

ORDINANCE NO. 1897

ORIGINAL

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AMENDING THE SITE REQUIREMENTS CHART ADOPTED FOR THE EVERGREEN HIGHLANDS SUBAREA BY SECTION 20C.10.235(45)(b) IN ORDER TO INCREASE THE MAXIMUM FLOOR AREA RATIOS IN PERFORMANCE AREAS C AND D AND IN ORDER TO DECREASE THE MINIMUM PERVIOUS SURFACE PERCENTAGES IN THE SAID PERFORMANCE AREAS, DGA 95-010.

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WHEREAS, the dedication of approximately 10 acres of the Microsoft property adjacent to SR 520 for a transit center was part of the decision of the City of Redmond to support an SR 520 interchange at N.E. 40th Street, and

WHEREAS, the City believed that the dedication would help address transportation needs in the Overlake area and make the N.E. 40th Street interchange more attractive, and

WHEREAS, pursuant to a 1993 Memorandum of Agreement between the City and Microsoft, Microsoft agreed to dedicate the transit center land in exchange for the City allowing the development capacity of the land to be transferred to Microsoft's main campus, and

WHEREAS, the City's 1995 Comprehensive Plan specifically provides for such a transfer of density to be accomplished through implementing regulations, and

WHEREAS, the Planning Commission held a public hearing on the proposed implementing regulations contained in this Ordinance on February 28, 1996 and, after considering the input received at the hearing, recommended that the City Council approve of the regulations, and

WHEREAS, the City Council considered the Planning Commission's

recommendation at the Council's meeting of June 18, 1996 and determined to adopt the regulations as hereinafter set forth, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO  
ORDAIN AS FOLLOWS:

Section 1. Adoption of Findings and Conclusions. In support of the Development Guide Amendments approved by Section 2 of this Ordinance, the City Council hereby adopts the Findings and Conclusions found in the Planning Commission's Report to the City Council dated May 15, 1996 and incorporated herein by this reference as if set forth in full.

Section 2. Amendment of Evergreen Highlands Site Requirements Chart. The Evergreen Highlands Subarea Site Requirements Chart adopted by Section 20C.10.235(45)(b) is hereby amended to increase the maximum floor area ratios in Performance Area C and Performance Area D to 0.46 and 0.43, respectively, to decrease the minimum pervious surfaces in Performance Areas C and D from 35% to 30%, and to read as set forth on Exhibit A attached hereto and incorporated herein by this reference as if set forth in full.

Section 3: Conditions of Development and Density Transfer. All development undertaken using the transferred development rights provided for under the Development Guide Amendments approved in Section 2 shall be subject to the conditions set forth on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of

the title. The City Clerk is hereby directed not to publish the summary of the ordinance, and this ordinance shall not become effective, unless and until Microsoft Corporation, the applicant for DGA95-010, shall execute that certain agreement entitled, "Transit Center Dedication Agreement," in substantially the form approved by the City Council on the date of passage of this ordinance.


CITY OF REDMOND

  
MAYOR ROSEMARIE IVES

ATTEST/AUTHENTICATED:

  
CITY CLERK, BONNIE MATTSON

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:

By: 

FILED WITH THE CITY CLERK: June 27, 1996  
PASSED BY THE CITY COUNCIL: July 2, 1996  
PUBLISHED: July 17, 1996  
EFFECTIVE DATE: July 22, 1996  
ORDINANCE NO. 1897

NOTE: Dedication Agreement signed by Microsoft on July 12, 1996.

# EXHIBIT A

A Part of Subsection 20C.10.235(45) (b) - Site Requirements				
	Performance Area			
	EH-A	EH-B	EH-C	EH-D
<b>SITE REQUIREMENTS</b>				
Maximum Number of Dwelling Units per Gross Acre	11	N/A	N/A	N/A
Minimum Setback of Structures (in feet): (4)				
Front/Street (1)	50/20	50/20	50/20	50/20
Rear	25	25	15	15
Side (minimum each side)	15	15	15	15
Minimum Separation Between Buildings, Excluding Accessory Structures (in feet) (4)	30	30	30	30
Minimum Percentage of Pervious Surface (in percent) (7)	50	45	<del>35</del> 30	<del>35</del> 30
Maximum Height of Structures (in feet/stories)	30/3	45/3 (5)	45/3 (3)	45/3
Maximum Floor Area Ratio (2) (10)	N/A	0.2	<del>0.4</del> 0.46	<del>0.3</del> 0.43
Minimum Area of Public/Private Parkland (6)	1:200(8)	1:1000(9)	1:1000(9)	1:1000(9)

