSIGNMENT OR SUBLEASE

Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the written consent of the Sound Transit first had and obtained. Lessee shall pay Sound Transit a reasonable administrative fee for review of requests for assignment or sublet of the Premises and shall provide all information requested by Sound Transit in connection with such review.

20. DEFAULTS AND REMEDIES

a. Defaults.

- i. Time is of the essence of this Lease. The occurrence of any one or more of the following events constitutes a default of this Lease by Lessee with or without notice from Sound Transit:
- ii. The vacating or abandonment of the Premises by Lessee.
- iii. The failure by Lessee to make any payment of rent, or any other payment required by this Lease, when due.
- iv. The failure by Lessee to observe or perform any covenant, condition, or agreement to be observed or performed by Lessee in this Lease.
- v. The discovery by Sound Transit that any financial or background statement provided to Sound Transit by Lessee, any successor, grantee, or assign was materially false.
- vi. The filing by Lessee of a petition in bankruptcy, Lessee being adjudged bankrupt or insolvent by any court, a receiver of the property of Lessee being appointed in any proceeding brought by or against Lessee, Lessee making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Lessee's interest in the Premises or on any personal property kept or maintained on the Premises by Lessee.

b. Remedies

- i. Whenever any default (other than a default under subparagraph 20.a.(6) above, upon which termination of this Lease shall, at Sound Transit's option, be effective

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immediately without further notice) continues unremedied in whole or in part for 30 days after written notice is provided by Sound Transit to Lessee (or for 10 days after written notice in the case of default for failure to pay any rent, or other required payment when due), this Lease and all of Lessee's rights under it will automatically terminate if the written notice of default so provides. Upon termination, Sound Transit may reenter the Premises using such force as may be necessary and remove all persons and property from the Premises. Sound Transit will be entitled to recover from Lessee all unpaid rent or other payments and damages incurred because of Lessee's default including, but not limited to, the costs of re-letting, including tenant improvements, necessary renovations or repairs, advertising, leasing commissions, and attorney's fees and costs ("Termination Damages"), together with interest on all Termination Damages at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is less, from the date such Termination Damages are incurred by Sound Transit until paid.

ii. In addition to Termination Damages, and notwithstanding termination and reentry, Lessee's liability for all rent or other charges which, but for termination of the Lease, would have become due over the remainder of the Lease term ("Future Charges") will not be extinguished and Lessee agrees that Sound Transit will be entitled, upon termination for default, to collect as additional damages, a Rental Deficiency. "Rental Deficiency" means, at Sound Transit's election, either:

(a) An amount equal to Future Charges, less the amount of actual rent, if any, which Sound Transit receives during the remainder of the Lease term from others to whom the Premises may be rented, in which case such Rental Deficiency will be computed and payable at Sound Transit's option either:

(1) In an accelerated lump-sum payment, or

(2) in monthly installments, in advance, on the first day of each calendar month following termination of the Lease and continuing until the date on which the Lease term would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice Sound Transit's right to collect any portion of Rental Deficiency by a similar proceeding; or

(b) An amount equal to Future Charges less the aggregate fair rental value of the Premises over the remaining Lease term, reduced to present worth. In this case, the Rental Deficiency must be paid to Sound Transit in one lump sum, on demand, and will bear interest at a rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is less, until paid. For purposes of this subparagraph, "present worth" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank in, or closest to, Seattle, Washington.

iii. If this Lease is terminated for default as provided in this Lease, Sound Transit shall use reasonable efforts to re-let the Premises in whole or in part, alone or together with other premises, for such term or terms (which may be greater or less than the period which otherwise would have constituted the balance of the Lease term), for such use or uses and, otherwise on such terms and conditions as Sound Transit, in its sole discretion, may determine, but Sound Transit will not be liable for, nor will Lessee's obligations under

this Lease be diminished by reason for any failure by Sound Transit to re-let the Premises or any failures by Sound Transit to collect any rent due upon such re-letting.

