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MARKETFRONT/PC-1 NORTH DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF SEATTLE,
A WASHINGTON MUNICIPAL CORPORATION

AND

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY,
A WASHINGTON PUBLIC DEVELOPMENT AUTHORITY

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MARKETFRONT/PC-1 NORTH DEVELOPMENT AGREEMENT

THIS MARKETFRONT/PC-1 NORTH DEVELOPMENT AGREEMENT (the "Development Agreement") is by and between THE CITY OF SEATTLE (the "City"), a first class city organized under the laws of the State of Washington, and THE PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY (the "PPMPDA"), a Washington public development authority chartered by the City under the laws of the State of Washington and City ordinance (collectively, the "Parties").

ARTICLE 1
Recitals

The City owns the parcel of land in the Pike Place Urban Renewal Project area at 1901 Western Avenue, Seattle, Washington (the "Property"), which property is designated as PC-1 North in the Pike Place Urban Renewal Plan as amended in January of 1974, pursuant to Ordinance 102916 (the "Plan"), as extended by Ordinance 124361. The Property is legally described on Exhibit A.

The PPMPDA was chartered pursuant to Seattle Municipal Code 3.110 (Ordinance 103387 as amended), and RCW 35.21.730 *et seq.*, to undertake "renewal, rehabilitation, preservation, restoration and development of structures and open spaces" in the Pike Place Public Market ("Market") "in a manner which affords a continuing opportunity for Market farmers, merchants, residents, shoppers and visitors to carry on their traditional market activities" and, among other activities, "preserve and expand the residential community, especially for low-income people."

The Property was occupied by the Municipal Market building, which contained public parking and Market-related commercial uses until that building burned down in 1974. The PPMPDA has operated surface-level public parking on the site under a series of agreements with the City since 1979.

The Plan calls for the Property to be the location of public parking for the Market and of commercial, residential, and public spaces to complement existing Market activity. The City and PPMPDA have been working toward the development of public parking on the site for several years.

The Washington State Department of Transportation's ("WSDOT") SR 99 bored tunnel project construction and the City's central waterfront program construction will eliminate several hundred on-street short-term public parking spaces on the waterfront and in the vicinity of the Market. The development of replacement parking is essential to preserve the viability of the Market as a retail center and to support development of the central waterfront for public recreational and park uses.

On May 15, 2013, pursuant to Ordinance 124122, the City and the PPMPDA executed a Memorandum of Understanding concerning development of the Property (the "MOU") that described a process potentially leading to the conveyance of the Property to the PPMPDA and the construction of a new mixed-use structure, known as the Pike Place Market MarketFront (the "Project"), to be joined to the existing Public Market Parking Garage on adjacent property ("PC-1 South") owned by the PPMPDA. The new structure will provide an additional 300 parking spaces, more or less, approximately 40 units of low-income senior housing, 12,000 square feet of retail commercial space, and 30,000 square feet of public open space, all of which would further the charter of the PPMPDA, would follow the intent of the Pike Place Market Historical District Ordinance 100475, as amended, and would achieve certain of the City's

objectives for development of the central waterfront as expressed in the City's Central Waterfront Concept Design and Framework Plan and Resolution 31399.

The MOU also articulated a series of principles to be respected and specific requirements for this Development Agreement, including but not limited to the following:

> ...In developing its PC-1N Project funding plan, the PPMPDA must demonstrate that the Project as designed and funded is feasible and can be undertaken in a manner consistent with the prudent financial management of the PPMPDA and its properties. The City Council will consider the feasibility and prudency of the proposed funding and financing of the PC-1N Project among other matters in its review of the Project Development Agreement....

The Parties have determined that this Development Agreement respects the principles articulated in the MOU and meets the MOU's requirements for this Development Agreement, specifically including the MOU's feasibility and prudency standard noted above.

The Project has been designed in close coordination with the City's central waterfront program to ensure that it will connect with the future "Overlook Walk" by way of the public open space, which will offer public access between the Market and the new Aquarium Plaza on the central waterfront. The PPMPDA has completed environmental review for the Project and the City's Department of Planning and Development has issued a determination of nonsignificance for the Project. The development of Overlook Walk will depend upon the City's success in securing funding as a component of the Central Waterfront program.

The City's highest priorities for this Project include the Waterfront-Related Elements and parking garage. The replacement parking created by the new parking garage will be developed to maximize the number of short-term public parking stalls and accessibility and functionality for visitors to the Market and waterfront.

As part of this Development Agreement, the City intends to convey the Property to the PPMPDA for public benefit consistent with the Community Renewal Act, RCW 35.81.090, and

the statute authorizing the formation of public authorities, including the PPMPDA ((RCW 35.21.730(1) and 35.21.747(1)), which authorize the transfer of property to a public development authority with or without consideration subject to appropriate deed restrictions necessary to ensure the continued use of such property for the public purposes or purposes for which it is transferred and with respect to which the City Grant described in this Development Agreement is made.

ARTICLE 2
Effective Date; Incorporation of Documents and Materials

Section 2.1 Effective Date. This Development Agreement will become effective when it is executed by authorized representatives of both the City and the PPMPDA following authorization by each Party's governing body. The date this Development Agreement is signed by the last party to sign it (as indicated by the date stated under that party's signature) will be deemed the date of this agreement.

Section 2.2 Exhibits.

Ex. A - Legal Description

Ex. B - Waterfront-Related Elements

Ex. C - Capital Budget (including Funding Plan/Sources & Uses)

Ex. D - PPMPDA Fundraising Plan

Ex. E - Form of Quit Claim Deed

Ex. F – Form of Covenant

Ex. G - Form of Public Access Easement

Ex. H – Form of Seattle City Light Temporary Easement for T4 Transmission Line

Ex. I - Project Schedule

ARTICLE 3
Design

Section 3.1 Design. As required under the MOU, the City, in its proprietary capacity, has reviewed and approved the PPMPDA's design development documents and its 30% and 60% construction documents. Construction of the Project shall not commence unless and until the City's Director of the Office of the Waterfront ("Director") has reviewed and approved the Project's 100% construction documents. The 100% construction documents, when approved by the Director, will constitute the "Final Project Design" for purposes of this Development Agreement. The Final Project Design includes the "Waterfront-Related Elements" identified in Exhibit B. Throughout construction of the Project, the Parties will continue to observe procedures for close collaboration between their respective design teams for the Project and the City's central waterfront program.

3.1.1 Material Change. Except as provided in Section 3.1, any material changes to the Waterfront-Related Elements or parking garage require the prior approval of the Director . A material change is one that is estimated to cost $50,000 or more to complete and that affects the design, function or utility of the Waterfront-Related Elements or the function or utility of the parking garage. The PPMPDA shall notify the Director of any proposed changes to the Waterfront-Related Elements or garage and any dispute between the Parties as to whether or not a proposed change is material shall be resolved in favor of requiring the Director's approval. Before the PPMPDA gives its construction contractor its Notice to Proceed with construction, the Parties shall develop a process under which any proposed changes to the Waterfront-Related Elements or garage shall be reviewed by the Director, including a specific timeline for such review designed to minimize potential delays in completing the Project consistent with the "Project Schedule," Exhibit I. Nothing in this paragraph shall be construed as limiting the

authority of the City to approve or disapprove proposed changes to the Project when acting in its regulatory capacity.

Section 3.2 Permitting. The PPMPDA shall manage all regulatory review for the Project including, but not limited to, Pike Place Market Historical Commission (the "Commission") review, environmental review, and any other City review and permitting processes, including reviews by the Seattle Design Commission with respect to the Waterfront-Related Elements. The PPMPDA also shall be responsible for undertaking and managing informal, community-based design review, including review by the Market community.

ARTICLE 4
Funding

Section 4.1 Capital Budget. As reflected in Exhibit C, the "Capital Budget" is approximately $73,000,000, to be provided from all available sources, including the City Grant described in Section 4.2.2. The Capital Budget will continue to be refined as competitive bidding proceeds and overall Project scope is confirmed. The PPMPDA's Final Capital Budget ("Final Capital Budget") will be submitted to the Director in conjunction with PPMPDA notification of the Project Commencement Date under Section 5.1.1.

Section 4.2 City Grant and Other Support. The following are the City's contributions to and support for the Project:

4.2.1 Property Conveyance. Consistent with Article 5, the City will convey title to the Property to the PPMPDA.

4.2.2 City Grant. For the sole purpose of funding Eligible Project Costs (as defined below), the City will provide a grant in the total amount of $34,000,000, which includes all amounts that the City has reimbursed PPMPDA under the MOU for design, planning and

consultant costs prior to the date of this Development Agreement ("City Grant"). Except as provided below with respect to tax credits, proceeds of the City Grant may be used solely to pay or reimburse the PPMPDA for Eligible Project Costs, which shall be limited to the capital costs of design, planning, construction and equipping of the public parking garage and public plaza portions of the Project ("Eligible Project Costs"). If City Grant funds are utilized to fund PPMPDA's equity, leverage loans or otherwise applied in a Federal New Market income tax structure, as provided in Section 4.3.4, an amount equal to the portion of such funds so applied shall be utilized to pay Eligible Project Costs.

4.2.3 Additional Grant Conditions. The PPMPDA shall meet and comply with the following conditions at all times during which the bonds issued to fund or refinance the City Grant remain outstanding:

(a) The PPMPDA agrees to expend or cause the expenditure of all available City Grant proceeds allocated to a City bond issuance within 12 months after the date of the relevant bond issuance.

(b) The PPMPDA shall include in its annual report to the City required under ch. 3.110 of the Seattle Municipal Code, as amended, reports on the planned and actual operations of the Project for as long as the City bonds issued to fund the City Grant remain outstanding.

(c) The City Grant shall become available for use and expenditure by the PPMPDA as described in Article 8. The PPMPDA shall use the City Grant, and all other funds available for the Project (including funds from all sources identified on the Final Capital Budget), only for development of the Project strictly in accordance with the Final Capital Budget.

Section 4.3 PPMPDA Funds and Fundraising. The PPMPDA shall obtain the balance of funding needed to fully fund the Final Capital Budget, increased or decreased as appropriate resulting from scope, design and schedule changes and any cost overruns, as provided herein. Such funding will come from a variety of sources, including but not limited to the following:

4.3.1 PPMPDA Direct Funding. The PPMPDA currently has funds in the form of capital reserves, approximately $570,000 of which it already has committed to design of the Project. The PPMPDA shall expend at least an additional $2,430,000 in equity funds for design and construction of the Project.

4.3.2 Funding from Other Public Programs or Projects. The PPMPDA has represented that elements of the Project may be eligible for public funding or financing through various City, State or other public low- and moderate-income housing assistance programs, as well as capital grants from jurisdictions other than the City, as follows:

(a) WSDOT will contribute $6,000,000 toward construction of the PC-1 North parking garage. Of that amount, $3,500,000 has been received by the PPMPDA in exchange for the PPMPDA's commitment to certain parking rate restrictions on parking stalls in the existing PC-1 South garage as evidenced by a restrictive covenant between WSDOT and the PPMPDA recorded under King County Recording No. 20141204002071. WSDOT and the PPMPDA are currently negotiating one or more agreements under which an additional $2,500,000 will be provided to the PPMPDA when the PPMPDA obtains control of the Property and can commit to parking rate restrictions on parking stalls to be constructed in the new garage.

(b) The PPMPDA received a notice of award from the City's Office of Housing for approximately $1,455,000, and has secured an allocation of approximately $7,700,000 worth of tax credits for Project costs from the Washington State Housing Finance Commission's Low Income Housing tax credits program.

(c) The PPMPDA is seeking other funding, including a State capital grant for the Project that it anticipates will not exceed $2,500,000.

4.3.3 PPMPDA Fundraising. The PPMPDA, working with the Pike Place Market Foundation, intends to secure additional funding from grants and philanthropic gifts. A detailed fundraising plan has been developed by the PPMPDA and is attached as Exhibit D ("PPMPDA Fundraising Plan"). This plan has been submitted to City staff and was accepted by the City's Finance Director ("Finance Director") and the PPMPDA agrees to use diligent efforts to secure the financing described in the plan. The PPMPDA currently anticipates that such sources may yield up to $6,000,000 for Project costs. The Finance Director will review PPMPDA's progress in meeting its fundraising targets as set forth in the PPMPDA Fundraising Plan. In determining whether the PPMPDA has sufficient resources to construct the Project under Section 5.1.2, the Finance Director may consider the PPMPDA's private sector donor pledges, pledge payment experience and such other relevant information as the Finance Director may reasonably require. The Finance Director will review PPMPDA's private sector donor pledges under procedures to protect the confidentiality of donors and PPMPDA donor-related information to the extent possible. The PPMPDA shall submit to the Finance Director a copy of the pledges in a form acceptable to the Finance Director, with donor names verified by the Finance Director but omitted from the copy submitted. The Finance Director will deem a pledge reliable if it is from a person or entity of substantial net worth in relation to the amount pledged and the Finance Director knows of no reason why the pledge may not be honored.

4.3.4 Other Funding. The PPMPDA shall use its best efforts to secure additional funding for construction of elements of the Project through Federal New Market income tax credits. The PPMPDA currently estimates that such tax credits may generate net proceeds for application to Project costs of as much as $4,000,000. To the extent otherwise

permitted by applicable law, the PPMPDA may use any source of Project funding, specifically including the City Grant, in a manner that enables it to obtain private investment in PPMPDA-owned buildings under Federal income tax credit programs so long as an amount equal to the portion of such City Grant funds so applied is utilized to pay Eligible Project Costs, all subject to restrictions on the sale or encumbrance of PPMPDA-owned property under applicable law and its charter and under the terms of the City conveyance.

4.3.5 Debt. The PPMPDA will use a combination of short and long term debt to apply toward its share of total Project costs. The PPMPDA currently estimates it will borrow $14,000,000. Short term debt may be required as advances against funds that may be available later than when such funding will be required for construction of the Project, including multi-year pledges of gifts to the Project and tax credit proceeds.

ARTICLE 5
Project Commencement Actions Timeline; Property Conveyance

Section 5.1 Project Commencement Actions Timeline. The City will convey the Property to the PPMPDA (subject to a perpetual public access, use right or easement and to a utility easement) and the PPMPDA shall give its construction contractor Notice to Proceed with construction, in each case after the effective date of a City ordinance authorizing execution of this Development Agreement and upon completion of the following process:

5.1.1 After the Parties have agreed on the Final Project Design, the PPMPDA will notify the Director of the date it has determined to be the "Project Commencement Date." The PPMPDA will provide such notification no later than 30 days before the proposed Project Commencement Date.

5.1.2 The PPMPDA's notification to the Director of the Project Commencement Date shall be accompanied by a comprehensive Project update including up-to-date information,

including its Final Capital Budget, sufficient to enable the City to determine whether the following conditions have been satisfied:

(a) that the Final Capital Budget is sufficient to complete the Final Project Design, based on a review of the most up-to-date Project cost estimates and materials supporting those estimates provided by the PPMPDA; and

(b) that the PPMPDA has demonstrated to the reasonable satisfaction of the City Finance Director that it has timely access to sufficient funds from all available sources, including the City Grant identified in this Development Agreement, to fully fund construction of the Project consistent with the Final Capital Budget and Final Project Design. The Final Capital Budget must include and the PPMPDA must maintain at each phase of Project construction contingencies consistent with industry standards. Promptly following any request, the PPMPDA shall provide the City with any additional information relevant to its review, including current information on the PPMPDA's fundraising efforts.

5.1.3 As soon as practical following review of the PPMPDA's information, the Director will notify the PPMPDA in writing whether or not the conditions in Section 5.1.2 have been satisfied. If either condition is not satisfied, the Director, together with the Finance Director, will work with the PPMPDA to address any actions that the PPMPDA could pursue in order to satisfy the condition(s). The Director shall notify the PPMPDA in writing, if and when, the City has determined that the conditions under subsections 5.1.2(a) and (b) are satisfied.

Section 5.2 Property Conveyance. When the conditions described in Section 5.1.2 have been satisfied, the Parties shall promptly schedule a date for the City to convey the Property to the PPMPDA on the terms set forth below.

5.2.1 Conditions of Conveyance. The City will convey the Property, together with all improvements on the site, to the PPMPDA pursuant to a quit claim deed substantially in

the form attached as Exhibit E in "AS-IS" condition, without warranties or representations of any kind. In accordance with RCW 35.21.747, the conveyance will be subject to covenants for low-income housing and public parking as set forth in Exhibit F ("Covenant"), and easements for perpetual public access, Exhibit G ("Public Access Easement"), and electrical utilities, Exhibit H, to ensure the continued use of the Property for public purposes, including housing, public open space and short-term public parking.