(1) The first figure represents the minimum setback from N.E. 40th, 156th Avenue N.E. and Bellevue-Redmond Road. The second figure represents the minimum setback from any street, private road, or the interior edge of an access easement within the Design District. (2) Floor Area Ratio is applied to Research and Development Uses and Office Uses on a project limit basis. (3) The maximum height of a structure may be increased to 75' and 6 stories if the structure is located in the interior of the Performance Area and the individual building floor size is limited to 25,000 gross square feet. If building height over 45' is proposed, the applicant must submit an analysis of increased view intrusion from residential areas within the Neighborhood. (4) Minimum setback, excluding the setback from N.E. 40th St., 156th Ave. N.E. or Bellevue-Redmond Road, and Minimum Building Separation may be modified through the Site Plan Review Process if: (a) The modification achieves a site design superior to that which would otherwise have been possible, and (b) The modification has no significant adverse impact on adjacent property, and (c) The modification facilitates the coordinated development of the Design District. (5) All buildings within 150' of Performance Area A are limited to 35 feet in height. (6) Area devoted to public or private parkland may be used to calculate floor area ratio or density, and may be used to meet the minimum percentage of pervious surface required. Parkland includes all area devoted to open space, active or passive recreation, indoor recreation and other space for the use and enjoyment of residents, employees or the public, excluding required landscaping. (7) Applied to all development on a project limit basis. (8) Measured by a ratio of acres to projected number of residents. The specific location of parkland will be determined through the Master Development Plan Process. (9) Measured by a ratio of acres to projected number of employees. The specific location of parkland will be determined through the Master Development Plan Process. (10) Calculated based on gross floor area minus any area devoted to parking or vehicular circulation within the structure divided by gross land area.

## EXHIBIT B

### Conditions of Approval for DGA-95-010, Microsoft Transit Station Density Transfer

1. The approximately ten acres of land shown on the attached Campus Master Plan as the sending zone shall be dedicated to the City of Redmond before or concurrent with the final approval of the ordinance that implements the proposed regulatory changes. The wording of the dedication shall meet the approval of the Redmond City Council and City Attorney.
2. To minimize impacts to nearby single-family neighborhoods, a restrictive covenant shall be recorded for the Microsoft-owned property in Performance Area D restricting maximum developed square footage to the floor area ratio (FAR) authorized by this regulatory amendment.
3. Site plan approval for structures using the FAR transferred by these amendments shall be contingent on compliance with transportation concurrency policies and regulations in place at the time of site plan application, as described in the current administrative interpretation for Determining Transportation Concurrency, or the Transportation Management Code, upon its adoption.
4. Runoff from development subsequent to this approval and affected by the density transfer shall be limited by the impervious surface area coefficient (c-factor) defined in the report entitled *City of Redmond Evergreen Highlands LID, Phase 2, Supplemental Design Memorandum, NE 40th Storm Drain Trunk Line*, dated August 11, 1983. Development within the affected area which causes the runoff coefficient to exceed that which is defined in the referenced report will be required to provide detention for the 10 year storm. The release rate from the site shall be controlled to a level at or below that generated by the runoff coefficient defined in the above referenced report.
5. All buildings and impervious surfaces in Performance Area D shall be located outside an 100 foot wide greenbelt located adjacent the entire Bel-Red Road right of way.
6. Future development proposals in Performance Areas C and D will be subject to the all other development standards, review processes, and environmental analysis required by the Redmond Community Development Guide and the State Environmental Policy Act (SEPA).

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## TRANSIT CENTER DEDICATION AGREEMENT

THIS AGREEMENT is entered into this 16 day of July, 1996 by and between MICROSOFT CORPORATION, a Washington corporation ("Microsoft"), and the CITY OF REDMOND, a Washington municipal corporation (the "City") for the purposes hereinafter stated.

WHEREAS, the City and Microsoft are parties to a Memorandum of Understanding dated August, pursuant to which Microsoft agreed to dedicate to the City, subject to certain conditions, land for a transit station site in the southwest quadrant of the intersection of N.E. 40th Street and 156th Avenue N.E. in Redmond, Washington, and

WHEREAS, pursuant to the Memorandum, the City is to allow Microsoft to transfer the density from the property to be dedicated for a transit station site to other property that Microsoft owns, and

WHEREAS, the City has conducted environmental review under the State Environmental Policy Act to analyze the impacts of the density transfer and has determined that there will be no significant adverse impacts if the transfer is limited as provided hereinafter, and

WHEREAS, the City is prepared to approve the necessary code revisions to Evergreen Highlands Subarea regulations to allow the transfer of density from the transit station site to Microsoft's main campus upon certain terms and conditions, now, therefore,

IN ORDER TO FULFILL the obligations undertaken by the City and by Microsoft in the Memorandum, the Parties agree as follows:

1. Authority. Microsoft warrants that it is the owner in fee simple of the real property described on the attached Exhibit B and incorporated herein by this reference as if set forth in full. Microsoft and the City each warrant that they are authorized to enter into this Agreement and to perform each and every obligation provided herein.

2. Dedication of Property. Microsoft shall dedicate to the City of Redmond, pursuant to the Deed of Dedication attached as Exhibit A and incorporated herein by this reference as if set forth in full, the real property more particularly described on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full (the "Property").

3. Purpose of Dedication. The purpose of the dedication is to implement Section G of the Memorandum of Understanding Regarding Actions to be taken by the City of Redmond and Microsoft Corporation dated August 1993. The Property shall be dedicated for the purpose of

constructing a park-and-ride lot, bus transit center and/or high capacity transit station, and other uses and facilities that support this primary use.