- iv. If upon any reentry permitted under this Lease, there remains any personal property upon the Premises, Sound Transit, in its sole discretion, may remove and store the personal property for the account and at the expense of Lessee. In the event Sound Transit chooses to remove and store such property, it shall take reasonable steps to notify Lessee of Sound Transit's action. All risks associated with removal and storage shall be on Lessee. Lessee shall reimburse Sound Transit for all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. Sound Transit has the right to sell any property which has been stored for a period of 30 days or more, unless Lessee has tendered reimbursement to Sound Transit for all expenses incurred in removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorney's fees), second to the payment of storage charges, and third to the payment of any other amounts which may then be due and owing from Lessee to Sound Transit. The balance of sale proceeds, if any, will then be paid to Lessee.
- v. Sound Transit's action pursuant to this remedies paragraph shall not be construed to limit Sound Transit in the exercise of any other additional right or remedy which may be available to Sound Transit, at law or in equity, by reason of Lessee's default.

21. TERMINATION

In the event that Sound Transit, at its sole discretion, shall require the use of the Premises for a major capital improvement in connection with the operation of the business of Sound Transit, then this Lease may be terminated by Sound Transit by written notice delivered or mailed by Sound Transit to Lessee not less than ninety (90) days before the termination date specified in the notice.

22. TERMINATION FOR GOVERNMENT USE

In the event that any federal, state or local government or agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the Premises or any part thereof, Sound Transit may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

23. TERMINATION BECAUSE OF COURT DECREE

In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by Sound Transit of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

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24. SIGNS

No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on or within the Premises, including the windows and doors thereof, without the prior written approval of Sound Transit first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the Premises and correct any unsightly condition caused by the installation, maintenance or removal of said signs.

25. NONWAIVER

The acceptance of rent by Sound Transit for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless Sound Transit shall so intend and shall so advise Lessee in writing. No waiver by Sound Transit of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been timely cured by lessee, it shall not thereafter be used by Sound Transit as a ground for the commencement of any action under the provisions of paragraph 20 hereof.

26. RECORDING

This Lease shall not be recorded without Sound Transit's prior written consent.

27. SURRENDER OF PREMISES - ATTORNEYS' FEES

At the expiration or sooner termination of this Lease, Lessee shall promptly surrender possession of the Premises to Sound Transit, and shall deliver to Sound Transit all keys that it may have to any and all parts of the Premises. In the event that either party shall be required to bring any action to enforce any of the provisions of this Lease, or shall be required to defend any action brought by the other party with respect to this Lease, and in the further event that one party shall entirely prevail in such action, the losing party shall, in addition to all other payments required therein, pay all of the prevailing party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in the trial court and in any appellate courts.

28. HOLDING OVER

If Lessee, with the consent of Sound Transit, holds over after the expiration or sooner termination of this Lease, the resulting tenancy will, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to Sound Transit, at Sound Transit's sole discretion, the same rental rate that was in effect immediately prior to the month-to-month tenancy times 150%. Lessee will continue to be bound by all of the additional provisions of this Lease insofar as they may be pertinent.

29. LESSEE NON PERFORMANCE

If Lessee shall fail to perform under any obligation under this Lease, except to pay rent, Sound Transit may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to Sound Transit, Lessee shall promptly pay Sound Transit the amount of that cost. Interest shall accrue on such sum from the date Sound Transit incurred the cost until Lessee pays Sound Transit, at the rate of 10% or the maximum allowed by law, whichever is less.

30. LIENS AND ENCUMBRANCES

Lessee shall keep the Premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said Premises by Lessee. At Sound Transit's request, Lessee shall furnish Sound Transit with written proof of payment of any item which would or might constitute the basis for such a lien on the Premises if not paid.