5.2.2 Consideration. The City will receive no monetary consideration for conveyance of the Property to the PPMPDA or for the availability of the City Grant funding described herein. Consideration for transfer of the Property and the other obligations of the City under this Development Agreement includes: (a) the construction by the PPMPDA of the Project consistent with the requirements of this Development Agreement, including constructing the Waterfront-Related Elements and parking garage; and (b) continuous operation of the completed Project by the PPMPDA as an essential element of the Market in a manner consistent with the PPMPDA's charter and the Covenant. If the Parties later agree, the PPMPDA will undertake management and routine maintenance of the proposed Overlook Walk feature of the City's central waterfront project pursuant to a mutually acceptable Overlook Walk Operation and Maintenance Agreement that the Parties will develop.

5.3 Notice to Proceed. The PPMPDA may issue the Notice to Proceed to its construction contractor after receiving the determination described in Section 5.1.2 and after satisfying all of the following conditions:

(a) The PPMPDA has obtained all necessary permits and all other governmental approvals for the Project.

(b) The PPMPDA has negotiated a construction contract for a guaranteed maximum price pursuant to the provisions of RCW 39.10 that the Director has determined is

consistent with the requirements of the Development Agreement and under which the PPMPDA's general contractor has agreed to construct the Project consistent with the Final Project Design.

(c) The PPMPDA has provided the Director copies of all required insurance policies or other evidence satisfactory to the Director of property and liability insurance in compliance with Article 10 of this Development Agreement.

(d) The PPMPDA has executed an easement agreement with Seattle City Light for the continued access to the location of, and for the maintenance of, the T4 transmission line currently located on the Property.

ARTICLE 6
Project Schedule

Section 6.1 Project Schedule. To satisfy the goals articulated in the MOU that (1) the PC-1 North parking garage be completed prior to demolition of the Alaskan Way Viaduct to provide replacement parking for the Market and waterfront businesses and attractions, including the Seattle Aquarium; and (2) the Project schedule maximize opportunities for meaningful coordination with construction of certain other elements of the City's Central Waterfront concept design such as the proposed Overlook Walk and the elevated Elliott Way connection, among others, the PPMPDA shall use its good faith best efforts to start construction of at least the below-grade portions of the Project on the Project Commencement Date shown on the Project Schedule. Once construction commences, the PPMPDA shall proceed diligently to complete the work so as to achieve substantial completion of the entire Project no later than the "Project Completion Date" shown on the Project Schedule. The current Project Schedule is attached as Exhibit I. The Director shall extend the Project Completion Date reflected in the Project

Schedule for the duration of time reasonably necessary for the Parties to resolve issues such as potential cost overruns under Section 7.1.2 and proposed material changes under Section 3.1.1.

ARTICLE 7
Project Construction

Section 7.1 Project Construction.

7.1.1 Design and Construction. Subject to the requirements of this Development Agreement, PPMPDA shall undertake and be responsible for the management of all aspects of the design and construction of the Project. In conducting, causing or permitting any construction work on the Property, PPMPDA shall cause all construction work to be done in a good and workmanlike manner and shall comply with or cause compliance with all laws and permits. The PPMPDA shall obtain or cause to be obtained and maintain in effect, as necessary, all building permits, licenses and other governmental approvals that may be required in connection with construction of the Final Project Design. The PPMPDA shall complete construction of the Project substantially consistent with the Final Project Design, except as specifically provided herein. The PPMPDA shall use its good faith best efforts to resolve issues that may arise during construction to avoid changes to the Final Project Design that would require the approval of the Director.

7.1.2 Requirements for Construction. In managing the Project, the PPMPDA shall ensure that the Project and its general contractor and others as appropriate comply with all of the following requirements:

(a) The PPMPDA shall require that (i) all contractors and subcontractors, including those of any entity contracting for any of the work for the Project, comply with prevailing wage requirements of RCW 39.12; and (ii) its general contractor

participate in the construction trades apprenticeship program, endeavoring to achieve 15% utilization of apprentices.

(b) The Project will be subject to the affirmative efforts and nondiscrimination requirements under SMC 20.42 and the equal benefits requirements under SMC 20.45.

(c) The Project component of the Final Capital Budget must include at least $340,000 for public art to be incorporated into the Project. The selection of public art shall follow a process agreed to between PPMPDA and the City's Office of Arts & Culture or that office's successor. The Office of Arts & Culture will have representation on the review and selection panel PPMPDA will convene and use in the art selection process.

(d) The PPMPDA shall keep the Director informed of the time and place of each regular and special Project construction meeting to enable the Director or his designee to attend, become informed about the status of the Project, participate in discussions and present the City's position with respect to matters being discussed.

(e) The PPMPDA shall deliver a copy of any Project construction meeting minutes to the Director within seven days after the PPMPDA receives them from its Project architect or contractor.

(f) The PPMPDA is responsible for all cost overruns that may be experienced by the Project, including those due to unforeseen conditions. The PPMPDA will notify the Director within ten days of discovering any event or condition likely to lead to cost overruns and that must be addressed in order for the Project to proceed. The PPMPDA will evaluate ways to resolve any such event or condition and estimate the cost of doing so. In addressing potential cost overruns, the PPMPDA may, among other measures, apply funds within the Project contingency component of the Final Capital Budget, make modifications to the

Final Project Design subject to Section 3.1.1 and apply such additional funds that the PPMPDA, in its sole discretion, determines are necessary to complete the Project. The PPMPDA will inform the Director of the circumstances leading up to and resulting from the potential cost overruns and keep the Director apprised of its work and of its plans for addressing such conditions, specifically including any proposed changes in the Final Project Design requiring his approval under Section 3.1. If the PPMPDA determines that it may lack sufficient resources to address any cost overruns and, as a result, may not be able to complete the Project, it will so notify the Director within ten days of such determination. The Parties will cooperate in developing and implementing a plan to complete, suspend or terminate the Project; provided, that such cooperation shall in no way modify or limit the City's available remedies in the event of default. Nothing in this paragraph shall be construed as limiting the authority of the City to approve or disapprove proposed changes to the Project when acting in its regulatory capacity.

(g) Consistent with the City's Sustainable Building and Sites Policy adopted by Resolution 31326, upon completion of construction of the Project, the PPMPDA shall apply for Leadership in Energy and Environmental Design (LEED) certification of the Project (except for the affordable housing component) at the 2009 gold level or higher, under the U.S. Green Building Council's Rating System. The affordable housing component will comply with the Washington State Evergreen Sustainable Development Standard.

7.1.3 Cooling Tower Relocation. As required under the 2009 Agreement for Placement of HVAC Equipment on City Property between the City and the PPMPDA authorized by City Ordinance 123019, the PPMPDA shall relocate, at its sole expense, the cooling towers currently situated on the Property. The cooling towers shall be relocated as soon as practical after the PPMPDA receives the notice to do so under the above-referenced 2009 Agreement, but no later than the completion of the Overlook Walk.

7.1.4 Retail Space. The PPMPDA has designated four parking spaces on the western side of the Project parking facility as "interim parking" on the approved Master Use Permit and Building Permit plans for the Project. The PPMPDA shall convert those stalls into a retail space of approximately 1,000 square feet that is accessible from the proposed Overlook Walk. This conversion shall be at the PPMPDA's sole expense and shall be executed during construction of the proposed Overlook Walk, subject to approval by the Commission and the Director.

7.1.5 Waterfront-Related Elements. Notwithstanding Exhibit B (Waterfront-Related Elements), the following components of the Waterfront-Related Elements shall be addressed as follows:

(a) PC-1 North Garage Façade. The façade of the garage adjacent to the Overlook Walk may remain open with steel cable barriers until the beginning of construction of the Overlook Walk when the PPMPDA shall be obligated to promptly complete infilling such façade.

(b) Heritage House Walkway. The southern pedestrian connection between the Overlook Walk and Western Avenue shall be completed by the PPMPDA when the Heritage House is redeveloped or substantially renovated.

(c) Public Plaza. The PPMPDA shall provide for a Project alternate for upgraded surface paving treatment of the PC-1 North public plaza adjacent to the Overlook Walk consistent with that of the Overlook Walk. Such upgrade shall be a high priority funding opportunity within the Market Foundation's campaign to raise philanthropic contributions to support development of the PC-1 North Project. The Friends of Waterfront Seattle (the "Friends") also may participate in raising funds for this upgrade. If the Foundation or the

Friends succeed in raising such philanthropic funds for such surface treatment, the PPMPDA shall complete such upgrade when the Overlook Walk is constructed.

Section 7.2 City Obligations.

7.2.1 City-Requested Design Changes. The PPMPDA's responsibility for cost overruns notwithstanding, the City shall bear financial responsibility for any net direct or indirect cost increases necessary in order to implement those changes to the Project that the Director requests after having approved the Final Project Design (excluding permitting or other regulatory requirements).

7.2.2 Garage Access. In conjunction with construction by the City of the elevated Elliott Way connection to the Main Corridor, the City will design and build the roadway to support a new driveway access to the PPMPDA's PC-1 North garage from Elliott Way in a manner reasonably acceptable to the Parties. Both Parties recognize this driveway would provide direct access to the new garage from the new road, and is a shared responsibility for funding subject to future negotiations.

7.2.3 T4 Transmission Line. The City is responsible for relocation of the T4 transmission line running adjacent to and under the proposed northern garage access point from the new elevated Elliott Way connector road; provided, that the PPMPDA shall be responsible for any and all direct or indirect costs related to damage or impact to the T4 transmission line caused by the Project and unrelated to the City's right-of-way improvements in the area.

7.2.4 Easements and Property Line Adjustments. Any easements, property transfers or permits required to accommodate the portion of the Project that extends beyond the PC-1 North property line to the west, including space for temporary steps connecting to the new road and temporary relocation of one cooling tower, will be subject to separate approval.

ARTICLE 8
Process for Disbursement of City Grant Proceeds

Section 8.1 Process for Disbursement of City Grant Proceeds.

(a) To aid the City in determining the timing of the issuance of bonds to fund the City Grant, on or prior to each June 30 and December 31 during the construction period (or until the City Grant proceeds have been fully disbursed), the PPMPDA shall provide to the City updated projections for monthly spending of the proceeds of the City Grant through the end of the construction period. To aid the City in correctly sizing the anticipated issuance of taxable bonds to fund the City Grant, the PPMPDA further agrees to cooperate with the City Finance Director to provide updated spending projections confirming, as of the date on which the City expects to issue any bonds for the purpose of funding City Grant disbursements, the amount of the City Grant disbursements expected to be requested within the next succeeding 12-month period.

(b) The PPMPDA may request disbursements of the City Grant proceeds no more frequently than monthly to reimburse Eligible Project Costs, as defined in Section 4.2.2. The PPMPDA shall request disbursement of funds only for payment of Eligible Project Costs already incurred and the amount of each request must be limited to the amount needed to reimburse the PPMPDA for expenditures, supported by the documentation as described in Section 8.2.

(c) City Grant proceeds shall be disbursed, pursuant to a disbursement request in a standard format agreed to by the Parties, within 30 business days after the request is received, if: (i) the disbursement request is submitted in compliance with the requirements of this Development Agreement; (ii) the PPMPDA is in compliance with the terms of this Development Agreement and no default exists under any other agreement for the financing or

development of the Project; and (iii) no part of the Project shall have been materially damaged by fire or other casualty.

Section 8.2 Invoices and Documentation. Each disbursement request shall be accompanied by (a) copies of all vendor invoices (including all applicable back-up materials) to be reimbursed with the requested funds, together with information sufficient to identify the budgeted expenses to which the invoices relate and to verify that such expenses are Eligible Project Costs; (b) an update to the Final Capital Budget showing the expenditures from each fund source since the date of the preceding invoice and the current balance of each fund source; and (c) an updated total Project Capital Budget Summary that includes a copy of the Project Schedule of Earned Values or other document showing the actual quantities of work completed to date for each bid item in accordance with the construction contract documents. All documents provided by the PPMPDA shall be submitted as PDF attachments to an e-mail sent to the Finance Director with a copy to the Director and/or their respective designees. Payment will be made on a reimbursement basis for actual quantities of each bid item of work completed and materials actually procured.

Section 8.3 Final Allocation of City Grant Proceeds. Not later than 12 months after the Project is certified to be substantially complete, the PPMPDA shall provide to the City a final allocation and summary of the use of City Grant proceeds, demonstrating that an amount equivalent to the total City Grant amount was expended for Eligible Project Costs.

ARTICLE 9
Phased Development; Alternative Projects

Section 9.1 Phased Development and Alternative Projects. If the Parties agree in writing that the Project reflected in the Final Project Design should be undertaken in phases, the PPMPDA may proceed on that basis, provided that the PPMPDA demonstrates to the Director's reasonable satisfaction that it remains committed to completion of the entire Project and has a viable plan for doing so that includes all necessary financial resources to complete the Project. Each successive phase shall itself be subject to requirements of this Development Agreement. If the Parties agree that the Project, substantially as reflected in the Final Project Design, is no longer viable, the Parties may proceed to develop and construct a mutually acceptable alternative project. Any such alternative project must include 300 public parking stalls, more or less, for both Market and waterfront use and provide public open space, access and use features appropriate for the Project. If the Parties agree such an alternative project can be completed within resources reasonably available to the Parties, a new or revised development agreement will be negotiated for review and approval by the PPMPDA Council and the City Council.

If the PPMPDA has not given notice of the Project Commencement Date within five years after the effective date of this Development Agreement, the Agreement shall terminate. The City will thereafter convey the Property to the PPMPDA for continued use for Market and related public purposes contingent on the City's approval of the PPMPDA's plans for use of the site. Any conveyance must include reservation of reasonable and appropriate rights of public access and use, and will be contingent on PPMPDA Council and City Council review and approval of a new or revised development agreement for such project. Any such project must include at least 300 public parking stalls serving the Market and the waterfront; public open

spaces and access to ensure a connection between the waterfront and the Market as the Parties determine feasible and appropriate.

ARTICLE 10
Risk Management

Section 10.1 Risk Management.

10.1.1 Retainage and Bonding. The PPMPDA shall establish retainage at not less than five percent of its contractor's guaranteed maximum price and shall require bonding by its contractor to the extent required by law and warranted, in its judgment and discretion, after consultation with the Director.

10.1.2 Insurance Requirements. The PPMPDA shall obtain or cause to be obtained insurance in the following forms and with the limits of not less than those stated, with the City named as an additional insured, unless the City's Risk Manager agrees in writing to modify these requirements:

(a) Professional Liability Insurance. Architect's and engineer's professional liability insurance covering the architect and engineer with a minimum limit of $1,000,000 for each claim.

(b) Commercial General Liability. Commercial general liability insurance for the architect and the general contractor with minimum combined single limits of $5,000,000 for the architect and $5,000,000 for the general contractor for each occurrence. The policy shall include without limitation coverage for bodily injury, broad form property damage, personal injury (including but not limited to coverage for contractual and employee acts), blanket contractual, owner's and contractor's protective liability, and products and completed operations. Further, the policy for the general contractor shall include without limitation coverage for the hazards commonly referred to as "XCU" and shall contain a severability of interests provision.

The products and completed operations coverage for the general contractor shall extend for three years past the date of substantial completion of the Project.

(c) Automobile Liability. Automobile liability insurance for the architect and general contractor with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to vehicles assigned to or used in the construction of the Project.

(d) Contractor's Equipment. Contractor's equipment insurance for the architect and general contractor covering owned, non-owned, and leased equipment used in connection with construction of the Project. With the approval of the PPMPDA, the architect and the general contractor may self-insure owned, non-owned or leased equipment.

(e) Builder's Risk. Builder's risk insurance with a limit of liability consistent with the requirements of the PPMPDA's general contractor contract. The coverage shall be written on all risk of direct damage basis and shall include coverage for fire and physical loss or damage from flood and earthquake. Builder's risk insurance shall cover construction at the site, at any off-site storage location, if appropriate, and while in transit, any and all materials, equipment, machinery, tools and supplies, including buildings and all temporary structures to be used in or incidental to the fabrication, erection, testing or completion of the Project.

10.1.3 Liens. The PPMPDA will pay or cause to be paid all sums payable by it on account of any labor performed or materials furnished in connection with any work performed on the Project. The PPMPDA shall not permit any mechanic's or materialman's lien to be filed against the premises for work claimed to have been done for, or materials claimed to have been furnished to, the PPMPDA.

10.1.4 Release. Each contract and subcontract for the Project shall include a specific provision to the effect that The City of Seattle is not liable under any circumstances for

claims or damages arising from any contractor's or subcontractor's performance or activities under the contract or subcontract, nor for any failure of the PPMPDA or any other party to make any payment.

ARTICLE 11
Indemnification and Dispute Resolution

Section 11.1 Indemnification.