4. Approved Uses and Design of Facility. The Property may be used by the City for construction, reconstruction, maintenance and operation of a park-and-ride lot and bus transit center and/or high-capacity transit station (the "Transit Center"). The Property may also be used for the construction, reconstruction, operation and maintenance of transit supportive land uses and transportation facilities to the extent the same are consistent with transit operations and, in the case of transit supportive land uses, are allowed by applicable land use regulations and are approved by both the City and Microsoft. Transit supportive land use, if allowed, shall be defined through the City's Overlake Neighborhood Plan process or other applicable land use enactment. Examples of transit supportive land uses to be considered in the planning process include, without limitation, postal services, dry cleaning, child care, food services, housing, conference centers, and banking services. Examples of transit supportive transportation facilities include, without limitation, HOV lanes, ramps and access facilities. The design of the Transit Center and the design of any other transit supportive land uses constructed on the Property (collectively with the transit supportive transportation facilities "the Approved Improvements") shall be reviewed and approved by Microsoft, which approval shall not be unreasonably withheld. Necessary utility easements and corridors for sewer, water, stormwater, natural gas, and electricity shall also be approved uses.

5. Delivery of Deed. The Deed of Dedication attached hereto as Exhibit A shall be signed and delivered to the City for recording in the records of King County, Washington within seven (7) days after receipt of a request from the City. The City agrees not to make such request unless and until the City has plans to begin designing, engineering, constructing, and has obtained substantial funding for the Transit Center.

6. Microsoft Use of Property.

- a. The parties understand and agree that the density transfer accomplished by the City under DGA 95-010 transfers all development rights from the Property to other real property owned by Microsoft. For that reason, pending dedication of the Transit Center site, the Property to be dedicated shall be considered nondevelopable and Microsoft shall make no use of the same except as provided in subparagraph (b) below.
- b. Microsoft may temporarily improve and use the Property prior to dedication for staging of construction equipment, materials, and parking for the construction of certain Microsoft development projects commonly known as Pebble Beach, Augusta, Troon and Building 28, which use may include clearing and grading activities and temporary installation of a gravel parking lot to accommodate the equipment, materials, and vehicles, provided that all necessary permits and approvals are obtained from the City prior to such use. All temporary use shall cease and the Property shall be restored to such condition as the City may require prior to dedication of the Property to the City.

7. Compensation. Microsoft shall not receive any monetary compensation for the dedication of the Property pursuant to this Agreement. Microsoft acknowledges and agrees that the consideration provided in the form of density transfer and fulfillment of the City's obligations under this Agreement and the Memorandum is full and sufficient consideration for the dedication.

8. Density Transfer. The City shall immediately authorize the transfer of development rights more particularly described in DGA 95-010 from the Sending Zone described on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full to the Receiving Zones shown on Exhibit C attached hereto and incorporated herein by this reference as if set forth in full. Within thirty (30) days after the City has approved the ordinance for DGA 95-010, Microsoft shall record in the records of King County, Washington, the Declaration of Restrictive Covenant attached hereto as Exhibit D and incorporated herein by this reference as if set forth in full.

9. Construction of Facilities by Microsoft. The City may authorize Microsoft to design and construct the Transit Center and/or the transit supportive land uses and facilities, at the City's sole option, and subject to appropriate agreements concerning cost reimbursement. Such authorization shall not affect dedication of the Property, however, and said dedication shall occur according to the conditions set forth in Section 5.

10. Dedication of Right-of-Way for Street Improvements. The parties anticipate the need for street right-of-way along the boundaries of the Property in order to accommodate:

- a. construction of an interchange at the intersection of N.E. 40th Street and SR 520, which will require dedication of street right-of-way along the boundaries of the Property adjacent to N.E. 40th Street, 156th Avenue N.E. and SR 520; and
- b. construction of improvements to N.E. 36th Street, which will require dedication of street right-of-way along the boundary of the Property adjacent to that street.

The parties further anticipate that the timing of these improvements may precede the time at which the Property is dedicated in full to the City for the purposes set forth above. For that reason, the parties agree that if the improvements referenced in subparagraphs 10(a) and/or (b) are approved for construction by the City and/or State of Washington prior to dedication of the Property as provided above, Microsoft shall dedicate all necessary and reasonable right-of-way along the boundaries of the Property adjacent to N.E. 40th Street, 156th Avenue N.E., and SR 520, in order to accommodate the construction of an interchange at the intersection of N.E. 40th Street and SR 520. Microsoft shall also dedicate all necessary and reasonable right-of-way along the boundary of the Property adjacent to N.E. 36th Street for improvement of that street. The dedication along N.E. 40th Street and SR 520 shall be to the City or the State. The dedications along N.E. 36th Street and 156th Avenue N.E. shall be to the City. The extent of such dedications shall be determined by the City at such time as the design for these facilities is complete. The dedications shall be without monetary compensation to Microsoft. The time of the dedication for right-of-way related to the interchange shall be at such time as the interchange is fully designed and the time for dedication of right-of-way related to N.E. 36th Street shall be at



such time as the City's improvements are fully designed. Microsoft shall deliver the deeds of dedication to the City or the State within sixty (60) days of request by the City or the State.

In the event that dedication of the entire Property to the City for the Transit Center occurs prior to the need for right-of-way just described, the parties agree that the dedication of the Property for the Transit Center shall include the right for the City to devote portions of the Property to use as street right-of-way along N.E. 40th Street, N.E. 36th Street, 156th Avenue N.E. and SR 520 and the parties agree to execute any and all further instruments necessary to give the City that right, either at the time of dedication of the Property as the Transit Center, or at the time the street right-of-way is needed.