31. NOTICES

All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail, by facsimile or by recognized overnight courier addressed as follows:

To Sound Transit:

Sound Transit
Attention: Property Manager
401 S. Jackson Street
Seattle, Washington 98104
Facsimile: (206) 398-5228

For payments only, the following mailing address should be used:

Sound Transit
Treasury Services Division
401 S. Jackson Street
Seattle, Washington 98104

To Lessee:

Puget Sound Clean Air Agency
Attention: Matt Harper
1904 Third Avenue, Suite 105
Seattle, WA 98101
Telephone: 206.689.4009
Fax: 206.343.7522
Email: matth@pscleanair.org

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered (i) when personally delivered; (ii) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; (iii) on the date transmitted by facsimile, if the facsimile is confirmed received; or (iv) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by Sound Transit.

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32. JOINT AND SEVERAL LIABILITY

Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.

33. "LESSEE" INCLUDES LESSEES, ETC.

It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual lessee or lessees under this agreement.

34. CAPTIONS

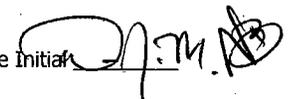
The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

35. INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

36. NONDISCRIMINATION

- a. The Lessee for herself/himself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on the said property described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- b. That in the event of breach of any of the above nondiscrimination covenants, the Central Puget Sound Regional Transit Authority shall have the right to terminate the Lease and to re-enter and re-possess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.
- c. The Lessee does hereby covenant and agree "as a covenant running with the land" that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination, and (3) that the Lessee shall use the Premises in compliance with



all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title Vi of the Civil Rights Act of 1964, and as said Regulations may be amended.

- d. That in the event of breach of any of the above nondiscrimination covenants, the Central Puget Sound Regional Transit Authority shall have the right to terminate the Lease and to re-enter and re-possess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.

37. EASEMENTS

The Parties recognize that Sound Transit facilities are continuously being modified to improve the utilities, services and premises used and provided by Sound Transit. Sound Transit, or its agents, shall have the right to enter the Premises of Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, and all other services and facilities required by Sound Transit for its own use. Sound Transit hereby retains a continuous easement or easements that Sound Transit believes is necessary within the Premises of Lessee, without any additional cost to Sound Transit for the purposes expressed hereinabove. Provided, however, that Sound Transit by virtue of such use, does not substantially deprive Lessee from its beneficial use or occupancy of its leased area for an unreasonable period of time, without consent of Lessee.

38. ENVIRONMENTAL STANDARDS

- a. "Law or Regulation" as used herein shall mean any environmentally related local, state or federal law, regulation, ordinance or order (including without limitation any final order of any court of competent jurisdiction), now or hereafter in effect. "Hazardous Substances" as used herein shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Law or Regulation.
- b. Lessee shall not allow the presence in or about the Premises of any Hazardous Substance in any manner that could be a detriment to the Premises or in violation of any Law or Regulation. Lessee shall not allow any Hazardous Substances to migrate off the Premises, or the release of any Hazardous Substances into adjacent surface waters, soils, underground waters or air. Lessee shall provide Sound Transit with Lessee's USEPA Waste Generator Number, and with copies of all Material Safety Data Sheets (MSDS), Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals (including revisions or renewals) and any correspondence Lessee receives from, or provides to, any governmental unit or agency in connection with Lessee's handling of Hazardous Substances or the presence, or possible presence, of any Hazardous Substance on the Premises.
- c. If Lessee, or the Premises, is in violation of any Law or Regulation concerning the presence or use of Hazardous Substances or the handling or storing of hazardous wastes, Lessee shall promptly take such action as is necessary to mitigate and correct the violation. If Lessee does not act in a prudent and prompt manner, the Sound Transit reserves the right, but not the obligation, to come onto the Premises, to act in place of the Lessee (Lessee hereby appoints Sound Transit as its agent for such purposes) and to take such action as the Sound Transit deems necessary to ensure compliance or to mitigate the violation. If Sound Transit has a reasonable belief that Lessee is in violation of any Law or Regulation, or that Lessee's

actions or inactions present a threat of violation or a threat of damage to the Premises, Sound Transit reserves the right to enter onto the Premises and take such corrective or mitigating action as Sound Transit deems necessary. All costs and expenses incurred by Sound Transit in connection with any such actions shall become immediately due and payable by Lessee upon presentation of an invoice therefor.