11.1.1 PPMPDA Indemnification. To the fullest extent permitted by law, the PPMPDA shall indemnify, defend (using counsel acceptable to the City) and hold the City, its officers, agents, employees and elected officials (collectively, the "City Indemnified Parties") harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including City's actual and reasonable personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever arising out of the Project, including, but not limited to, claims resulting from, arising out of, or connected with the following: (i) the acts or omissions of PPMPDA, its employees, agents, officers, affiliates, contractors, guests or invitees throughout the course of the Project; (ii) PPMPDA's breach of this Development Agreement; or (iii) construction of the Project. Except as may be required by applicable law, the above indemnity shall not be diminished by any actual or alleged acts, omissions or negligence of the City, its officers, employees, volunteers or agents. PPMPDA's defense and indemnity obligations extend to claims brought by its own employees and PPMPDA's foregoing obligations are specifically and expressly intended to act as a waiver of PPMPDA's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to the City Indemnified Parties and to the extent necessary to provide the City Indemnified Parties with a full and complete defense and indemnity.

11.1.2 City Indemnification. To the fullest extent permitted by law, the City shall indemnify, defend (using counsel acceptable to PPMPDA) and hold PPMPDA, its Council members, employees, agents, officers, contractors, guests or invitees throughout the course of the Project (collectively, "PPMPDA Indemnified Parties") harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including PPMPDA's actual and reasonable personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever resulting from, arising out of, or connected with the City's breach of this Development Agreement. The City's defense and indemnity obligations extend to claims brought by its own employees and the City's foregoing obligations are specifically and expressly intended to act as a waiver of the City's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to PPMPDA Indemnified Parties and to the extent necessary to provide PPMPDA Indemnified Parties with a full and complete defense and indemnity.

Section 11.2 Limitation of Indemnification Obligation.

11.2.1 Limitation of PPMPDA's Obligation. If RCW 4.24.115 as in effect on the date of this Development Agreement applies to any claim, then the PPMPDA's indemnity: (i) shall not apply to damages caused by or resulting from the sole negligence of the City Indemnified Parties; and (ii) in the case of the concurrent negligence of (A) the City Indemnified Parties, and (B) PPMPDA, its Council members, agents, contractors, officers, affiliates, employees, guests or invitees, shall apply only to the extent of the negligence of PPMPDA, its agents, contractors, officers, affiliates, employees, guests or invitees.

11.2.2 Limitation of City's Obligation. The City's obligation to indemnify PPMPDA (i) shall not apply to damages caused by or resulting from the sole negligence of PPMPDA Indemnified Parties; and (ii) in the case of the concurrent negligence of (A) PPMPDA

Indemnified Parties and (B) the City, its officers, agents, employees and elected officials, shall apply only to the extent of the negligence of the City, its officers, agents, employees and elected officials.

THE CITY AND PPMPDA ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF THIS ARTICLE WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

Section 11.3 Dispute Resolution. In the event of a dispute regarding this Development Agreement, the Parties agree to follow the procedures in this Section prior to filing or initiating a lawsuit. The Parties shall make their best efforts to resolve disputes as expeditiously as possible through negotiations at the lowest possible decision-making level, and in the event such negotiations are unsuccessful, the matter shall be referred to the Director and the Executive Director of the PPMPDA. If those officials are unable to resolve the dispute within 15 days after the matter has been formally referred to them for resolution, they shall meet during the immediately succeeding seven days to select a mediator to assist in the resolution of such dispute. The PPMPDA and the City agree to participate in mediation with the agreed upon mediator for a reasonable amount of time and in good faith. The cost of the mediation shall be shared equally between the City and PPMPDA.

ARTICLE 12
Miscellaneous Provisions

Section 12.1 Nondiscrimination; Compliance with Laws. The PPMPDA shall comply with all applicable laws including, without limitation, all equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Seattle, including but not limited to Chapters 14.04, 14.10, and 20.42 of the Seattle Municipal Code as

they may be amended, and rules, regulations, orders, and directives of the associated administrative departments and their officers. Without limiting the generality of the foregoing, the PPMPDA shall cause the Project construction to comply with the requirements of the Americans with Disabilities Act ("ADA"). The PPMPDA expressly acknowledges that the provisions of the ADA may exceed requirements contained in building codes and other regulations and that in such instances, the ADA requirements shall control.

Section 12.2 Notices. All notices and requests required or permitted to be given in connection with this Development Agreement shall be in writing and shall be deemed given as of the day they are received either by messenger, express delivery service, or in the United States of America mail, postage prepaid, certified or registered, return receipt requested, and addressed as follows, or to such other address as the party to receive the notice or request so designates by written notice to the other consistent with this Section 12.2:

If to City:	City of Seattle Attn: Marshall Foster, Director Office of the Waterfront 800 5th Avenue, Suite 3100 PO Box 34996 Seattle, WA 98124-4996
With a copy to:	City of Seattle City Attorney's Office Attn: Helaine Honig, Assistant City Attorney 600 4th Avenue, 4th Floor PO Box 94769 Seattle, WA 98124-4769
With a copy to:	City of Seattle Attn: Kristi Beattie, Finance Partnerships Manager Department of Finance and Administrative Services PO Box 94669 Seattle, WA 98124-4669

If to the PPMPDA: Pike Place Market Preservation & Development Authority
Attn: Ben Franz-Knight, Executive Director
85 Pike Street, Room 500
Seattle, WA 98101

With a copy to: Pacifica Law Group LLP
Attn: Gerry Johnson
1191 2nd Avenue, Suite 2000
Seattle, WA 98101-3404

Section 12.3 Term and Termination; Survival. Notwithstanding the foregoing, this Development Agreement shall terminate on May 15, 2020, if the PPMPDA has not commenced construction of the Project by that date. The following Sections shall survive the termination or expiration of this Development Agreement: Section 4.2.3(b), Article 11 and Section 12.4.

Section 12.4 Abandonment or Discontinuance of Work. If construction work is at any time abandoned or discontinued for 15 consecutive days or more and the PPMPDA has demonstrated that it intends to perpetuate such discontinuance, the PPMPDA shall be in default hereunder and the City, at its option, after no less than ten days' notice and opportunity to cure provided to the PPMPDA, may enter onto the Property or designate a third party to enter onto the Property to complete the improvements or any portion thereof. Discontinuances resulting from circumstances beyond the PPMPDA's reasonable control as provided in Section 12.5 or incurred as a result of circumstances arising during construction of which the Parties are aware and are working to address shall not constitute defaults hereunder. If the City exercises the foregoing option, the PPMPDA shall promptly provide the City with a full set of Project documents and secure for the City the immediate right to use such documents and the City may employ such architects, contractors and workers, and may procure or furnish such materials, as it believes are necessary or appropriate to complete the improvements or portion thereof. The PPMPDA shall pay all costs incurred by the City pursuant to this Section, including a reasonable sum for supervision, attorneys' fees, and all related costs and expenses.

Section 12.5 Force Majeure. Except as otherwise expressly provided in this Development Agreement, time periods for any Party's performance under any provisions of this Development Agreement shall be extended for periods of time during which such performance is prevented due to circumstances beyond such Party's reasonable control, including without limitations, strikes, embargoes, shortages of labor or materials, governmental regulations, acts of God, unforeseen site conditions, casualty, war or other strife.

Section 12.6 Legal Relationship. This Development Agreement does not constitute the PPMPDA as the agent or legal representative of the City for any purpose whatsoever. The PPMPDA has no express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the City or to bind the City in any manner or thing whatsoever. Nothing in this Development Agreement shall be construed to create any partnership or joint venture between the Parties.

Section 12.7 Mandatory Disclaimer.

> The Pike Place Market Preservation and Development Authority ("PDA") is organized pursuant to Seattle Municipal Code (SMC) 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides in part as follows: "All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority." The powers of the PDA are limited by state and federal law and regulations, ordinances of The City of Seattle, and other elements of the local regulatory scheme.

Section 12.8 Governing Law. This Development Agreement shall be governed by and interpreted under the laws of the State of Washington applicable to agreements made and to be performed in Washington, exclusive of its conflict of law rules.

Section 12.9 Time of Essence. The Parties agree that time is of the essence of this Development Agreement.

Section 12.10 Entire Agreement. This Development Agreement, when executed, contains the entire understanding between the Parties with respect to the subject matter hereof, and supersedes any promises or conditions in any other oral or written agreement, including the MOU. No provision of this Development Agreement may be amended or supplemented except by a written agreement signed by the Parties or their respective successors in interest.

Exhibits

Ex. A - Legal Description

Ex. B - Waterfront-Related Elements

Ex. C - Capital Budget (including Funding Plan/Sources & Uses)

Ex. D - PPMPDA Fundraising Plan

Ex. E - Form of Quit Claim Deed

Ex. F – Form of Covenant

Ex. G - Form of Public Access Easement

Ex. H – Form of Seattle City Light Temporary Easement for T4 Transmission Line

Ex. I - Project Schedule

IN WITNESS WHEREOF, the Parties have executed this Development Agreement as of the dates shown below.

CITY OF SEATTLE

By _____
Marshall Foster
Director, Office of the Waterfront

Dated: 5/15/15

PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY

By _____
Ben Franz-Knight
Executive Director

Dated: 5/6/15

EXHIBIT A

LEGAL DESCRIPTION

Those portions of Lots 5 through 12, Block 36, and that certain unnumbered tract or lot lying generally southeast of Block 36, delineated on an Addition to the Town of Seattle as Laid Out by A.A. Denny (commonly known as A.A. Denny's 6th Addition to the City of Seattle), as recorded in Volume 1 of plats, page 99, in King County, Washington, and those portions of the vacated alley in said Block 36 and vacated Pine and Stewart Streets more particularly described as follows:

Beginning at the most northerly corner of Lot 5, Block 36, of said plat of A.A. Denny's Sixth Addition to the City of Seattle;

Thence southwesterly along the northwesterly margin of said Lot 5 to its intersection with the northeasterly line of Armory Way, as established by condemnation Ordinance No. 66339, as amended by Ordinance No. 67125;

Thence southeasterly along said northeasterly line of Armory Way to a point on a line parallel with and 30 feet northwest of the northwesterly line of Block H, Addition to the Town of Seattle as Laid out by A.A. Denny (commonly known as A.A. Denny's 4th Addition to the city of Seattle), as recorded in Volume 1 of plats, page 69, in King County, Washington;

Thence northeasterly along said parallel line to the southwesterly line of Western Avenue as widened under the provisions of Ordinance Nos. 11704 and 18109 of the City of Seattle;

Thence northwesterly along said southwesterly line of Western Avenue to its intersection with the northwesterly line of Lot 6, Block 36, said plat of A.A. Denny's 6th Addition to the City of Seattle;

Thence southwesterly along the northwesterly line of said Lot 6 to the most westerly corner thereof;

Thence southwesterly along the southwesterly projection of the northwesterly line of said Lot 6 to the point of beginning;

(Also known as Parcel B of City of Seattle Lot Boundary Adjustment Number 8800103, recorded under recording number 8807250812 and amended by recording number 8811290942).

EXHIBIT B

WATERFRONT-RELATED ELEMENTS

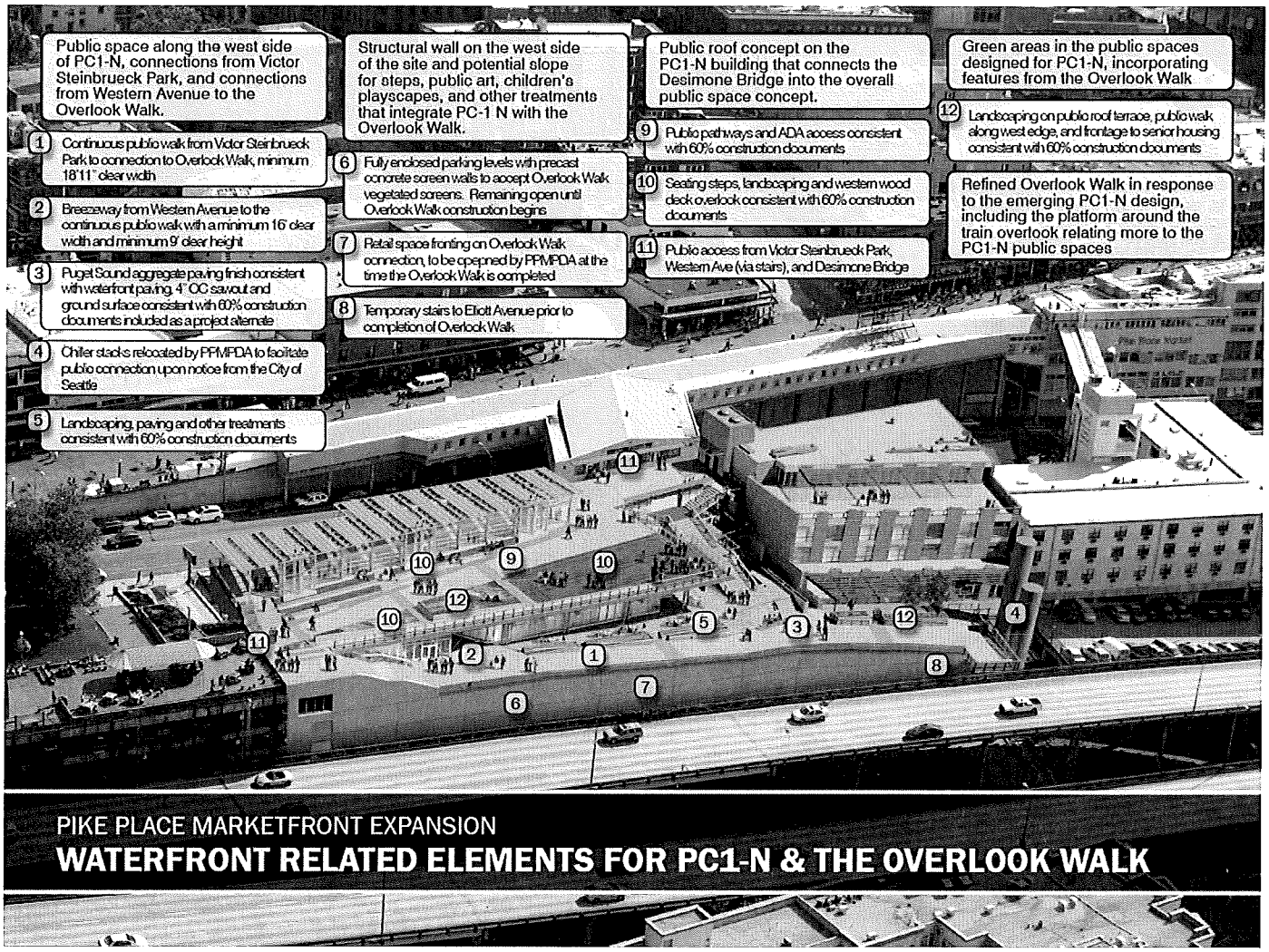


EXHIBIT C

PUBLIC MARKET CENTER
PIKE PLACE MARKET

MarketFront
TOTAL BUDGET SUMMARY

Budget Report
(Overall Integrated Summary)