11. Right of Entry. Upon signature of this Agreement, the City, its officers, agents, contractors, consultants and employees, shall have the right to enter upon the Property at all reasonable times and without further notice to Microsoft in order to conduct necessary studies for the design, engineering and construction of any or all of the uses and purposes described in this Agreement. In the event that any such study shall require physical disturbance or alteration of the Property in any way, the City agrees to restore the same to its pre-entry condition after the study is complete unless otherwise agreed to by Microsoft.

12. Use of Property Upon Reversion. If, at any time subsequent to construction of the Transit Center, use of the Property for Transit Center and/or transit supportive purposes ceases for a period in excess of one year, the Property shall revert to Microsoft and neither the City nor any successor in interest or assign of the City shall have any further ownership interest in the Property. Dedication of the rights-of-way as provided in Section 10 above shall not revert upon cessation of the Transit Center and transit supportive uses, however, and any reversion of the same shall be accomplished only through the street vacation process. In the event of reversion, and in recognition of the density transfer provided for in DGA 95-010, the Property shall be and become nondevelopable, provided, that if the City has, between the time of density transfer and the time of reversion, altered its land use regulations so as to confer additional development rights on the Property or other similarly zoned properties beyond the density transferred, then Microsoft shall be entitled to use the reverted Property in accord with those additional development rights. This reversionary provision shall be included in the deed of dedication for the Property for Transit Center and transit supportive land uses.

13. Assignment. The City may assign to King County or the State of Washington all or any portion of the dedication interest of the City, but any such assignment shall be conditioned upon King County or the State agreeing to abide by all applicable provisions of this Agreement. The City may also make such assignments to third parties as may be necessary to facilitate the design and construction of transit supportive uses and facilities as provided in Section 4.

14. Notices. Any notices delivered pursuant to this Agreement shall be in writing and shall be delivered either by hand or by registered U.S. mail to the parties at the following addresses:

MICROSOFT:  
One Microsoft Way  
Redmond, WA 98052  
Attn: Larry Neilson

CITY OF REDMOND:  
P.O. Box 97010  
Mail Stop CHPL  
Redmond, WA 98073-9710  
Attn: Roberta Lewandowski

15. Attorneys Fees. In the event of any dispute regarding this Agreement, the prevailing party shall be entitled to receipt of its attorneys' fees at any alternative dispute resolution proceeding, at trial, and on appeal.

16. Recording. This Agreement shall be recorded in the records of King County, Washington.

17. Successors and Assigns. This Agreement shall run with the land and the terms and provisions contained herein shall be binding upon and inure to the benefit of the successors and assigns of the parties.

18. Amendment. Any amendment to this Agreement shall be in writing and shall be signed by both parties.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF this Agreement is executed on the date first set forth above.

MICROSOFT CORPORATION,  
a Washington corporation

By: Larry D. Neilson  
Its: Mayor - Computer Dev.

CITY OF REDMOND,  
a Washington municipal corporation

Rosemarie Ives  
MAYOR ROSEMARIE IVES

ATTEST/AUTHENTICATED:

*Bonnie Mattson*  
\_\_\_\_\_  
BONNIE MATTSON, CITY CLERK

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:

*[Handwritten Signature]*  
\_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me \_\_\_\_\_, to me known to be \_\_\_\_\_ of MICROSOFT CORPORATION, the corporation that executed the within and foregoing instrument, and acknowledged the 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 \_\_\_\_\_ is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under by hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
\_\_\_\_\_  
(Print name of notary)  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me Rosemarie Ives and Bonnie Mattson, to me known to be the Mayor and City Clerk of the CITY OF REDMOND, a Washington municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

GIVEN under by hand and official seal this 18th day of July, 1996.

Sandra L. Marion  
\_\_\_\_\_  
SANDRA L. MARION  
(Print name of notary)  
NOTARY PUBLIC in and for the State of  
Washington, residing at Redmond

**EXHIBIT A**

**DEED OF DEDICATION FOR TRANSIT CENTER**

THE GRANTOR, MICROSOFT CORPORATION, in fulfillment of the obligation to dedicate provided in that certain agreement entitled, "Transit Center Dedication Agreement," dated \_\_\_\_\_, 1996 and recorded under King County Recorder No. \_\_\_\_\_ ("the Transit Center Dedication Agreement"), conveys, quit claims and dedicates to the GRANTEE, THE CITY OF REDMOND, a Washington municipal corporation, that certain property legally described on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full ("the Property").

The dedication shall be for the purpose of the GRANTEE constructing, reconstructing, maintaining and operating a park-and-ride lot and bus transit center and/or high-capacity transit station (the "Transit Center"). The Property may also be used by the GRANTEE for the construction, reconstructing, maintenance and operation of transit supportive land uses and transportation facilities to the extent the same are consistent with transit operations and, in the case of transit supportive land uses, are allowed by applicable land use regulations and are approved by both the GRANTOR and the GRANTEE. Transit supportive land uses, if allowed, shall be defined through the City's Overlake Neighborhood Plan process or other applicable land use enactment. Examples of transit supportive land uses to be considered in the planning process include, without limitation, postal services, dry cleaning, child care, food services, housing, conference centers, and banking services. Examples of transit supportive transportation facilities include, without limitation, HOV lanes, ramps and access facilities. Necessary utility easements and corridors for sewer, water, stormwater, natural gas, and electricity shall also be approved uses.