- d. Sound Transit shall have access to the Premises to conduct an annual environmental inspection. In addition, Lessee shall permit Sound Transit access to the Premises at any time upon reasonable notice for the purpose of conducting environmental testing at Sound Transit's expense. Lessee shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining Sound Transit's written consent. Lessee shall promptly inform Sound Transit of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises whenever the same becomes known to Lessee, and Lessee shall provide copies to Sound Transit.
- e. Prior to vacation of the Premises, in addition to all other requirements under this Lease, Lessee shall remove any Hazardous Substances placed on the Premises during the term of this Lease or Lessee's possession of the Premises, and shall demonstrate such removal to Sound Transit's satisfaction. This removal and demonstration shall be a condition precedent to Sound Transit's payment of any Lease Security to Lessee upon termination or expiration of this Lease.
- f. No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, Sound Transit shall be entitled to full reimbursement from Lessee whenever Sound Transit incurs any costs resulting from Lessee's use or management of Hazardous Substances on the Premises, including but not limited to, costs of clean-up or other remedial activities, fines or penalties assessed directly against Sound Transit, injuries to third persons or other properties, and loss of revenues resulting from an inability to re-lease or market the property due to its environmental condition (even if such loss of revenue occurs after the expiration or earlier termination of this Lease).
- g. In addition to all other indemnities provided in this Lease, Lessee agrees to defend, indemnify and hold Sound Transit free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation clean-up or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of any Hazardous Substance on the Premises, or the migration of any Hazardous Substance from the Premises to other properties or into the surrounding environment, whether (1) made, commenced or incurred during the term of this Lease, or (2) made, commenced or incurred after the expiration or termination of this Lease if arising out of events occurring during the term of this Lease.

39. SURVIVAL

Provisions of this Lease related to liability and indemnity shall survive the expiration or earlier termination of this Lease.

40. ENTIRE AGREEMENT - AMENDMENTS

This printed Lease together with any and all exhibits expressly incorporated herein by reference and attached hereto shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

IN WITNESS WHEREOF the parties hereto have signed this Lease as of the day and year first above written.

**CENTRAL PUGET SOUND REGIONAL
TRANSIT AUTHORITY**

By: *Nancy Bennett*
Nancy Bennett
Property Manager

PUGET SOUND CLEAN AIR AGENCY

By: *William J. McFara*
Title: Executive Director

Approved as to Form:

Approval on file
Sound Transit Legal Counsel

(ACKNOWLEDGEMENT FOR SOUND TRANSIT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 22ND day of JULY, 2008, before me, the undersigned notary public in and for the State of Washington, duly commissioned and sworn, personally appeared **Nancy Bennett**, to me known to be the Property Manager of SOUND TRANSIT, a regional transit authority, the authority that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said authority, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute the same.

WITNESS my hand and official seal hereto the day and year in this Certificate first above written.



[Signature]
Notary Public in and for the State of
Washington, residing at MARYSVILLE
My appointment expires 11/8/2009

(ACKNOWLEDGMENT FOR CORPORATE LESSEE)

STATE OF Washington)
) ss.
COUNTY OF King)

On this 15th day of July, 2008, before me personally appeared Demi's
McLerran and _____, to me known to be the
_____ of the corporation that executed the within and foregoing instrument,
and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the
uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said
instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public in and for the State of
Washington, residing at Seattle
My appointment expires 11/25/12