Amount Earned to Date Reported
as of January 14, 2014 (w/acctg update thru Dec-2014 G/L)

	i	ii	A = (i+ii)	B	C	D = (B-C)	E = (A-B)	
	Baselined Budget (Nov-2014)	Intra-Project Budget Transfers	Current Budget	Committed Budget	Amount Invoiced to Date	Remaining Budget Amount Committed	Non-committed Budget Amount Balance	
1. A/E Services								
Architect/Concept Design *(SRG)*	$ 27,445	$ -	$ 27,445	$ 27,445	$ 27,445	$0	$0	*thru 2/2012*
Architect Design/CA *(Miller Hull)*	$ 4,607,366	$ -	$ 4,607,366	$ 3,280,579	$ 3,021,437	$259,142	$ 1,326,787	*thru 11/2014*
Sub-TOTAL	$ 4,634,811	$ -	$ 4,634,811	$ 3,308,024	$ 3,048,882	$259,142	$1,326,787	
2. Miscellaneous Design Expenses								
Site Survey *(BRH)*	$ 150,000	$ -	$ 150,000	$ 20,677	$ 20,677	$0	$129,323	*thru 10/2014*
Miscellaneous	$ 179,748	$ -	$ 179,748	$ -	$ -	$0	$179,748	
Sub-TOTAL	$ 329,748	$ -	$ 329,748	$ 20,677	$ 20,677	$0	$309,071	
3. Land & Permits								
Building and General Permitting	$ 300,000	$ -	$ 300,000	$ 97,667	$ 97,667	$0	$202,333	*thru 11/2014*
Environmental Consulting *(EA)*	$ 10,000	$ -	$ 10,000	$ 9,970	$ 9,645	$325	$30	*thru 1/2014*
Land Use Permit *(MUP)*	$ 256,420	$ -	$ 256,420	$ -	$ -	$0	$256,420	
Land Use Attorney *(HCMP)*	$ 250,000	$ -	$ 250,000	$ 54,323	$ 54,323	$0	$195,677	*thru 10/2014*
Sub-TOTAL	$ 816,420	$ -	$ 816,420	$ 161,961	$ 161,636	$325	$654,459	
4. Construction								
Pre-Construction Services *(Sellen)*	$ 470,000	$ -	$ 470,000	$ 468,623	$ 383,331	$85,292	$1,377	*thru 11/2014*
Construction Cost	$ 45,282,834	$ -	$ 45,282,834	$ -	$ -	$0	$45,282,834	
WSST	$ 4,301,869	$ -	$ 4,301,869	$ -	$ -	$0	$4,301,869	
Alternates & OLW Impacts (w/WSST)	$ 1,192,923	$ -	$ 1,192,923	$ -	$ -	$0	$1,192,923	
Construction Contingency	$ 4,528,283	$ -	$ 4,528,283	$ -	$ -	$0	$4,528,283	
Sub-TOTAL	$ 55,775,909	$ -	$ 55,775,909	$ 468,623	$ 383,331	$85,292	$55,307,286	
5. Construction Expenses								
Builders Risk Insurance	$ 150,000	$ -	$ 150,000	$ -	$ -	$0	$150,000	
Geotech Engineering *(DMS,SW)*	$ 400,000	$ -	$ 400,000	$ 320,125	$ 159,698	$160,427	$79,875	*thru 11/2014*
Inspections	$ 314,558	$ -	$ 314,558	$ -	$ -	$0	$314,558	
HAZMAT Remediation	$ 250,000	$ -	$ 250,000	$ -	$ -	$0	$250,000	
Commissioning *(EEI)*	$ 179,748	$ -	$ 179,748	$ 6,000	$ 3,400	$2,600	$173,748	*thru 11/2014*
Other Consultants *(TBD,Seneca, Whirlwind)*	$ 100,000	$ -	$ 100,000	$ 46,137	$ 45,408	$729	$53,863	*thru 6/2014*
Information Technology	$ 50,000	$ -	$ 50,000	$ -	$ -	$0	$50,000	
Utilities/Utility Connections	$ 638,197	$ -	$ 638,197	$ -	$ -	$0	$638,197	
Temporary Signage	$ 150,000	$ -	$ 150,000	$ -	$ -	$0	$150,000	
FF&E	$ 350,000	$ -	$ 350,000	$ -	$ -	$0	$350,000	
Miscellaneous ODCs/Direct Costs	$ 200,000	$ -	$ 200,000	$ 13,292	$ 13,292	$0	$186,709	*thru 4/2014*
Misc Residential Housing Soft Costs	$ 187,771	$ -	$ 187,771	$ -	$ -	$0	$187,771	
Advertising/Print	$ 67,404	$ -	$ 67,404	$ 8,602	$ 8,602	$0	$58,802	*thru 9/2014*
TI Owner Costs	$ 1,300,000	$ -	$ 1,300,000	$ -	$ -	$0	$1,300,000	
TI (Coordination/Incentives)	$ 257,090	$ -	$ 257,090	$ -	$ -	$0	$257,090	
Sub-TOTAL	$ 4,594,768	$ -	$ 4,594,768	$ 394,156	$ 230,399	$163,756	$4,200,613	
7. Project Management/Admin								
Consultant Project Management *(SOJ)*	$ 1,682,665	$ -	$ 1,682,665	$ 645,000	$ 474,579	$170,421	$1,017,665	*thru 11/2014*
In-House/Other Dvlpmnt Mgmnt *(Beacon)*	$ 807,060	$ -	$ 807,060	$ 27,000	$ 13,200	$13,800	$780,060	*thru 6/2014*
Financing - Housing Only	$ 237,411	$ -	$ 237,411	$ 36,829	$ 36,829	$0	$200,582	*thru 10/2014*
Financing - Building Construction/Bridge Loan	$ 250,000	$ -	$ 250,000	$ -	$ -	$0	$250,000	
Legal *(KLPGE,PLG)*	$ 350,000	$ -	$ 350,000	$ 189,044	$ 189,044	$0	$160,956	*thru 11/2014*
Capitalized Reserves (Residential Housing)	$ 124,564	$ -	$ 124,564	$ -	$ -	$0	$124,564	
Sub-TOTAL	$ 3,431,700	$ -	$ 3,431,700	$ 897,873	$ 713,653	$184,221	$2,533,827	
8. Owner's Contingency								
Contingency	$ 3,622,627	$ -	$ 3,622,627	$ -		$0	$3,622,627	
Sub-TOTAL	$ 3,622,627	$ -	$ 3,622,627	$ -	$ -	$0	$3,622,627	
PROJECT TOTAL COSTS	$ 73,205,983	$ -	$ 73,205,983	$ 5,251,314	$ 4,558,578	$692,736	$67,954,669	OK
					6%			

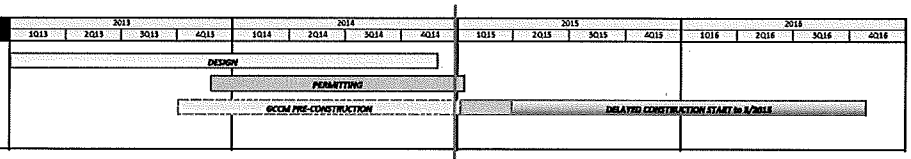
PUBLIC MARKET CENTER
PIKE PLACE MARKET

MarketFront

PROJECT FLOW OF FUNDS

January 15 ,2015 (GL thru December '14)

PROJECT SUMMARY SCHEDULE



PROJECTED CASH FLOW (adjusted for 3/2015 Construction Start)

	2013				2014				2015				2016				TOTALS
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	
A/E Design	$ 377,022	$ 68,868	$ 208,296	$ 169,834	$ 876,593	$ 198,946	$ 428,248	$ 558,146	$ 541,748	$ 400,060	$ 200,578	$ 199,578	$ 200,137	$ 200,603	$ 125,000	$ 160,099	$ 4,964,559
GCCM Precon	$ -	$ -	$ -	$ 55,729	$ 77,643	$ 73,579	$ 25,595	$ 67,453	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 470,000
Miscellaneous Soft Costs	$ 164,766	$ 56,905	$ 157,819	$ 99,595	$ 134,495	$ 251,610	$ 133,131	$ 142,454	$ 778,774	$ 1,063,373	$ 1,253,349	$ 1,303,059	$ 1,519,501	$ 1,403,663	$ 1,409,365	$ 2,553,616	$ 12,485,314
Construction	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 5,600,473	$ 8,194,568	$ 7,543,353	$ 11,150,537	$ 12,012,550	$ 6,115,715	$ 2,401,516	$ 53,305,910
Quarterly Total	$ 541,807	$ 125,773	$ 366,114	$ 345,158	$ 1,088,735	$ 524,136	$ 586,974	$ 818,053	$ 1,470,520	$ 7,263,904	$ 9,650,193	$ 9,050,990	$ 12,850,175	$ 13,616,816	$ 9,700,080	$ 5,115,231	
Cumulative TOTAL	$ 541,807	$ 667,580	$ 1,033,695	$ 1,378,853	$ 2,467,588	$ 2,991,724	$ 3,578,698	$ 4,396,752	$ 5,867,272	$ 13,131,178	$ 22,812,071	$ 31,863,061	$ 44,713,236	$ 58,330,072	$ 68,030,152	$ 73,205,383	$ 73,205,383

ACTUAL CASH FLOW

	2013				2014				2015				2016				TOTALS
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	
A/E Design	$ 377,022	$ 68,868	$ 208,296	$ 169,834	$ 876,593	$ 198,946	$ 428,248	$ 558,146									$ 2,935,958
GCCM Precon	$ -	$ -	$ -	$ 55,729	$ 77,643	$ 73,579	$ 25,595	$ 67,453									$ 320,000
Miscellaneous Soft Costs	$ 164,766	$ 56,905	$ 157,819	$ 99,595	$ 134,495	$ 251,610	$ 133,131	$ 142,454									$ 1,140,794
Construction	$ -	$ -	$ -	$ -	$ -	$ -											$ -
Quarterly Total	$ 541,807	$ 125,773	$ 366,114	$ 345,158	$ 1,088,735	$ 524,136	$ 586,974	$ 818,053	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Cumulative TOTAL	$ 541,807	$ 667,580	$ 1,033,695	$ 1,378,853	$ 2,467,588	$ 2,991,724	$ 3,578,698	$ 4,396,752	$ 4,396,752	$ 4,396,752	$ 4,396,752	$ 4,396,752	$ 4,396,752	$ 4,396,752	$ 4,396,752	$ 4,396,752	$ 4,396,752

FLOW OF FUNDS (adjusted for 3/2015 Start)
(Qtr funds available/Qtr funds billed)

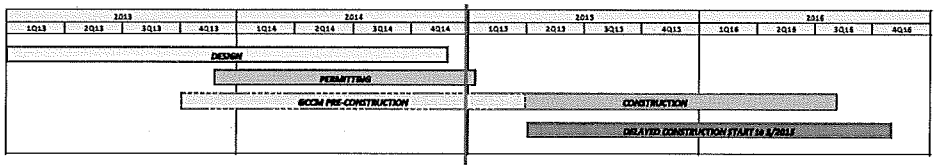
	2013				2014				2015				2016				TOTALS
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	
City of Seattle (funds available)	$ 155,859	$ 104,759	$ 200,736	$ 219,452	$ 318,185	$ 2,200,000				$ 6,000,000	$ 6,000,000	$ 5,000,000	$ 10,000,000	$ 3,800,000			$ 34,000,000
Billed/Paid	$ 155,859	$ 104,759	$ 200,736	$ 219,452	$ 345,651	$ 654,377	$ 875,959										$ 2,606,792
Remaining (current)	$ -	$ -	$ -	$ -	$ (48,456)	$ 1,459,187	$ 583,208										
WSDOT (funds available)	$ 1,000,000							$ 2,500,000			$ 2,500,000						$ 6,000,000
Billed/Paid	$ -	$ -	$ -	$ 119,109	$ 228,011	$ -	$ -										$ 347,120
Remaining (current)	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 880,891	$ 652,880	$ 652,880	$ 652,880										
PDA (funds available)	$ 521,101	$ 48,970												$ 2,429,929			$ 3,000,000
Billed/Paid	$ 521,101	$ 48,970	$ -	$ -	$ -	$ -	$ -										$ 570,071
Remaining (current)	$ -	$ -	$ -	$ -	$ -	$ -	$ -										
Housing Grant (funds available)												$ 1,840,000	$ 1,840,000	$ 1,840,000	$ 1,840,000	$ 1,840,000	$ 8,200,000
Billed/Paid	$ -	$ -	$ -	$ -	$ -	$ -	$ -										$ -
Remaining (current)	$ -	$ -	$ -	$ -	$ -	$ -	$ -										
Philanthropy (funds available)												$ 3,000,000				$ 3,000,000	$ 6,000,000
New Market Tax Credit (funds available)																	$ -
Other Grant Opportunities (funds available)											$ 2,500,000						$ 2,500,000
PDA Debt														$ 5,000,000	$ 7,505,983		$ 12,505,983
Funds Available - Quarterly Total	$ 1,676,959	$ 153,729	$ 200,736	$ 219,452	$ 318,185	$ 2,200,000	$ -	$ 2,500,000	$ -	$ 6,000,000	$ 11,000,000	$ 9,840,000	$ 11,840,000	$ 13,069,929	$ 9,345,983	$ 4,840,000	
Funds Available - Cumulative TOTAL	$ 1,676,959	$ 1,830,688	$ 2,031,424	$ 2,250,876	$ 2,570,071	$ 4,770,071	$ 4,770,071	$ 7,270,071	$ 7,270,071	$ 13,270,071	$ 24,270,071	$ 34,110,071	$ 45,950,071	$ 59,020,000	$ 68,365,983	$ 73,205,983	$ 73,205,983
Billed/Paid to Date (Quarterly)	$ 676,959	$ 153,729	$ 200,736	$ 338,561	$ 593,662	$ 654,377	$ 875,959	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Billed/Paid to Date (Cumulative)	$ 676,959	$ 830,688	$ 1,031,424	$ 1,369,985	$ 1,963,648	$ 2,618,025	$ 3,523,984										$ 3,523,984
MARGIN - Funds Available to Funds Billed	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 880,891	$ 606,423	$ 2,122,046	$ 1,246,067	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

PUBLIC MARKET CENTER
PIKE PLACE MARKET

MarketFront

PROJECT FLOW OF FUNDS (Construction Start Delayed to March 2015)

January 15 ,2015 (GL thru Decembe '14)



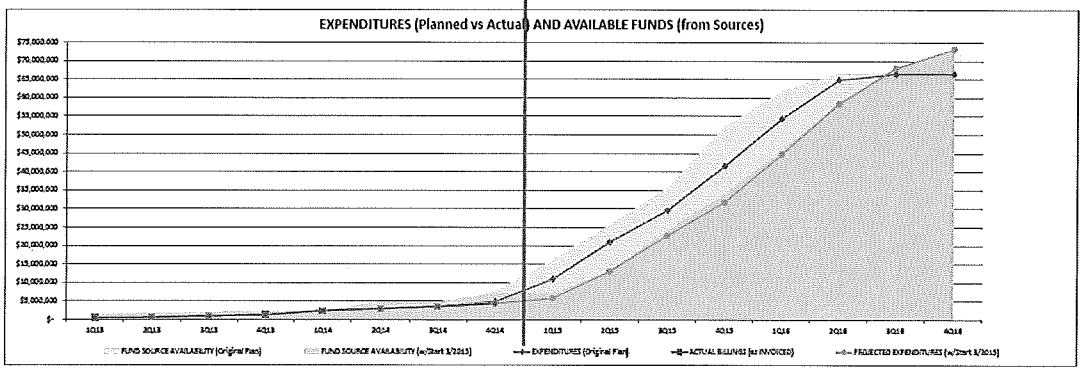


EXHIBIT D

Pike Place MarketFront Capital Campaign			
Completion Date	Goal	Progress to Goal	% to Goal
12/31/2016	$9,000,000	$2,093,878	23%

Lead Gift Campaign Fundraising Goals					
Completion Date	Action	Goal	# of Gifts	Progress to goal	% to Goal
12/31/2014	33% of Lead Gifts Secured	$2,000,000	74	$1,845,000	92%
12/31/2016	Lead Gifts	$1,800,000			
12/31/2016	Major Gifts - Individual	$2,200,000			
12/31/2016	Major Gifts - Grants	$1,500,000			
12/31/2016	Major Gifts - Corporate	$2,000,000			
12/31/2016	100% Lead/Major Gifts Secured	$6,000,000	74	$1,845,000	31%

Community Campaign Fundraising Goals						
Completion Date	Action	Goal	# of Charms	# of Hoofprints	Progress to goal	% to Goal
12/31/2014	16.6% Community Gifts Secured	$500,000	487	40	$248,878	49.78%
3/31/2015	25% of Community Gifts Secured	$750,000	521	81	$498,780	66.50%
7/1/2015	46% of Community Gifts Secured	$1,375,000				
10/1/2015	66% of Community Gifts Secured	$2,000,000				
12/31/2015	100% Community Gifts Secured	$3,000,000				
12/31/2016	Stretch Goal Potential		13,653	1,200	$8,457,540.00	

EXHIBIT E

Form of Quitclaim Deed

After recording, return to:
Pike Place Market Preservation &
Development Authority
85 Pike St., Room 500
Seattle, WA 98101
Attn: Ben Franz-Knight, Executive Director

QUIT CLAIM DEED WITH GRANTEE COVENANTS, RELEASES AND INDEMNITY

REFERENCE NUMBER OF RELATED DOCUMENTS: N/A

GRANTOR: THE CITY OF SEATTLE

GRANTEE: PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

SUMMARY LEGAL DESCRIPTION: Parcel B of City of Seattle Lot Boundary Adjustment Number 880103 under recording number 8807750812 and amended by recording number 8811290942.

ADDITIONAL DESCRIPTION ON P. 7

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(S): 197720-0330

I. Grant

The City of Seattle, a Washington municipal corporation ("Grantor"), for and in consideration of TEN DOLLARS in hand paid, the covenants, releases and indemnity set forth herein, the Covenant for Low-Income Housing and Public Parking described below, and the other consideration described in that certain Development Agreement between the Grantor and Grantee dated _____ ("Development Agreement") hereby conveys and quit claims to PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a Washington public corporation ("Grantee"), that certain real property located in the City of Seattle, King County, Washington, and legally described on "Exhibit 1" attached hereto ("Property").

Pursuant to RCW 35.21.747 and Seattle Ordinance _____, this deed is made subject to, and the Grantor reserves the rights and interests of The City of Seattle set forth in, that certain Covenant for Low-Income Housing and Public Parking granted by Grantee dated as of the date hereof and recorded on the date of recording hereof, which is incorporated herein by this reference.

Grantee's Covenants, Releases and Indemnity ("Covenant")

The Property is conveyed AS-IS, WHERE-IS, WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR THE GRANTEE'S INTENDED USES AND PURPOSES. Grantee acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and groundwater conditions), either latent or patent, may exist on the Property and assumes Grantor's responsibility for all environmental conditions of the Property, known or unknown, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination on, under, emanating from or otherwise relating to the Property.