If, at any time subsequent to construction of the Transit Center, use of the Property for Transit Center and/or transit supportive purposes ceases for a period in excess of one year, the Property shall revert to GRANTOR and neither the GRANTEE nor any successor in interest or assign of the GRANTEE shall have any further ownership interest in the Property. In the event of reversion, and in recognition of the density transfer described in the Transit Center Dedication Agreement, the Property shall be and become nondevelopable, provided, that if the City of Redmond has, between the time of density transfer and the time of reversion, altered its land use regulations so as to confer additional development rights on the Property or other similarly zoned properties beyond the density transferred, then the owner of the Property upon reversion shall be entitled to use the reverted Property in accord with those additional development rights.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

MICROSOFT CORPORATION



## TRANSIT CENTER DEDICATION PROPERTY

ORDER NO. 308535-5

THE LAND REFERRED TO IN THIS COMMITMENT IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF KING AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE NORTHEAST ONE QUARTER OF THE NORTHWEST ONE QUARTER OF SECTION 23, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., LYING EAST OF THE EASTERLY RIGHT OF WAY MARGIN OF SR-520 DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHWEST ONE QUARTER OF SAID SECTION 23;  
THENCE SOUTH  $01^{\circ}09'29''$  WEST ALONG THE CENTERLINE OF 156TH AVENUE NORTHEAST, A DISTANCE OF 1334.16 FEET MORE OR LESS TO THE SOUTHEAST CORNER OF THE NORTHEAST ONE QUARTER, OF THE NORTHWEST ONE QUARTER OF SAID SECTION 23;  
THENCE NORTH  $89^{\circ}34'19''$  WEST ALONG THE SOUTH LINE OF THE NORTHWEST ONE QUARTER, OF THE NORTHWEST ONE QUARTER OF SAID SECTION 23, A DISTANCE OF 42.00 FEET MORE OR LESS TO THE WESTERLY MARGIN OF SAID 156TH AVENUE NORTHEAST;  
THENCE NORTH  $01^{\circ}09'29''$  EAST ALONG THE WESTERLY MARGIN OF SAID 156TH AVENUE NORTHEAST, A DISTANCE OF 78.74 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE NORTH  $88^{\circ}50'48''$  WEST, A DISTANCE OF 313.88 FEET MORE OR LESS TO A POINT ON A 3130.00 FOOT RADIUS NON TANGENT CURVE WHOSE RADIUS POINT BEARS NORTH  $84^{\circ}18'22''$  WEST AND THE EASTERLY MARGIN OF SAID SR-520;  
THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE AND EASTERLY MARGIN THROUGH A CENTRAL ANGLE OF  $06^{\circ}24'58''$ , AN ARC DISTANCE OF 350.50 FEET;  
THENCE NORTH  $04^{\circ}24'05''$  WEST, A DISTANCE OF 521.95 FEET;  
THENCE NORTH  $13^{\circ}13'57''$  WEST, A DISTANCE OF 324.32 FEET MORE OR LESS TO THE SOUTHERLY MARGIN OF 40TH STREET N.E.;  
THENCE NORTH  $87^{\circ}00'39''$  EAST ALONG THE SOUTHERLY MARGIN OF 40TH STREET N.E., A DISTANCE OF 335.57 FEET;  
THENCE SOUTH  $89^{\circ}58'20''$  EAST, A DISTANCE OF 78.19 FEET;  
THENCE SOUTH  $48^{\circ}16'21''$  EAST, A DISTANCE OF 31.67 FEET MORE OR LESS TO THE WESTERLY MARGIN OF SAID 156TH AVENUE NORTHEAST;  
THENCE SOUTH  $01^{\circ}09'29''$  WEST ALONG THE WESTERLY MARGIN OF SAID 156TH AVE. N.E., A DISTANCE OF 1189.05 FEET MORE OR LESS TO THE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