EXHIBIT A - 1

**PUGET SOUND CLEAN AIR AGENCY
SOUND TRANSIT - KENT SITE (TRIAD #98-273)**

A PARCEL OF LAND LYING IN LOTS 5 AND 6, BLOCK 2 CROSS' ADDITION TO THE CITY OF KENT, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 18 OF PLATS, PAGE 9, RECORDS OF KING COUNTY, WASHINGTON AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M. KING COUNTY, WASHINGTON; THENCE ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER NORTH 88° 37' 57" WEST, 1006.02 FEET; THENCE SOUTH 1° 24' 03" WEST, 16.50 FEET TO THE NORTHWEST CORNER OF SAID BLOCK 2, THENCE ALONG THE WEST LINE OF SAID BLOCK 2 SOUTH 00° 46' 50" WEST, 119.98 FEET TO THE NORTHWEST CORNER OF SAID LOT 5; THENCE ALONG THE NORTH LINE OF SAID LOT 5 THENCE SOUTH 88° 35' 57" EAST, 54.22 FEET; THENCE SOUTH 01° 24' 03" WEST, 2.56 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 59° 11' 35" EAST, 26.00 FEET; THENCE SOUTH 30° 48' 25" WEST, 21.00 FEET; THENCE NORTH 59° 11' 35" WEST, 26.00 FEET; THENCE NORTH 30° 48' 25" EAST, 21.00 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT A - 2

LEASED PREMISES

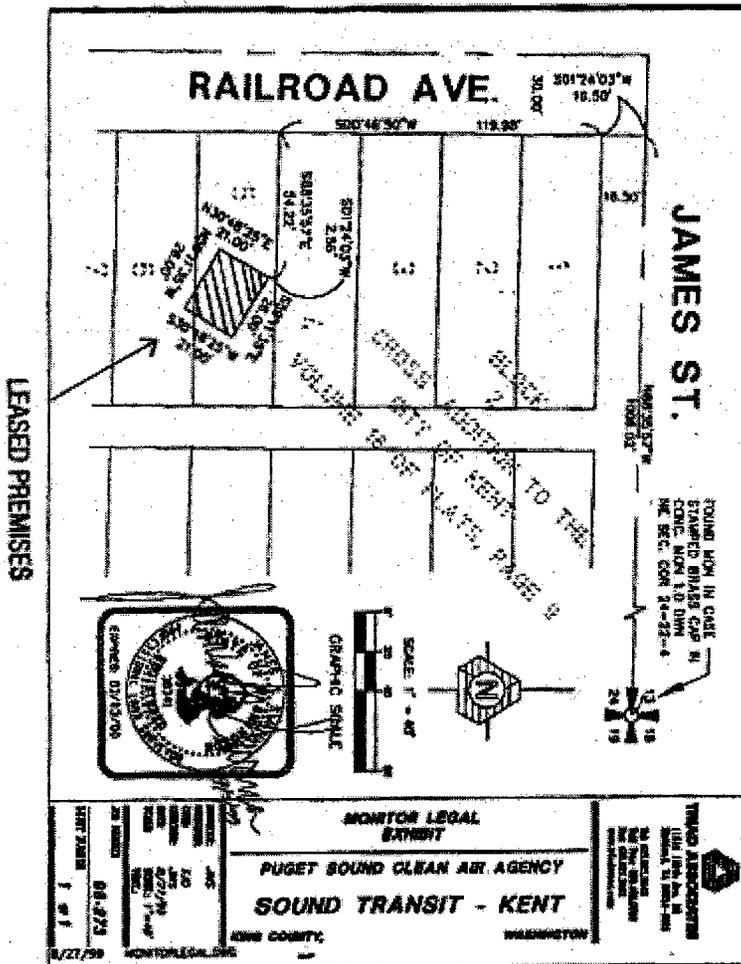


EXHIBIT B

THE PROPERTY

Assessor's Tax Parcel Numbers: 184970-0050-07
184970-0070-03
184970-0080-01
184970-0105-02
184970-0110-05

Legal Description:

LOTS 1 THROUGH 13, BLOCK 2, CROSS' ADDITION TO THE CITY OF KENT, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 18 OF PLATS, PAGE 9, RECORDS OF KING COUNTY, WASHINGTON; EXCEPT THOSE PORTIONS OF LOTS 1 AND 2 LYING NORTHWESTERLY AND NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WESTERLINE LINE OF SAID LOT 2 A DISTANCE OF 21.67 FEET NORTHERLY FROM THE SOUTHWEST CORNER THEREOF; THENCE NORTHERLY, NORTHEASTERLY AND EASTERLY, ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 20.0 FEET AND A CENTRAL ANGLE OF 96° 01' 46" AN ARC DISTANCE OF 33.52 FEET; THENCE TANGENT TO SAID CURVE SOUTH 83° 46' 38" EAST 80.25 FEET TO A POINT ON THE EASTERLY LINE OF SAID LOT 1 THAT IS 5.05 FEET NORTHERLY FROM THE SOUTHEAST CORNER THEREOF AND THE END OF THIS LINE DESCRIPTION.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

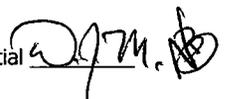
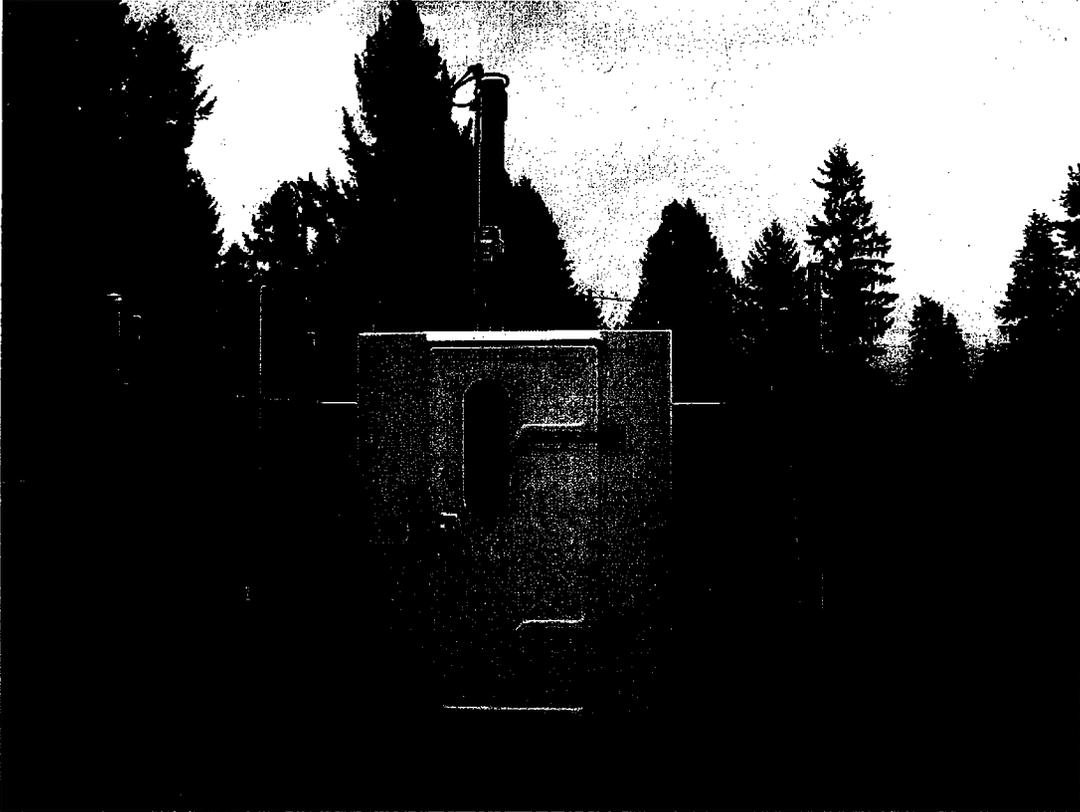


EXHIBIT C

PROPOSED MONITORING SHED



U.S. Environmental Protection Agency
Washington, D.C. 20460

**Certification Regarding
Debarment, Suspension and Other Responsibility Matters**

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Nancy Bennett
Property Manager

Typed Name & Title of Authorized Representative

Nancy Bennett

Signature of Authorized Representative

7/23/08

Date

I am unable to certify to the above statements. My explanation is attached.