Grantee also releases, covenants not to sue, and shall indemnify, defend, and hold Grantor and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to fees and costs of regulatory agencies, attorneys, contractors and consultants), and liabilities arising out of, or in any way connected with, the condition of the Property including but not limited to any alleged or actual past, present or future presence, release or threatened release of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Grantee shall so indemnify Grantor and such other persons without regard to any fault or responsibility of Grantor, Grantee, or such other persons. Grantee is aware of the rights it might otherwise have to seek recovery from Grantor for costs of remediation and cleanup of Hazardous Substances under applicable law, including without limitation the Washington Model Toxics Control Act ("MTCA") and the federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), and Grantee hereby knowingly waives all such rights, now existing or hereafter arising, and voluntarily relinquishes those rights and forever releases the Grantor from any such obligation.

Grantee's acknowledgements, releases, waivers, covenants and indemnification herein touch and concern the Property, restrict the use of the Property, and are intended to run with the land and bind Grantee and Grantee's heirs, successors in interest and assigns, and inure to the benefit of Grantor and its successors and assigns, but the rights of Grantor are not for the benefit of or appurtenant to any property of Grantor. No transfer of the Property by Grantee or any successor in interest of Grantee shall relieve such party from any obligations under this Covenant or any liability for any breach of this Covenant, whether or not then accrued, nor shall any such transfer impair the effectiveness of the releases or indemnity herein as to any party.

For purposes of this Covenant, the term "Hazardous Substance" shall mean any substance subject to regulation under the Washington Hazardous Waste Management Act (Ch. 70.105 RCW), as amended from time to time and regulations promulgated thereunder; any "hazardous substance" under MTCA as amended from time to time and regulations promulgated thereunder; any "hazardous substance" or "hazardous waste" as defined by CERCLA as amended from time to time and regulations promulgated thereunder; petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated

biphenyls ("PCBs") and compounds containing them; lead, asbestos or asbestos-containing materials in any friable form; underground or above-ground storage tanks; methane gas, any solid waste or solid waste decomposition products; any substance the presence of which is prohibited by any federal, state, or local government statute, regulation, ordinance or resolution; any substance deemed hazardous, toxic, a pollutant, or contaminant, which by any federal, state, or local statute, regulation, ordinance or resolution requires special handling or notification in its collection, storage, treatment or disposal, and any substance or material that is now or hereafter becomes otherwise regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup.

Grantee's release and covenant not to sue shall include both claims by Grantee as original plaintiff against Grantor and any cross-claims, third-party claims or counterclaims against Grantor by Grantee related to claims made against Grantee by any parties, including Grantor. This release and covenant not to sue mean that Grantee has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the Property. The obligation to indemnify and defend shall include, but not be limited to, any liability of Grantor to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims.

Grantor shall have the right to defend itself and seek from Grantee recovery of any damages, liabilities, settlement awards and defense costs and expenses incurred by Grantor if Grantee does not accept unconditionally Grantor's tender to Grantee of the duty to defend with counsel acceptable to Grantor and indemnify Grantor against any such claim, suit, demand, penalty, fee, damages, losses, cost or expense.

This Covenant shall apply regardless of whether or not Grantee is culpable, negligent or in violation of any law, ordinance, rule or regulation, and whether or not Grantor or its officials, employees or agents had as of the date hereof any information or documents related to the condition of the Property not known to Grantee, any statement or omission in any other document or disclosure form notwithstanding.

This Covenant is the entire agreement of the parties with respect to the subject matters of this Covenant, and supersedes any prior agreements, understandings, representations or warranties as to such matters; however, the release and indemnity herein are in addition to, and shall neither impair nor be affected by, any other release or indemnity by Grantee or its successors now in effect or hereafter made for the benefit of Grantor.

This Covenant is not intended to, nor shall it release, discharge or affect any rights or causes of action that Grantor or Grantee may have against any other person or entity, except as otherwise expressly stated herein, and each of the parties reserves all such rights including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.

II. Nondiscrimination.

Grantee further covenants that there shall be no discrimination upon the basis of race, color, religion, sex, or national origin, in the sale, lease or rental, or in the use or

occupancy, of the Property or any improvements erected or to be erected thereon. This paragraph shall run with the land and bind Grantee and Grantee's successors and assigns.

This document shall be construed and enforced in accordance with the laws of the State of Washington as they apply to transactions between Washington residents wholly within such State. If any provision hereof shall be held invalid or unenforceable in whole or in part then the terms of this Covenant shall nonetheless remain in effect to the full extent permitted by applicable law. Grantee irrevocably consents to the jurisdiction of the courts of the State of Washington and agrees that venue of any action hereunder shall be in King County, Washington.

III. Miscellaneous.

Capitalized terms not defined herein shall have the meanings set forth in the Development Agreement. Time is of the essence of all of the provisions hereof.

IV. Notices.

Any notice required or permitted to be given to the parties hereunder shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service, with receipt acknowledgment requested, (iii) upon receipt if transmitted by facsimile telecopy, with a copy sent on the same day by one of the other permitted methods of delivery, or (iv) upon receipt or refused delivery deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

Grantor's Address:
Seattle Department of Finance and Administrative Services
PO Box 94689
Seattle, WA 98124-4689
Attn: Real Estate Services

Grantee's Address:
Pike Place Market Preservation & Development Authority
85 Pike Street, Room 500
Seattle, WA 98101
Attn: Ben Franz-Knight, Executive Director

[Signatures appear on following page]

Executed this 15TH day of MAY, 2015, pursuant to Ordinance 124737 of The City of Seattle.

Grantor:
THE CITY OF SEATTLE

By: _____
Marshall Foster, Director Office of the Waterfront

Grantee:
PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

By: _____
Ben Franz-Knight, Executive Director

STATE OF WASHINGTON)
)ss
COUNTY OF KING)

On this 15th day of May, 2015, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared MARSHALL FOSTER, to me known to be the Director of the Office of Waterfront of THE CITY OF SEATTLE, the municipal corporation on behalf of which the within and foregoing instrument was executed, and acknowledged 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 s/he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this instrument above written.

(Seal or Stamp)

Mary A. Jung
(Signature)

MARY A. JUNG
(Print or Type Name)

MARY A. JUNG
COMMISSION EXPIRES
NOTARY
PUBLIC
MARCH 5, 2016
STATE OF WASHINGTON

NOTARY PUBLIC in and for the State of Washington, residing at Sea, WA.

My commission expires 3/5/16.

STATE OF WASHINGTON)
)ss
COUNTY OF KING)

On this 6TH day of MAY, 2015, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ben Franz-Knight, to me known to be the Executive Director of PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, the Washington public corporation on behalf of which the within and foregoing instrument was executed, 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 s/he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this instrument above written.

(Seal or Stamp)

DIANNA K GOODSELL
COMMISSION EXPIRES
NOTARY
PUBLIC
07-18-15
STATE OF WASHINGTON

(Signature)

DIANNA K GOODSELL
(Print or Type Name)

NOTARY PUBLIC in and for the State of Washington, residing at Seattle.

My commission expires 07/18/15.

EXHIBIT 1

LEGAL DESCRIPTION

Those portions of Lots 5 through 12, Block 36, and that certain unnumbered tract or lot lying generally southeast of Block 36, delineated on an Addition to the Town of Seattle as Laid Out by A.A. Denny (commonly known as A.A. Denny's 6th Addition to the City of Seattle), as recorded in Volume 1 of plats, page 99, in King County, Washington, and those portions of the vacated alley in said Block 36 and vacated Pine and Stewart Streets more particularly described as follows:

Beginning at the most northerly corner of Lot 5, Block 36, of said plat of A.A. Denny's Sixth Addition to the City of Seattle;

Thence southwesterly along the northwesterly margin of said Lot 5 to its intersection with the northeasterly line of Armory Way, as established by condemnation Ordinance No. 66339, as amended by Ordinance No. 67125;

Thence southeasterly along said northeasterly line of Armory Way to a point on a line parallel with and 30 feet northwest of the northwesterly line of Block H, Addition to the Town of Seattle as Laid out by A.A. Denny (commonly known as A.A. Denny's 4th Addition to the city of Seattle), as recorded in Volume 1 of plats, page 69, in King County, Washington;

Thence northeasterly along said parallel line to the southwesterly line of Western Avenue as widened under the provisions of Ordinance Nos. 11704 and 18109 of the City of Seattle;

Thence northwesterly along said southwesterly line of Western Avenue to its intersection with the northwesterly line of Lot 6, Block 36, said plat of A.A. Denny's 6th Addition to the City of Seattle;

Thence southwesterly along the northwesterly line of said Lot 6 to the most westerly corner thereof;

Thence southwesterly along the southwesterly projection of the northwesterly line of said Lot 6 to the point of beginning;

(Also known as Parcel B of City of Seattle Lot Boundary Adjustment Number 8800103, recorded under recording number 8807250812 and amended by recording number 8811290942).

EXHIBIT F

Form of Covenant

After recording, return to:
Seattle Department of Finance and Administrative Services
P.O. Box 94689
Seattle WA 98124-4689
Attn: Real Estate Services

COVENANTS FOR LOW-INCOME HOUSING AND PUBLIC PARKING

GRANTOR: PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a Washington public corporation

GRANTEE: The City of Seattle, a Washington municipal corporation

SUMMARY LEGAL DESCRIPTION: Parcel B of City of Seattle Lot Boundary Adjustment Number 880103 under recording number 8807750812 and amended by recording number 8811290942.

TAX PARCEL NUMBER: 197720-0330

RELATED DOCUMENTS: N/A

The covenants herein (collectively, this "Agreement") are made on or as of the ____day of _____, 2015, for the benefit of The City of Seattle, a municipal corporation of the State of Washington ("City"), by PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a Washington public corporation ("Authority"), whose address is 85 Pike St., Room 500, Seattle, WA 98101. This Agreement is made as a condition of, and as part of the consideration for, the transfer the land described below to Authority by the City, and is made pursuant to RCW 35.21.747, RCW Ch. 35.81 and Seattle Ordinance _____.

WHEREAS, the Authority owns certain real property located at 1901Western Ave., Seattle, WA ("Property"), which Property is legally described as:

> Those portions of Lots 5 through 12, Block 36, and that certain unnumbered tract or lot lying generally southeast of Block 36, delineated on an Addition to the Town of Seattle as Laid Out by A.A. Denny (commonly known as A.A. Denny's 6th Addition to the City of Seattle), as recorded in Volume 1 of plats, page 99, in King County, Washington, and those portions of the vacated alley in said Block 36 and vacated Pine and Stewart Streets more particularly described as follows:

Beginning at the most northerly corner of Lot 5, Block 36, of said plat of A.A. Denny's Sixth Addition to the City of Seattle;

Thence southwesterly along the northwesterly margin of said Lot 5 to its intersection with the northeasterly line of Armory Way, as established by condemnation Ordinance No. 66339, as amended by Ordinance No. 67125;

Thence southeasterly along said northeasterly line of Armory Way to a point on a line parallel with and 30 feet northwest of the northwesterly line of Block H, Addition to the Town of Seattle as Laid out by A.A. Denny (commonly known as A.A. Denny's 4th Addition to the city of Seattle), as recorded in Volume 1 of plats, page 69, in King County, Washington;

Thence northeasterly along said parallel line to the southwesterly line of Western Avenue as widened under the provisions of Ordinance Nos. 11704 and 18109 of the City of Seattle;

Thence northwesterly along said southwesterly line of Western Avenue to its intersection with the northwesterly line of Lot 6, Block 36, said plat of A.A. Denny's 6th Addition to the City of Seattle;

Thence southwesterly along the northwesterly line of said Lot 6 to the most westerly corner thereof;

Thence southwesterly along the southwesterly projection of the northwesterly line of said Lot 6 to the point of beginning;

(Also known as Parcel B of City of Seattle Lot Boundary Adjustment Number 8800103, recorded under recording number 8807250812 and amended by recording number 8811290942); and

WHEREAS, by Ordinance _____, the Seattle City Council authorized the transfer of the Property to the Authority pursuant to a Development Agreement dated _____, 2015 ("Development Agreement") on condition that this Agreement be made and the covenants below be granted by the Authority; and

WHEREAS, the Authority is also granting to the City that certain Perpetual Easement for Public Access _____ of even date ("Easement");

NOW, THEREFORE, in consideration of the foregoing and of the conveyance of the Property, the Authority hereby grants, agrees to, and imposes upon the Property the following covenants and restrictions:

1. Term of Agreement; General Obligation of the Authority
Commencing on the date ("Commencement Date") that is the "Completion Date" as defined in the Project Schedule incorporated into the Development Agreement and continuing for fifty (50) years thereafter (the "Term"), and except as provided in the Easement, the Authority shall use

the Property only to construct, renovate, maintain, lease, and operate buildings consistent with the terms of this Agreement.

2. Low-Income Housing.

(a) Beginning on the Commencement Date and continuing for the Term, the Authority shall operate or cause to be operated at least forty (40) Units of rental housing of which at least twenty (20) shall be occupied only by Extremely Low-Income Families and at least twenty (20) others shall be occupied only by Very Low-Income Families. Units for Extremely Low-Income Families shall be Affordable to Extremely Low-Income Families and Units for Very Low-Income Families shall be Affordable to Very Low-Income Families. The Authority shall maintain or cause to be maintained such Units and related common areas, and all portions of any structure that includes or supports such Units, at all times in good condition and repair, and shall maintain and operate such Units in compliance with all ordinances applicable to Units offered for rent or occupied as rental housing.

(b) For purposes of this Section the following definitions apply:

"Annual Income" means the annual income of a Family as determined, unless otherwise approved in writing by the City, in accordance with 24 CFR Section 5.609 or successor provision, and unless otherwise approved in writing by the City's Office of Housing ("OH") shall be calculated in accordance with 24 CFR Section 92.203(d) or successor provision, subject to any interpretations, modifications or assumptions that may be promulgated by HUD.

"City Loan" means any loan from The City of Seattle Office of Housing to the Master Lessee to provide a portion of the financing for the development of the Housing Project.

"City Loan Agreement" means that certain loan agreement to be entered into between the City and the Master Lessee setting forth the terms and conditions of the City Loan.

"City Loan Documents" means those documents to be executed by the Authority or the Master Lessee, or both, in connection with the City Loan, including but not limited to the City Loan Agreement and City Regulatory Agreement.

"City Regulatory Agreement" means the Regulatory Agreement (Covenants and Easements for Low-Income Housing) to be recorded against the Property in connection with the City Loan.

"Eligible Household" means, for an Extremely Low-Income Unit, an Extremely Low-Income Family, and for a Very Low-Income Unit, a Very Low-Income Family.

"Extremely Low-Income Family" means Family whose Annual Income, at the time of initial occupancy, does not exceed 30% of Median Income.

"Extremely Low-Income Unit" means a dwelling unit designated for occupancy by Extremely Low-Income Families under this Agreement.

"Family" has the meaning set forth in 24 CFR Section 5.403, or successor provision, and includes an individual person.

"Housing Project" means the improvements to be constructed on a portion of the Property which shall include at least 40 units of low-income residential rental housing and ancillary improvements.

"Investor Member" means any non-managing member of the Master Lessee who has made an equity contribution to the Housing Project in accordance with a budget or other document approved by OH.

"Families" means more than one Family.

"Master Lease" means that long term financing lease to be executed by the Authority and the Master Lessee with respect to the Housing Project with the express written consent of the OH Director.

"Master Lessee" means Western Avenue Senior Housing LLC, a Washington limited liability company.

"Median Income" means median family income for the Seattle area, as published from time to time by HUD, as adjusted for Family size so that the ratio of the Median Income for any Family size to such published median family income is the same as the ratio of the "low-income" limit for that Family size published by HUD for the Section 8 subsidy program for the Seattle area, or any successor program, to the "low-income" limit for that program for a Family size of four persons as published by HUD. If in any year HUD shall publish median family income data for more than one area that includes Seattle, then unless otherwise approved in writing by the OH Director, the lowest of such median family income figures shall be used. If, at any time, Median Income for a Family size cannot be determined under the foregoing sentences based on data published by HUD for the Seattle area within the most recent thirteen months, then the City may determine "Median Income" for such Family size based on any data for the Seattle area or an area including Seattle, published or reported by a federal, state, or local agency, as the City shall select in its sole discretion, adjusted for Family size in such manner as the City shall determine in its sole discretion. For Family sizes that are not integers, the Median Income shall be determined by the City by averaging the Median Incomes for the next higher and lower integral Family sizes as determined under this paragraph.

"Office of Housing" or "OH" means the City of Seattle Office of Housing or any successor department, office or agency of the City.

"Operating Agreement" means the Operating Agreement of Western Avenue Senior Housing LLC and any amendment and restatement of such Operating Agreement as approved by the Office of Housing.