SITE MAP FOR PROPERTY

ORDER NO. 308535-5

SEC 23 TWP 25 RNG 5

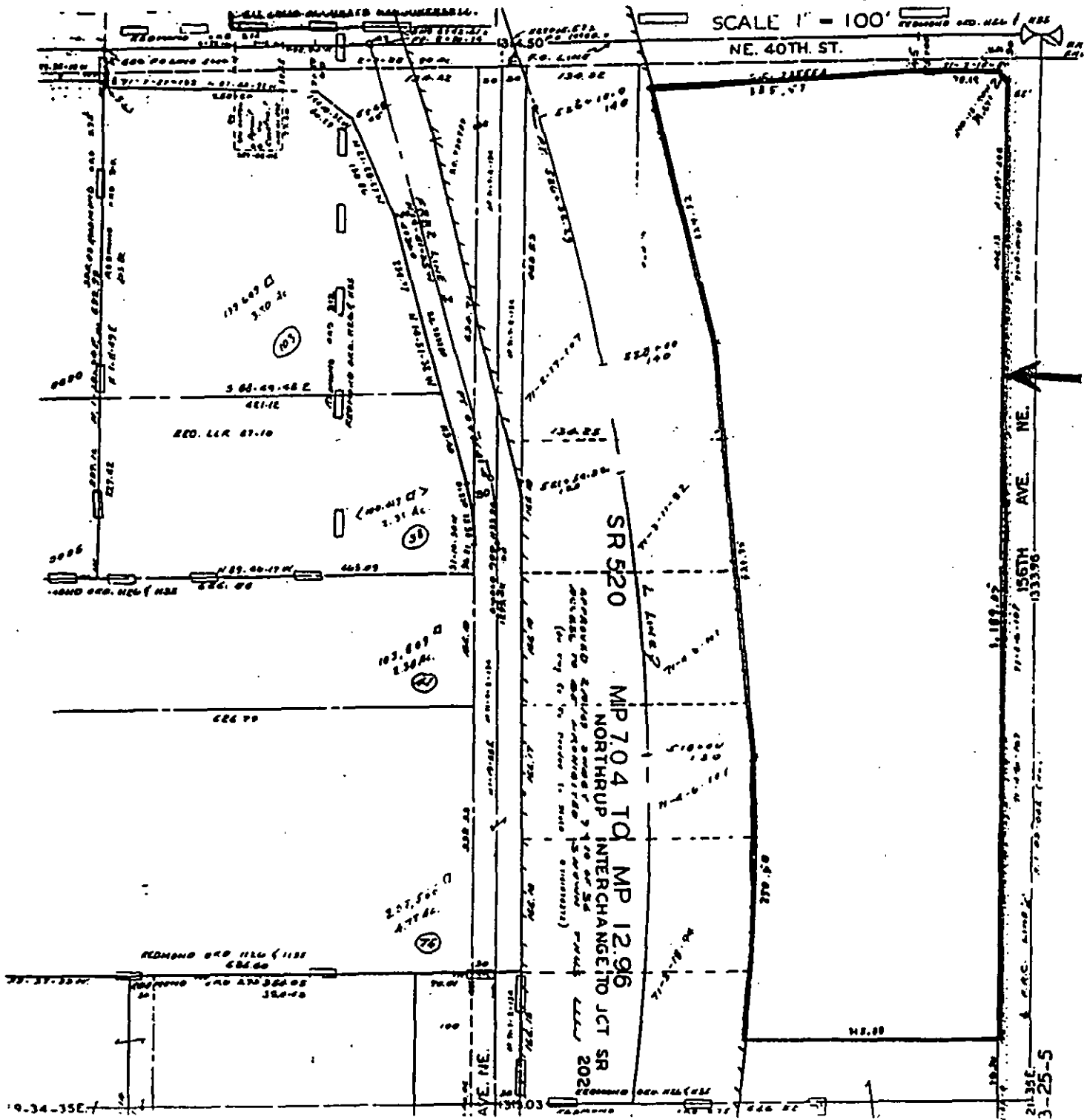
NOTICE

This Sketch is furnished as a courtesy only by First American Title Insurance Company and it is NOT a part of any title commitment or policy of title insurance.

This sketch is furnished solely for the purpose of assisting in locating the premises and does not purport to show all highways, roads, or easements affecting the property. No reliance should be placed upon this sketch for the location or dimensions of the property and no liability is assumed for the correctness thereof.



SCALE 1" = 100'