"Unit" means a residential rental unit at the Property.

"Utility Allowance" means an allowance approved by the City for utilities and services payable by tenants, which shall be equal to the utility allowance allowed by the Washington State Housing Finance Commission under Section 42 of the Internal Revenue Code and the regulations pertaining thereto for such long as such Commission provides such an allowance no less frequently than annually. If such Commission does not provide a utility allowance under such provisions no less frequently than annually, then the Utility allowance, which unless otherwise directed by HUD, shall be equal to the utility allowance published from time to time by the Seattle Housing Authority ("SHA") for the type of Unit in which the City determines that utilities are most nearly comparable to those for such Unit, or, if the City determines that no reasonably comparable figures are available from SHA, the utility allowance shall be such amount as the City determines from time to time is an adequate allowance for utilities and services (to the extent such items are not paid for tenants by the Authority). The Utility Allowance shall not include telephone services.

"Very Low-Income Family" means a Family whose Annual Income, at the time of initial occupancy, does not exceed 50% of Median Income.

"Very Low-Income Unit" means a Unit designated for occupancy by Very Low-Income Families in accordance with this Agreement that is not an Extremely Low-Income Unit.

(c) A Unit is considered "Affordable to an Extremely Low-Income Family if the monthly rent paid by the Family occupying the Unit together with the Utility Allowance is no greater than one-twelfth of 30% of 30% of Median Income, and is considered "affordable" to a Very Low-Income Family if the monthly rent paid by the Family occupying the Unit together with the Utility Allowance is not greater than one-twelfth of 30% of 50% of Median Income, in each case using Median Income for the presumed household size corresponding to the size of Unit as set forth below, regardless of the number of persons actually occupying the Unit:

Unit size	Presumed household size
Studio or SRO	1 person
1 bedroom	1.5 persons
2 bedrooms	3 persons
3 bedrooms	4.5 persons
4 bedrooms	6 persons

The foregoing notwithstanding, for so long as a tenant Family's Annual Income after initial occupancy shall be in excess of the applicable income limit for the Family's Unit, the Authority may charge a rent higher than the Affordable rent specified in subsection (c) above, provided that the total rent paid by the tenant Family, together with the Utility Allowance, is no greater than one-twelfth of 30% of the tenant Family's Annual Income as reasonably determined by the Authority.

(d) For so long as a City Regulatory Agreement is in effect, any increases in rent must comply with the terms of the City Regulatory Agreement.

(e) The Authority shall make diligent efforts to ensure that any Unit that becomes vacant shall be rented to an Eligible Household. The Authority shall affirmatively market Units in compliance with all applicable Fair Housing laws and regulations and in such a manner as to make opportunities available to persons from all segments of the community, including without limitation minorities.

(f) Without limiting the foregoing, during the period specified in Section 1, unless there shall be at least twenty (20) habitable Extremely Low-Income Units maintained and operated as housing for Extremely Low-Income Families in compliance with this Section, the Authority shall not cause or permit any Unit in the Property to be occupied by anyone other than an Extremely Low-Income Family, nor make any use of the Property for purposes other than as rental housing for Extremely Low-Income Families as required under this Section 2 and for the purposes specified in Section 3 below.

(g) The Authority shall not, prior to expiration of the Term, cause or permit the demolition or removal of any structure, fixture or improvements on the Property without the

express written consent of the City's Director of Finance given expressly for purposes of this Agreement.

(h) Other than the rent permitted hereunder, the Authority shall not require any other fees or payments from residential tenants as a condition to commencing or continuing occupancy in any of the 20 Units for Extremely Low-Income Families or the additional 20 Units for Very Low-Income Families required by this Agreement, except as may be approved in writing by the OH Director expressly for purposes of this Agreement.

3. Public Parking Garage

Beginning on the Commencement Date and continuing for the Term, the Authority shall operate, or cause to be operated, a public parking garage on the Property comprised of at least 300 parking stalls for the purpose of short-term parking. However, the Authority may temporarily use the lowest level of the garage for long-term parking as an interim condition until the new driveway access at the north end of the garage is constructed and operational. The Authority shall at all times maintain a total of at least 300 short-term public parking stalls in its parking facilities during this interim condition.

4. Commercial Space and Other Uses.

In addition to the uses permitted under Sections 2 and 3 above, the Authority may construct and maintain on the Property other lawful uses for which all necessary permits and approvals shall have been obtained, that are not incompatible with the residential use required under Section 2 or with the public parking garage use required under Section 3 including, without limitation, commercial and nonresidential uses to the extent permitted under the Development Agreement and not inconsistent with the Easement. Specifically, the Authority may operate, or cause to be operated, nonresidential space in the same building with the rental housing for Very Low-Income Families and Extremely Low-Income Families, in an adjacent building, or in the parking garage structure consistent with the Development Agreement. The Authority shall not cause or permit any use of the Property other than as rental housing for Extremely Low-Income Families and Very Low-Income Families consistent with Section 2, as a public parking garage consistent with Section 3, and as commercial and nonresidential space authorized under this Section.

5. Run with the Land; Limits on Transfer; Remedies

(a) The covenants herein shall run with the Property for the Term of this Agreement and be binding on Authority and its successors including any purchaser, grantee, owner or lessee of any portion of the Property and any other person or entity having any right, title or interest therein and on the respective heirs, executors, administrators, devisees, successors and assigns of any of the foregoing, *provided, that* (i) after construction of the improvements on the Property in compliance with the Development Agreement, the Master Lessee and any sublessee of all or part of the Housing Project shall not, solely as the Master Lessee or sublessee, be obligated for performance of the covenants and obligations with respect to the public parking garage or for obligations hereunder or otherwise with respect to any portion of the Property other than the Housing Project; (ii) any tenant occupying a Unit shall not be obligated except with respect to

the restrictions on eligible occupants and affordability of that Unit; (iii) any lessee of all or part of the public parking garage space authorized under Section 3 shall not, solely as such lessee, be obligated for performance of covenants with respect to the operation and maintenance of Units or for any reporting obligations with respect to the housing or for obligations relating solely to other parts of the garage; and (iv) any lessee of the nonresidential space authorized under Section 4 or of any space that is allowed to be devoted to other uses as set forth in Section 4 shall not, solely as lessee of such space, be obligated for performance of any covenants herein, except those in Section 6 to the extent applicable to the activities of such lessee or to activities in such lessee's space.

(b) Except for the Master Lease or rental agreements with residential tenants, the Authority shall not sell, lease or otherwise transfer the Property or any portion thereof or interest therein to anyone unless the transferee agrees in writing to be bound by the provisions of this Agreement to the same extent as the transferor, except as limited in subsection 5(a) above, and the City receives a copy of the transferee's agreement prior to the transfer, but the covenants and restrictions herein shall be binding on any such transferee regardless of whether such written agreement is obtained. In any event the Authority shall not sell, lease, or otherwise transfer ownership, possession or control of (i) the entire Property; (ii) more than one Unit to the same transferee; or (iii) any part of the public parking garage, in each case without the express written consent of the City.

(c) Consent to Certain Transfers. If the Authority (or a limited liability company in which the Authority is the sole member), is the managing member of the Master Lessee, then (i) a transfer of the Investor Member's interests in the Master Lessee or any partnership or member interest of the Investor Member shall not be considered a property transfer or transfer of an interest in the Housing Project and shall not require the City's consent, and (ii) the City consents to the grant of an option or right of first refusal to the Authority, and will not unreasonably withhold consent to any transfer of the Housing Project to the Authority pursuant to the exercise of an option or right of first refusal reserved to the Master Lessee in its Operating Agreement provided that the transferee assumes all obligations under this Agreement.

Any other provision of this Agreement notwithstanding, the withdrawal (not including a voluntary withdrawal allowed by the Master Lessee's Operating Agreement or with the consent of the Investor Member) of the Authority as the managing member pursuant to the terms of the Operating Agreement, shall not constitute a default under this Agreement provided that: (A) within 60 days thereafter a successor managing member is substituted that is, or the sole member of which is, either, at the option of the Investor Member, (i) a Seattle-based nonprofit or public entity approved in writing by the City or (ii) any other non-profit or public entity approved in writing by the City, or (B) if the successor managing member or its sole member is not a Seattle-based nonprofit or public entity approved in writing by the City, then, within six (6) months of such entity becoming the successor managing member, the Investor Member shall have replaced such successor managing member with a managing member or a limited liability company, the sole member of which is, a Seattle-based nonprofit or public entity approved in writing by the City; and (C) the new managing member shall be granted options to purchase the Master Lessee's interest in the Housing Project or the Investor Member's interest in the Master Lessee on the same terms and conditions as previously were applicable to the former managing member's interest or options, unless otherwise agreed in writing by the City.

(d) This Agreement may be enforced by The City of Seattle, which shall have all remedies available at law or in equity in case of any breach of the terms hereof. Authority agrees that such remedies may include, without limitation, specific performance, injunctions, appointment of a receiver, and restitution of any unjust enrichment that may accrue to Authority or its successors or assigns from any transfer or use of the Property or any part thereof contrary to the terms hereof. No provision of this Agreement is intended to be enforceable by any person other than The City of Seattle.

(e) The City shall not take any enforcement action hereunder with respect to the Housing Project until the City has provided the Authority, the Master Lessee and Investor Member thirty (30) days' notice of any breach of this Agreement. The City agrees to accept cures tendered by the Investor Member on behalf of the Authority or Master Lessee to the same extent as if tendered by the Authority or Master Lessee. The Authority is responsible for ensuring that the City has current names, addresses and telephone numbers for all parties entitled to notice hereunder, and any notice mailed or delivered to the address of any of them as most recently provided to OH shall be sufficient hereunder. This Section 5(e) regarding notice to the Master Lessee and Investor Member shall not apply at any time when the Master Lease is not in effect, and as to the Investor shall not apply after any transfer or redemption of the Investor's entire interest in the Master Lessee.

6. Compliance with Laws and Documents.

Authority shall at all times maintain and operate the Property consistent with the Market Historical District Ordinance, SMC Ch. 25.24, as it may be amended, all applicable Seattle, State and federal laws, ordinances, and permits, and with the Development Controls for the MCHRR-5 Land Use Area in Part III.B.of the Pike Place Market Urban Renewal Plan, as it may be amended ("Plan") and other applicable provisions of the Plan. Authority shall not cause or permit any activity on the Property that would constitute a nuisance. Authority shall ensure that any additional uses authorized by Section 4 hereof are maintained and operated in a manner compatible with the uses required by this Agreement.

7. No Waiver or Termination.

No waiver or modification of this Agreement shall be valid unless in writing and signed by Authority and City. No termination of this Agreement prior to expiration of its Term, nor of the obligations in Section 2 or Section 3 during the periods specified in such Sections, shall be valid unless expressly authorized by City Ordinance. No forbearance or delay by the City in enforcement of this Agreement shall be construed as a waiver, nor in any way impair the rights or remedies of the City hereunder, and if any waiver shall be granted with respect to any instance of noncompliance with the terms hereof, such waiver shall not affect the right of the City to require compliance with all terms hereof in the future. Any consent of the City required hereunder shall be valid only if given by the Director of Finance or his or her designee expressly for the purposes of this Agreement, and no consent given for purposes of this Agreement shall be construed as a consent, permit, or approval for purposes of another contract or instrument, nor for purposes of any law, ordinance, regulation or permit.

8. Relation to City Loan Documents.

This Agreement shall be effective regardless of whether any City Loan Documents are executed or whether any City Loan Documents remain in effect. To the extent that this Agreement would require what the City Loan Documents prohibit, or would prohibit what the City Loan Documents require, with respect to the operation of the Housing Project, the terms of the City Loan Documents shall prevail.

9. Governing Law; Venue

This Agreement shall be governed by the laws of the State of Washington. Authority, for itself and its successors and assigns, consents to the jurisdiction of the courts of the State of Washington and to venue of any proceedings brought hereunder in King County, Washington.

10. Severability

If any provision of this Agreement, or the application thereof to any conditions or circumstances, shall be found to be invalid or unenforceable, the parties intend that the validity or enforceability of the other provisions, or of such provision as applied to other conditions or circumstances, as the case may be, shall not be impaired.

11. Reporting

Authority shall make annual certifications to the City that it is in compliance with the housing provisions of this Agreement and shall provide annual audited financial statements for the operation of the Housing Project, including a statement of revenues and expenses for the operation of the Unit and a statement of assets and liabilities of the owner of the Unit as of the end of the calendar year, in each case certified by an officer of such owner and including the auditor's report. Such certifications and the financial statements for the most recently ended year shall be submitted by June 30 of each year and shall include the most current rent schedule (showing which Units are those maintained for Extremely Low-Income Families and which other Units are those maintained for Very Low-Income Families); the income and household size of each tenant Family; a calculation justifying any increases in rents from the previous rent schedule, consistent with this Agreement, and the actual rents being charged teach tenant household. Authority shall also include with such certification any changes in the management policies for the Housing Project and such other information covering the prior calendar year as the City may request by notice at least 90 days in advance of the due date, and with such accompanying documentation as the City may request. If so requested by the City, Authority shall report to the City, at such other times as the City shall request upon reasonable advance notice, on the rent levels, current income levels of tenants, and management policies for the Property.

Reports under this subsection 11 shall be submitted to the Office of Housing of the City. If pursuant to any other agreement the Authority shall be required to submit to the Office of Housing reports containing the same information as required in this Section, no additional report shall be required hereunder.

12. Rights and Remedies Additional to Development Agreement Documents.

The rights and interests granted by Authority, the covenants of Authority herein, and the remedies of the City hereunder, are in addition to, and not in substitution for, the terms of the Easement and those terms of the Development Agreement that, by the terms thereof, survive. Authority acknowledges that any breach of its obligations hereunder nonetheless may constitute or give rise to a default under the Development Agreement, to the extent provided therein. This Agreement shall survive the satisfaction of obligations under the Development Agreement.

13. Waiver.

Failure of either party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself.

14. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

EXECUTED as of the day and year first above written.
PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY
By: _____
Name: Ben Franz Knight
Title: Executive Director

The City of Seattle accepts the foregoing agreement as of the day and year first above written.
THE CITY OF SEATTLE

By: _____
Name: MARGARET FOSTER
Title: DIRECTOR, OFC OF WATERFRONT

EXHIBIT G

FORM OF EASEMENT

After recording, return to:
Seattle Department of Finance and Administrative Services
P.O. Box 94689
Seattle WA 98124-4689
Attn: Real Estate Services

REFERENCE NUMBER OF RELATED DOCUMENTS: N/A

GRANTOR: PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

GRANTEE: THE CITY OF SEATTLE

SUMMARY LEGAL DESCRIPTION: Parcel B of City of Seattle Lot Boundary Adjustment Number 880103 under recording number 8807750812 and amended by recording number 8811290942. ADDITIONAL DESCRIPTION ON P. 11

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(S): 197720-0330

PERPETUAL EASEMENT FOR PUBLIC ACCESS

THIS PERPETUAL EASEMENT ("Easement") is made effective as of the _____ day of _____, 2015, by the PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a public corporation chartered by the City of Seattle ("Authority" or "Grantor") to the CITY OF SEATTLE, a Washington municipal corporation ("City").

RECITALS

A. Grantor is the owner of real property legally described on Exhibit 1, attached hereto and incorporated herein ("Grantor Property").

B. Grantor is developing the Grantor Property with a mixed-use project consisting of a public parking garage, low-income housing, retail spaces and public pathways and plazas pursuant to that certain Development Agreement dated _____ ("Development Agreement") on condition that this Easement be granted.

C. Grantor acquired the Grantor Property from the City subject to use and development restrictions, including the requirement that Grantor's development coordinate with the City's central waterfront improvement program and that a portion of the Grantor Property be used and developed only for public open space, with public access free of charge in perpetuity.

D. Grantor's project will provide public open space and an eventual public connection to Western Avenue and Victor Steinbrueck Park from the western façade of the

Grantor Property via public pathways and plazas on and through Grantor's project that will connect with the City's planned Overlook Walk over the Elliott Way public right of way ("Overlook Walk"), in the location depicted on Exhibit 2.

GRANT OF RIGHTS AND COVENANTS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor grants and agrees as follows:

1. Grant and Purpose. Grantor hereby grants and conveys to the City with respect to Grantor's Property, rights to public access limited to pedestrian and wheelchair travel (for purposes of this Grant, "wheelchair" includes any device for mobility of persons with disabilities that is allowed from time to time on public sidewalks in the City of Seattle) on, across, over and through the pathways, plazas and structures located and to be located on Grantor's Property, throughout the entire shaded area shown on Exhibit 2 ("Public Access Area"). Except on days when Grantor has closed some or all of the Public Access Area to the public for special events or pursuant to the provisions of Section 2 below, the public shall have free, open and continuous pedestrian and wheelchair access to and through the Public Access Area free of charge daily, consistent with the normal hours of market operations but in no case for fewer than twelve (12) hours per day. At all times such public access shall be subject to compliance with rules of conduct pursuant to Section 5 below. The deck space identified on Exhibit 2 for use for short term special events may be temporarily excluded from public access for such events as permitted by Grantor from time to time pursuant to Grantor's special events policy. For any such closures, Grantor shall ensure that alternate public access through the project remains available. Any event requiring closure during which no such alternate access through the project is available, shall be subject to the City's regular special event permitting process. The rights described above are referred to as the "Public Access Rights." The parties shall cooperate to develop and install in the Public Access Area directional signage that the parties deem appropriate for the convenience of the public using the same. Any such signage is subject to prior review and approval of the Market Historical Commission. City employees in the performance of their official duties related to public safety shall be entitled to use the Public Access Area at all times. Grantor reserves the right to undertake measures to prevent public access onto Grantor's Property outside of the Public Access Area.

2. Grantor to Construct and Maintain. Grantor shall construct the Public Access Area consistent and in compliance with the Development Agreement. Grantor, at its sole expense, shall maintain the Public Access Area in safe, clean, and sanitary condition; shall promptly make any necessary repairs; shall not allow obstructions or debris to remain in the Public Access Area; and shall not cause or permit any structure or condition adjacent to the Public Access Area that could be hazardous to persons using the Public Access Area. Notwithstanding the foregoing sentence, Grantor may locate and relocate from time to time obstructions to pedestrian or wheelchair travel or both (for example, artwork, planters, and other amenities) in the Public Access Area but shall always provide an unobstructed and improved pathway suitable for pedestrian and wheelchair travel in compliance with applicable law, including without limitation the Americans with Disabilities Act. Grantor may close the Public Access Area for up to seven (7) calendar days per calendar year for routine maintenance. With the City's prior consent (except in cases of emergency in which case no consent is necessary),

Grantor may close the Public Access Area for periods of longer duration to complete necessary major maintenance. Within ninety (90) days of executing this Easement, Grantor shall develop for the City's review and approval an Operation and Maintenance Plan for the Public Access Area that addresses, among other things, the process for temporary closures for maintenance and repairs. If Grantor fails to perform work necessary to maintain and keep the Public Access Area in good condition and repair under this Section 2, (a "Maintenance Default"), the City shall have the right, but not the obligation, after at least thirty (30) days' written notice to Grantor and Grantor's failure to cure such Maintenance Default or to commence cure (except that notice and opportunity to cure shall not be required if maintenance work is necessary to remedy a condition that poses a risk of imminent damage, injury or harm to persons or property), or after Grantor's failure diligently to prosecute cure of such Maintenance Default after commencing cure, to take such actions as the City deems reasonably necessary to maintain or repair the Public Access Area to the condition required hereunder. In taking such actions, the City shall use good faith best efforts to avoid loss of or damage to Grantor's fixtures or installations. Grantor shall reimburse the City for the costs of such actions within thirty (30) days of receipt of written notice of such costs (together with reasonable supporting evidence of the same). Grantor may contest the City's notice of a Maintenance Default under this Section 2 or contest the City's decision that Grantor has not diligently prosecuted cure of such Maintenance Default by appealing in writing ("Notice of Contest"), within ten (10) days after notice of such default or within five (5) business days after being informed of the City's decision that Grantor has failed diligently to prosecute cure. The City will provide Grantor the opportunity to present its position by phone or in person to attempt to resolve any disagreement under this Section 2 within five (5) business days of receipt of Grantor's Notice of Contest. In the event the parties cannot resolve such disagreement within ten (10) days after Grantor has delivered its Notice of Contest, the parties shall submit the matter to binding mediation pursuant to Section 10 below. The City shall cause any portion of the Grantor Property that is disturbed by such self-help activities of the City, its contractors, agents, officers and employees to be restored as nearly as practicable to its condition prior to such activities. The City shall not be liable for loss or damage to fixtures or installations that, while exercising its good faith best efforts to avoid such damage, could not have been reasonably avoided consistent with accomplishment of the purposes for which the City exercised its rights thereunder without undue delay or cost. Grantor shall use commercially reasonable efforts to ensure that neither it nor its contractors impair the rights granted in this Section 2 in any way.

3. Structure and Pathway Maintenance Rights. If the City exercises its self-help rights pursuant to Section 2 above, then this Section 3 shall apply to Grantor's Property for the period, and to the extent, that the City requires access thereto in order to exercise such rights.

Grantor hereby grants and conveys to the City the non-exclusive rights to access on, across, over, under and through such portions of the Grantor Property as are reasonably necessary, for all purposes necessary, incidental, or related to the City's exercise of its self-help rights with respect to the Public Access Areas ("Public Access Area Maintenance Rights"), which right shall include the right to operate any necessary motorized and non-motorized equipment and vehicles for such purposes. The City shall not modify the design or location of the Public Access Area without Grantor's consent. Air rights, and the right to maintain and repair all necessary supports, foundations and structural elements of the Public Access Area are expressly included in the foregoing grant. Such grant also includes the right of the City to install measures to prevent use or access during any times when public access is not permitted. The

City shall cause any portion of the Grantor Property that is disturbed by activities of the City, its contractors, agents, officers and employees pursuant to this Section 3 to be restored as nearly as practicable to its condition prior to such activities. The City shall not be liable for loss or damage to fixtures or installations that, while exercising its good faith best efforts to avoid such damage, could not have been reasonably avoided consistent with accomplishment of the purposes for which the City exercised its rights thereunder without undue delay or cost. Grantor shall use commercially reasonable efforts to ensure that neither it nor its contractors impair the rights granted in this Section 3 in any way.

4. Overlook Walk Construction and Maintenance Rights. The provisions of this Section 4 shall apply to the Grantor Property for so long as the Overlook Walk remains in place.

Grantor hereby grants and conveys to the City rights on, across, over, under and through such portions of the Grantor Property as are reasonably necessary to install, construct, operate, repair, replace, alter, inspect, monitor, maintain and remove the Overlook Walk ("Overlook Walk Construction and Maintenance Rights"), which right shall include the right to operate any necessary motorized and non-motorized equipment and vehicles for such purposes. Air rights, and the right to maintain, repair and replace all necessary supports, foundations and structural elements supporting the Overlook Walk are expressly included in the foregoing grant. In exercising its rights, the City shall use good faith best efforts to avoid or minimize disruption of the normal functioning and operation of the Property. The City shall hold Grantor harmless for any damages it may incur resulting from such disruptions. The location of the proposed future connection to the Overlook Walk is depicted on Exhibit 2 attached hereto. The City, its contractors, agents, officers and employees, after 24 hours' advance notice to Grantor for inspection and thirty (30) days' advance notice to Grantor for other activities (except that for inspections or other activities notice shall not be required in the event of emergency), which notice period may run concurrently with the period of any notice of default and opportunity for cure and appeal period provided in Section 2 of this Grant, shall have free, open and continuous access on, across, over, under and through such portions of the Grantor Property as are reasonably necessary for the purposes described above. Each notice shall include discussion of potential disruption of the normal functioning and operation of Grantor's Property that could reasonably result from the proposed activities and the measures the City proposes to take to avoid or minimize such disruptions. In exercising its rights, the City shall use good faith best efforts to avoid loss of or damage to Grantor's fixtures or installations. The City shall, at its sole expense, cause any portion of the Grantor Property that is disturbed by activities of the City, its contractors, agents, officers and employees pursuant to the previous sentence to be restored as nearly as practicable to its condition prior to such activities. Grantor shall use commercially reasonable efforts to ensure that neither it nor its contractors impair the rights granted in this Section 4 in any way.

5. Rules of Conduct.

A. Grantor shall adopt and enforce reasonable rules of conduct in the Public Access Area for the safety and convenience of pedestrian and wheelchair travel through the Public Access Area provided such rules do not unreasonably interfere with the rights granted under this Easement and are consistent with applicable law. Grantor shall provide a copy of the proposed rules to the City before they take effect. Grantor shall have the right to require any

person who does not comply with rules that are in effect in accordance with this Section 5 to leave the Public Access Area.

B. The parties acknowledge that the Public Access Area is not being dedicated as a public street or sidewalk, and that the nature and limited purpose of the Public Access Rights are such that various activities traditionally permitted in public streets and sidewalks would not be appropriate for the Public Access Area. Compliance with rules that are in effect in accordance with this Section 5 is a condition of the right of any person to use the Public Access Area, except City employees and agents in the performance of their activities related to public safety.

6. Rights and Remedies. The City shall have the right without prior institution of any suit or proceeding of law, at such times as may be necessary, to exercise the rights at such times and to the extent provided in this Easement. In addition, the City shall have all remedies that may be available at law or in equity. This instrument is not intended to confer any right of action or remedies on any member of the general public or any other person that is not a party hereto. The rights granted to the City are not obligations of the City and may be exercised at the City's discretion. The City shall not be liable or responsible for any injury, loss or damage caused by members of the public in the exercise of the rights of access granted hereunder, except to the extent, if any, that such injury, loss or damage is caused by the negligence of the City for which it has liability under applicable law. The City shall not be subject to any obligation pursuant to any security instrument or other agreement executed by Grantor with respect to any part of the Grantor Property. The rights of the City and obligations of the Grantor herein are in addition to, and not in substitution for, the rights and obligations under any other agreement.

7. Duration; Termination in Whole or in Part on Certain Events.

A. The Public Access Rights, the Structure and Pathway Maintenance Rights, and the Overlook Walk Construction and Maintenance Rights, and the covenants and servitudes contained in this Easement, shall inure to the benefit of the City, shall be binding upon Grantor and each of its successors, transferees and assigns, including, without limitation, tenants, and shall run with the land described in Exhibit 1.

B. For so long as the City owns the Overlook Walk, the rights of the City to maintain and repair the Overlook Walk and to exercise its self-help rights set forth in Section 2 with respect to the Public Access Area shall remain in full force and effect to the extent provided under the terms of this Easement.

8. Modification or Release. The terms herein may be modified by a written instrument signed by an authorized officer of the City and by Grantor, or their respective successors and assigns, and not otherwise. The City shall have the right to release in whole or in part the rights granted herein by recording an instrument executed by an authorized officer of the City.

9. Representations and Warranties of Grantor. Grantor represents and warrants that it holds fee simple title to the Grantor Property, which is subject to no liens, encumbrances, defects, leases, options or other interests except as expressly set forth in Exhibit 3 hereto ("Permitted Encumbrances"), and that the rights granted hereunder are not and shall not be

subject to any lien, encumbrance, defect, lease, option or other interest except for the Permitted Encumbrances.

10. Dispute Resolution. In the event of a dispute regarding this Easement, the parties agree to follow the procedures in this Section 10 prior to filing or initiating a lawsuit. The parties shall make their best efforts to resolve disputes as expeditiously as possible through negotiations at the lowest possible decision-making level, and in the event such negotiations are unsuccessful, the matter shall be referred to the City's Director of the Office of the Waterfront and the Executive Director of Grantor. If those officials are unable to resolve the dispute within fifteen (15) days after the matter has been formally referred to them for resolution, they shall meet during the immediately succeeding seven (7) days to select a mediator to assist in the resolution of such dispute. The Grantor and the City agree to participate in mediation with the agreed upon mediator for a reasonable amount of time and in good faith. The cost of the mediation shall be shared equally between the City and Grantor.

11. Notices. All notices and requests required or permitted to be given in connection with this Easement shall be in writing and shall be deemed given as of the day they are received either by messenger, express delivery service, or in the United States of America mail, postage prepaid, certified or registered, return receipt requested, and addressed as follows, or to such other address as the party to receive the notice or request so designates by written notice to the other consistent with this Section 11.

Grantor's Address:
Pike Place Market Preservation & Development Authority
85 Pike Street, Room 500
Seattle, WA 98101
Attn: Ben Franz-Knight, Executive Director

With a copy to:
Pacifica Law Group LLP
1191 Second Avenue, Suite 2000
Seattle, WA 98101-3404
Attn: Gerry Johnson

City's Address:
Seattle Department of Finance and Administrative Services
P.O. Box 94689
Seattle WA 98124-4689
Attn: Real Estate Services

12. Governing Law; Venue. This Easement shall be governed by and construed in accordance with the laws of the State of Washington. The parties hereby agree that jurisdiction and venue for any action commenced to enforce this Easement shall be the County of King, State of Washington.

13. Severability. If any provision of this Easement, or the application thereof to any conditions or circumstances, shall be found to be invalid or unenforceable, the parties intend that

the validity or enforceability of the other provisions or of such provision as applied to other conditions or circumstances, as the case may be, shall not be impaired.

14. Covenant Running With the Land. This Easement and the easements granted herein shall be deemed covenants running with the Grantor Property and shall be binding on and inure to the benefit of Grantor's and Grantee's respective successors and assigns.

15. Waiver. Failure of either party at any time to require performance of any provision of this Easement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Easement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself.

16. Counterparts. This Easement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

[Signatures appear on following page]

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY,
a public corporation chartered by the City of Seattle
By: _____
Print Name: Ben Fong-Knight
Print Title: Executive Director

NOTICE: PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY is organized pursuant to Seattle Municipal Code (SMC) Chapter 3.110 and RCW 35.21.730-.755. RCW 35.21.750 provides as follows:

> "All liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town or county creating such public corporation, commission or authority on account of any debts, obligations or liabilities of such public corporation, commission or authority."

Accepted:
THE CITY OF SEATTLE
By: _____ Date: 5/15/15
Name: MARSHA FOSTER
Title: DIRECTOR, OFC of WATERFRONT

EXHIBITS:

Exhibit 1 Legal description of Grantor Property
Exhibit 2 Construction Document Design Details Showing Public Access Areas
Exhibit 3 Permitted Encumbrances

STATE OF WASHINGTON)
)ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Ben Franz-Knight is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the Executive Director of THE PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a public corporation chartered by the City of Seattle Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: May, 6th 2015
(Seal or stamp)

(Signature)
DIANNA K GOODSELL
(Printed Name)
Notary Public
My appointment expires 07/18/15

DIANNA K GOODSELL
COMMISSION EXPIRES
NOTARY PUBLIC
07-18-15
STATE OF WASHINGTON

EXHIBIT 1
LEGAL DESCRIPTION OF GRANTOR PROPERTY

Those portions of Lots 5 through 12, Block 36, and that certain unnumbered tract or lot lying generally southeast of Block 36, delineated on an Addition to the Town of Seattle as Laid Out by A.A. Denny (commonly known as A.A. Denny's 6th Addition to the City of Seattle), as recorded in Volume 1 of plats, page 99, in King County, Washington, and those portions of the vacated alley in said Block 36 and vacated Pine and Stewart Streets more particularly described as follows:

Beginning at the most northerly corner of Lot 5, Block 36, of said plat of A.A. Denny's Sixth Addition to the City of Seattle;

Thence southwesterly along the northwesterly margin of said Lot 5 to its intersection with the northeasterly line of Armory Way, as established by condemnation Ordinance No. 66339, as amended by Ordinance No. 67125;

Thence southeasterly along said northeasterly line of Armory Way to a point on a line parallel with and 30 feet northwest of the northwesterly line of Block H, Addition to the Town of Seattle as Laid out by A.A. Denny (commonly known as A.A. Denny's 4th Addition to the city of Seattle), as recorded in Volume 1 of plats, page 69, in King County, Washington;

Thence northeasterly along said parallel line to the southwesterly line of Western Avenue as widened under the provisions of Ordinance Nos. 11704 and 18109 of the City of Seattle;

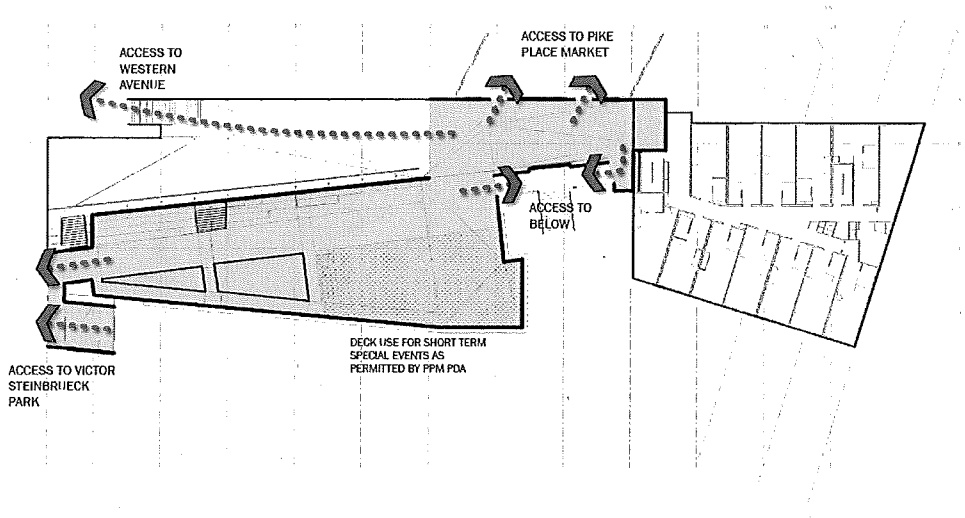
Thence northwesterly along said southwesterly line of Western Avenue to its intersection with the northwesterly line of Lot 6, Block 36, said plat of A.A. Denny's 6th Addition to the City of Seattle;