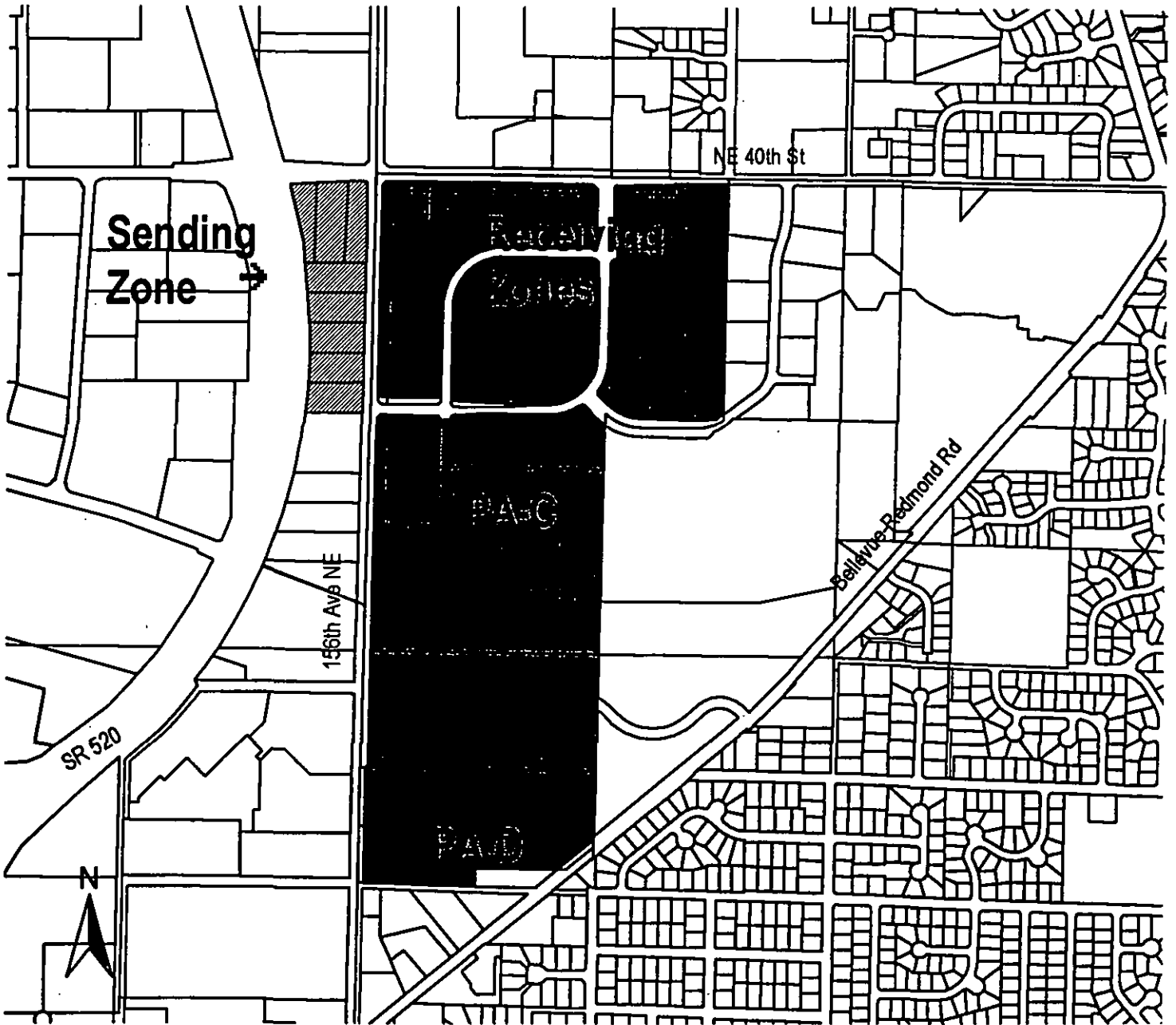
3-25-5



**EXHIBIT C**

**MAP OF SENDING ZONE (DEDICATION SITE)**

**AND RECEIVING ZONES (PA-C AND PA-D)**



**Exhibit C - Transit Center Dedication Agreement**

## EXHIBIT D

### DECLARATION OF RESTRICTIVE COVENANT

MICROSOFT CORPORATION, a Washington corporation ("Declarant"), hereby adopts this Declaration of Restrictive Covenant.

#### I. PURPOSE AND RECITALS

A. This Declaration covers that certain real property owned by Microsoft Corporation and located in Performance Area D of the Evergreen Highlands Sub Area, which real property is located in the City of Redmond, County of King, State of Washington, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference as if set forth in full ("the Property").

B. It is the Declarant's intention to subject the Property to this restrictive covenant for the benefit of the Property and for the purpose of fulfilling obligations to restrict the Property's use in exchange for a transfer of density allowed by the City of Redmond to the Property described on Exhibit A from other real property owned by the Declarant and more particularly described on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full. It is intended that the terms and conditions of this Declaration bind and benefit not only Declarant, but also its successors, heirs and assigns, as well as the City of Redmond, Washington, as the owner of a right to dedication of the property described on Exhibit B under that certain agreement entitled, "Transit Center Dedication Agreement" dated \_\_\_\_\_, 1996 and recorded under King County Recorder No. \_\_\_\_\_. It is further intended that all of the real property described on Exhibit A should be held, used, leased, sold and conveyed subject to the restrictions set forth in this Declaration.

#### II. RESTRICTIVE COVENANT

The real property described on Exhibit A shall be developed with no more than three hundred seven thousand (307,000) building square feet of research and development uses and office uses.

#### III. CONSTRUCTIVE NOTICE AND ACCEPTANCE

By the recording of this Declaration, it is considered that every person or entity who now or hereafter owns, occupies, leases, possesses or acquires any right, title, or interest in or to any portion of the Property has consented and agreed to every term, covenant, condition and restriction contained therein.

**IV. WAIVER**

Neither the Declarant nor its successors or assigns shall be liable to any owner or occupant of the Property by reason of any mistake in judgment, negligence, nonfeasance, action or inaction or for the enforcement of or the failure to enforce any provision of this Declaration. Each owner or occupant of the Property by acquiring an interest therein agrees that it will not bring an any action or suit against the Declarant to recover any damages or to seek equitable relief because of the same.

**V. ENFORCEMENT BY CITY OF REDMOND - AMENDMENT**

The City of Redmond is expressly intended to be a beneficiary of this Declaration of Restrictive Covenant and shall have the right, but not the obligation, to enforce this Declaration against the Declarant, or any successor, heir or assign of the Declarant, as to the Property, notwithstanding any other provision of this Declaration. This Declaration and the restrictive covenant imposed hereunder shall not be removed from the Property or amended in any way without the express written consent of the City of Redmond, or its successors or assigns.

**VI. RUNS WITH LAND**

All covenants, conditions, restrictions and agreements herein contained shall continue in perpetuity and are made for the direct, mutual and reciprocal benefit of each and every parcel of the Property, shall create mutual equitable servitudes upon each parcel in favor of every other parcel, shall create reciprocal rights and obligations between respective owners and occupants of all parcels, their heirs, successors and assigns, and shall, as to the owner and occupant of each lot, his heirs, successors and assigns, operate as covenants running with the land for the mutual benefit of all parcels, except as otherwise provided herein.

DATED this \_\_\_\_ day of \_\_\_\_\_, 1996.

**MICROSOFT CORPORATION**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF WASHINGTON )

) ss.

COUNTY OF KING )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she was authorized to execute the instrument and acknowledged it as \_\_\_\_\_ of MICROSOFT CORPORATION to be the free and voluntary act and deed of such party for the uses and purposes mentioned in this instrument.

DATED: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

NOTARY PUBLIC

My appointment expires: \_\_\_\_\_

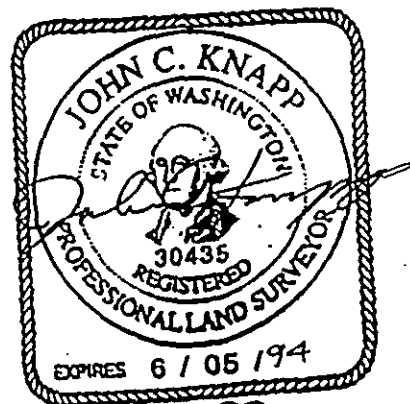
**EXHIBIT A**  
**LEGAL DESCRIPTION**  
**FOR PERFORMANCE AREA D**

Entranco  
John C. Knapp, P.L.S.  
Microsoft Annexation  
Project No. 87077-78  
Sept. 20, 1993 (Revised)

**MICROSOFT ANNEXATION TO THE  
CITY OF REDMOND  
LEGAL DESCRIPTION**

That portion of the South One-half the Northwest One-quarter of the Southeast One-quarter of Section 23, Township 25 North, Range 5 East W.M. in King County, Washington, described as follows:

Beginning at the Northwest corner of said South One-half of the Northwest One-quarter of the Southeast One-quarter of Section 23; thence Southerly along the West line of said subdivision and the City limits of Redmond per Ordinance 275 to the Northerly margin of N.E. 28th Street; thence Easterly along said margin to the Southwest corner of the Southeast One-quarter of the Northwest One-quarter of the Southeast One-quarter of said Section 23, thence North along the West line of said subdivision a distance 106.45 feet; thence Easterly to a point on the Northwesterly margin of Bellevue-Redmond Road which is 170.00 feet distant from the intersection of said Northwesterly margin and with the South line of the Northwest One-quarter of the Southeast One-quarter of said Section 23; thence Northeasterly along said Northwesterly margin of Bellevue-Redmond Road to the intersection with the East line of said South One-half of the Northwest One-quarter of the Southeast One-quarter of Section 23; thence North along said East line to the North line of the said subdivision; thence Westerly along said North line to the POINT OF BEGINNING.



TRANSIT CENTER DEDICATION PROPERTY

ORDER NO. 308535-5

THE LAND REFERRED TO IN THIS COMMITMENT IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF KING AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE NORTHEAST ONE QUARTER OF THE NORTHWEST ONE QUARTER OF SECTION 23, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., LYING EAST OF THE EASTERLY RIGHT OF WAY MARGIN OF SR-520 DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHWEST ONE QUARTER OF SAID SECTION 23;

THENCE SOUTH 01°09'29" WEST ALONG THE CENTERLINE OF 156TH AVENUE NORTHEAST, A DISTANCE OF 1334.16 FEET MORE OR LESS TO THE SOUTHEAST CORNER OF THE NORTHEAST ONE QUARTER, OF THE NORTHWEST ONE QUARTER OF SAID SECTION 23; THENCE NORTH 89°34'19" WEST ALONG THE SOUTH LINE OF THE NORTHWEST ONE QUARTER, OF THE NORTHWEST ONE QUARTER OF SAID SECTION 23, A DISTANCE OF 42.00 FEET MORE OR LESS TO THE WESTERLY MARGIN OF SAID 156TH AVENUE NORTHEAST;

THENCE NORTH 01°09'29" EAST ALONG THE WESTERLY MARGIN OF SAID 156TH AVENUE NORTHEAST, A DISTANCE OF 78.74 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 88°50'48" WEST, A DISTANCE OF 313.88 FEET MORE OR LESS TO A POINT ON A 3130.00 FOOT RADIUS NON TANGENT CURVE WHOSE RADIUS POINT BEARS NORTH 84°18'22" WEST AND THE EASTERLY MARGIN OF SAID SR-520;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE AND EASTERLY MARGIN THROUGH A CENTRAL ANGLE OF 06°24'58", AN ARC DISTANCE OF 350.50 FEET;

THENCE NORTH 04°24'05" WEST, A DISTANCE OF 521.95 FEET;

THENCE NORTH 13°13'57" WEST, A DISTANCE OF 324.32 FEET MORE OR LESS TO THE SOUTHERLY MARGIN OF 40TH STREET N.E.;

THENCE NORTH 87°00'39" EAST ALONG THE SOUTHERLY MARGIN OF 40TH STREET N.E., A DISTANCE OF 335.57 FEET;

THENCE SOUTH 89°58'20" EAST, A DISTANCE OF 78.19 FEET;

THENCE SOUTH 48°16'21" EAST, A DISTANCE OF 31.67 FEET MORE OR LESS TO THE WESTERLY MARGIN OF SAID 156TH AVENUE NORTHEAST;

THENCE SOUTH 01°09'29" WEST ALONG THE WESTERLY MARGIN OF SAID 156TH AVE. N.E., A DISTANCE OF 1189.05 FEET MORE OR LESS TO THE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.