Thence southwesterly along the northwesterly line of said Lot 6 to the most westerly corner thereof;

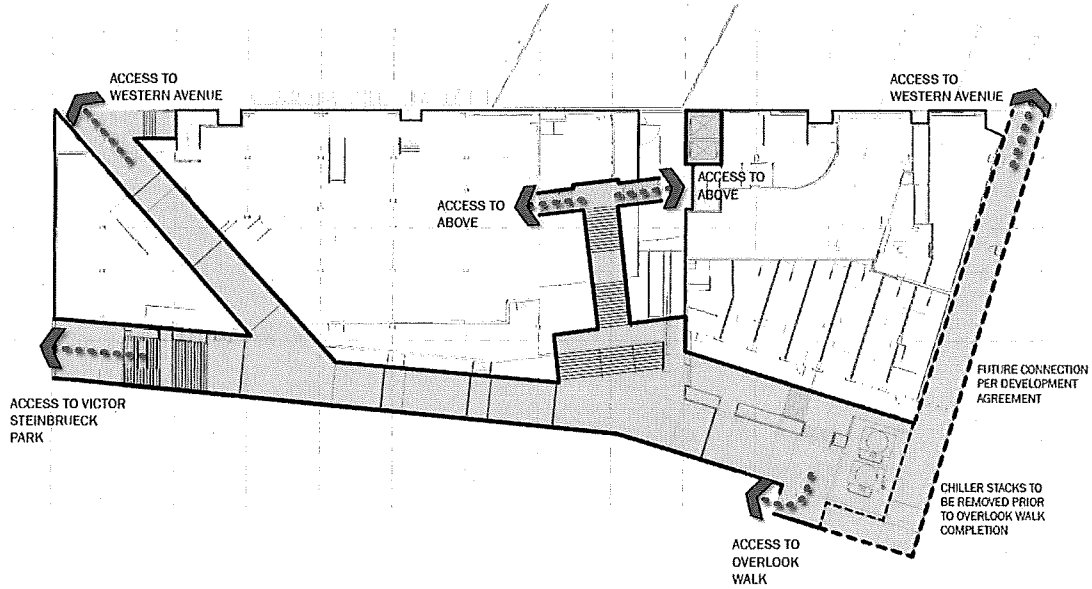
Thence southwesterly along the southwesterly projection of the northwesterly line of said Lot 6 to the point of beginning;

(Also known as Parcel B of City of Seattle Lot Boundary Adjustment Number 8800103, recorded under recording number 8807250812 and amended by recording number 8811290942).

EXHIBIT 2
Construction Document Design Details Showing Public Access Areas



PUBLIC ACCESS AREAS | MARKET LEVEL
NOT TO SCALE



PUBLIC ACCESS AREAS | WESTERN AVENUE LEVEL
NOT TO SCALE

EXHIBIT 3

PERMITTED ENCUMBRANCES

1. Right of the City of Seattle to maintain portions of Pike Place, Pike Street, Stewart Street, Pine Street and Western Avenue, as a public market as provided by City of Seattle Ordinance Number 52476, approved February 15, 1927.

2. Terms and conditions of City of Seattle Ordinance Number 102916, approved January 4, 1974, approving an amended Urban Renewal Plan for the Pike Place Project (No. Wash. R-17).

3. Easement(s) for slopes for cuts, fills and utilities and incidental rights, as reserved in City of Seattle Ordinance Number 107097, in favor of City of Seattle, recorded January 19, 1978 under Recording No. 7801190745.

4. Easement(s) for central cooling equipment with necessary appurtenances and incidental rights, in favor of Pike Place Market Preservation Development Authority, recorded September 3, 2009 under Recording No. 20090903000480.

5. Railroad Tunnel Easement for the operation, maintenance and use of Railroad Tunnel and the covenants, conditions and restrictions contained in the instrument recorded January 29, 1976 under Recording No. 7601290493.

6. Easement and Covenants, Conditions and Restrictions contained in the instrument recorded October 6, 1989 under Recording No. 8910061190. This instrument was executed pursuant to City of Seattle Ordinance Number 114210, approved November 4, 1988.

7. Terms and Conditions of City of Seattle Ordinance Number 114863 and related earlier Ordinances for boundaries of the Pike Place Market Historical District, disclosed by instrument recorded on February 9, 1990 under Recording No. 9002091858.

8. Commuter Rail Service Easement recorded under Recording Nos. 20031218000215, 20041217000120, 20061218000654 and 20071217000632.

9. 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 City of Seattle Lot Boundary Adjustment Number 8800103, recorded under Recording No. 8807250812, and amended by that instrument recorded under Recording No. 8811290942.

10. Terms and conditions of City of Seattle Ordinance Number 122562, approved November 26, 2007, related to parking lot management agreements.

EXHIBIT H

When recorded, return to:
SEATTLE CITY LIGHT
Real Estate Services
700 Fifth Avenue SMT 3338
P.O. Box 34023
Seattle, WA 98124-4023

EASEMENT- (Underground and Above-ground Electric)
Reference #: 250431-4-_____
Grantor: Pike Place Market Preservation and Development Authority
Short Legal: Ptn. NW-SE-31-25N-04E, King Co.
Tax Parcel #: 1977200330

THIS EASEMENT is made this _____ day of_____, 2015, between the PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a Washington public corporation, hereinafter called the Grantor; and the CITY OF SEATTLE (the "City"), a Washington municipal corporation, acting by and through its CITY LIGHT DEPARTMENT, hereinafter called the Grantee; AS FOLLOWS:

That the Grantor, for and in consideration of the sum of One Dollar (1.00) and other valuable consideration, receipt and sufficiency of which is hereby acknowledged, hereby grants to the Grantee, its successors and assigns, the right, privilege and authority (an "Easement") to install, construct, improve, remove, erect, alter, repair, energize, operate and maintain underground electric transmission facilities which may consist of, but are not limited to: handholes, ducts, ductbanks, conduits, cables, underground wires and other convenient appurtenances necessary to make said underground facilities an integrated electric system ("Electric System") upon, under, across and through the following described lands and premises (the "Easement Area") situated in the County of King, State of Washington:

THAT PORTION OF ARMORY WAY (AS CONDEMNED BY ORDINANCE NO. 67125) RIGHT OF WAY, LYING WITHIN THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 25 NORTH, RANGE 4 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF VACATED STEWART STREET AND THE NORTHEASTERLY MARGIN OF SAID ARMORY WAY;
THENCE SOUTH 30°38'30" EAST ALONG SAID NORTHEASTERLY MARGIN, A DISTANCE OF 40.24 FEET;
THENCE CONTINUING ALONG SAID MARGIN SOUTH 59°24'35" WEST, A DISTANCE OF 2.58 FEET;
THENCE LEAVING SAID MARGIN, NORTH 30°38'06" WEST, A DISTANCE OF 104.84 FEET;
THENCE NORTH 42°22'55" WEST, A DISTANCE OF 200.47 FEET TO A POINT ON THE NORTHEASTERLY MARGIN OF SAID ARMORY WAY;
THENCE SOUTH 47°42'09" EAST, ALONG SAID NORTHEASTERLY MARGIN, A DISTANCE OF 62.88 FEET TO A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 566.05 FEET AND A CENTRAL ANGLE OF 17°04'41";
THENCE ALONG SAID CURVE, A DISTANCE OF 168.72 FEET;
THENCE SOUTH 30°38'30" EAST, A DISTANCE OF 34.52 FEET TO THE POINT OF BEGINNING.

CONTAINING 1,358 SQUARE FEET OR 0.0312 ACRES, MORE OR LESS.

Together with the right at all times to the Grantee, its successors and assigns, of ingress to and egress from the Easement Area and, as may be reasonably required, across and through the adjacent real property of the Grantor, including the existing or future buildings located thereon. Provided, however, such access rights shall be exercised by Grantee so as to minimize any interference with Grantor's use of the adjacent real property and Grantee shall not damage the adjacent real property or its improvements.

Together with the right at all times to the Grantee, its successors and assigns, to cut and trim brush, trees or other plants standing or growing upon the Easement Area, which, in the opinion of Grantee, interfere with the maintenance or operation of the Electric System.

The Grantor, its successors and assigns, hereby covenants and agrees that no structure, building, or fire hazard will be erected or permitted to remain within the Easement Area except as set forth below or otherwise approved by Grantee in writing. Grantor further agrees that no digging will be done, without prior consent of Grantee, within the Easement Area which will in any manner disturb the Electric System or the Easement Area's solidity or unearth any portion of the Electric System; and that no blasting or discharge of any explosives will be permitted within fifty (50) feet of the Electric System.

Furthermore, Grantor, its successors and assigns, hereby covenants and agrees to the following additional terms and conditions:

1. Grantee, by accepting this Easement, hereby consents to the construction of the proposed mixed-use residential/commercial building (the "Building") to be built partially within and over the Easement Area. The Building will be constructed substantially consistent with the 90% architectural, structural, and civil plans (the "Plans") submitted by Grantor to Grantee, created by The Miller Hull Partnership, LLP and Magnusson Klemencic Associates, project number 1209, dated November 26, 2014, copies of which shall be retained in the offices of Grantor and Grantee; said plans, by this reference, are incorporated herein and are made a part hereof.

2. Grantor, its successors and assigns, shall make no changes to the design of that portion of the proposed Building within the Easement Area without the prior written consent of Grantee and such consent shall not be unreasonably withheld; except where such consent must be withheld for reasons pertaining to Grantee's duties and obligations under federal, state, or local law or regulation Upon receiving written approval of any changes from Grantee, Grantor shall provide updated architectural, structural and civil plans to Grantee, with such plans becoming incorporated herein as provided in Section 1 above.

3. Grantor's Plans show that certain floors of the parking garage of the Building shall be set back and above a certain distance from the existing grade of Grantor's real property to allow for acceptable mutually agreed safety clearances from the Electric System (the "Safety Clearance Area"). The exact dimensions and location of the Safety Clearance Area are more specifically depicted and described in the Plans. Unless specifically authorized by Grantee, Grantor, its successors and assigns, agrees not to allow any appurtenances or amenities to the building to be constructed or remain within the Safety Clearance Area that may compromise the mutually agreed and accepted safety setback clearance distances from the Electric System. Grantee, in its sole judgement, shall determine any violations of this condition.

4. Grantor, its successors and assigns, assumes all risks, if any, associated with the construction and occupancy of that portion of the Building within the Easement Area due to its proximity to the Electric System. Furthermore, Grantor, for itself and its successors and assigns, agrees the defense, indemnity, and hold harmless obligations specified in Section 6 apply to any such construction and occupancy of that portion of the Building within the Easement Area

5. Grantor, its successors, agents, employees, subcontractors and assigns, shall, upon completion of any construction on or around the Easement Area, remove all debris and restore the surface of the Easement Area as nearly as possible to the condition in which it existed prior to such construction.

6. To the extent permitted by law, Grantor, its successors, agents, employees, subcontractors and assigns, shall defend (with counsel selected by Grantor in its sole discretion), indemnify and hold harmless the City from all claims, actions or damages of every kind and description, which may accrue from or be suffered by reason of the Grantor's, its successors', agents', employees', subcontractors' and assigns': (a) material breach of any of the terms and conditions set forth in this Easement; and (b) use of the Easement Area or the performance of any work in connection with use of the Easement Area. Provided,

however, in the event liability covered by this provision is caused by or results from the concurrent negligence of Grantee, its agents, employees, subcontractors and assigns, and the Grantor, then the Grantor's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Grantor's negligence..

7. Any damage to the Electric System, caused by or resulting from the Grantor's, its successors', agents', employees', subcontractors' and assigns', use of the Easement Area, may be repaired by the Grantee and the actual cost of such repair shall be charged against and be paid by Grantor or its successors.

The City of Seattle is to be responsible, as provided by law, for any damage to the Grantor its successors, agents, employees, subcontractors and assigns through its negligence in the construction, maintenance and operation of its Electric System.

The rights, title, privileges and authority hereby granted shall continue and be in force until such time as the Grantee, its successors and assigns shall permanently remove all of its Electric System from the Easement Area or shall permanently abandon the Easement Area, at which time all such rights, title, privileges and authority shall terminate without further action required from Grantor or Grantee.

IN WITNESS WHEREOF, this instrument has been executed the day and year first above written.

GRANTOR:
PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a Washington public corporation.

By:_____

Print Name: Ben Franz Knight

Its: Executive Director (title)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 6TH day of MAY, 2015, before me personally appeared Ben Franz-Knight, to me known to be the executive Director (title) of **PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY**, the public corporation that executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of **PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY** for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of **PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY.**

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

(notary seal)

DIANNA K GOODSELL
COMMISSION EXPIRES
NOTARY
PUBLIC
07-18-15
STATE OF WASHINGTON

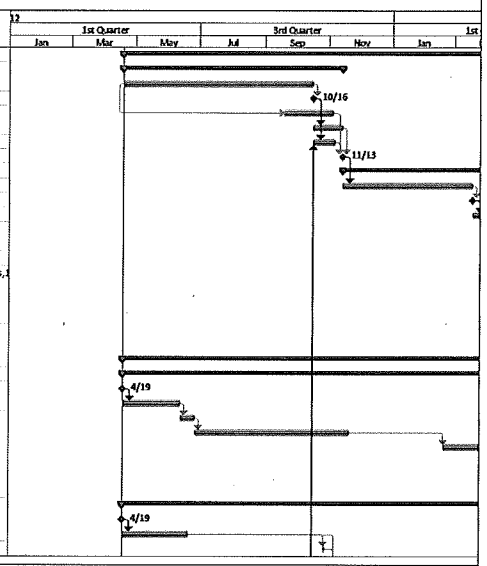
Signature:

Print name: DIANNA K GOODSELL
Notary Public in and for the State of Washington
Residing at: Seattle, WA
My commission expires: 07/18/2015

EXHIBIT I

Market Front
Master Project Schedule

ID	Task Mode	Task Name	Duration WorkDays	Start	Finish	% Complete	Predecessors	Successors
1		DESIGN	466 days	Fri 4/19/13	Fri 1/30/15	99%		
2		Schematic Design Phase	149 days	Fri 4/19/13	Wed 11/13/13	100%		
3		Schematic Design	129 days	Fri 4/19/13	Wed 10/16/13	100%		5SS+109 days,4
4		SD Design Approval - PDA Council	0 days	Wed 10/16/13	Wed 10/16/13	100%	3	6,7
5		Geotech	33 days	Thu 9/19/13	Mon 11/4/13	100%	3SS+109 days	8
6		SD Respond to Geotech Report	20 days	Thu 10/17/13	Wed 11/13/13	100%	4	8
7		SD Owner Review / GCCM Cost Estimating	15 days	Thu 10/17/13	Wed 11/6/13	100%	4,79	8
8		Full SD PDA approval, authorization for DD	0 days	Wed 11/13/13	Wed 11/13/13	100%	5,6,7	10
9		Design Development Phase	108 days	Thu 11/14/13	Mon 4/14/14	100%		
10		Design Development	88 days	Thu 11/14/13	Mon 3/17/14	100%	8	11
11		DD Complete	0 wks	Mon 3/17/14	Mon 3/17/14	100%	10	12,54
12		DD Owner Review / GCCM Cost Estimating	20 days	Tue 3/18/14	Mon 4/14/14	100%	11	13
13		Full DD PDA approval, 50% NTP for CD phase	0 days	Mon 4/14/14	Mon 4/14/14	100%	12	15
14		Construction Documents Phase	209 days	Mon 4/14/14	Fri 1/30/15	97%		
15		CD Start	0 days	Mon 4/14/14	Mon 4/14/14	100%	13	16
16		50% CD	84 days	Tue 4/15/14	Fri 8/8/14	100%	15	64,59FS-17 days,1
17		PDA NTP for 100 % CD phase	1 day	Mon 8/11/14	Mon 8/11/14	100%	16	21,18
18		CD Check Set Printing	0 days	Wed 11/26/14	Wed 11/26/14	100%	17	19
19		100% CD Early Works Package	13 days	Wed 11/26/14	Fri 12/12/14	100%	18	89,20
20		Early Work Bid Drawings Due to MHP	0 days	Fri 12/12/14	Fri 12/12/14	100%	19	89
21		100% CD	124 days	Tue 8/12/14	Fri 1/30/15	95%	17,16	92,82
22		PERMITTING	488 days	Fri 4/19/13	Tue 3/3/15	96%		
23		SDOT: SIP	438 days	Fri 4/19/13	Tue 12/23/14	96%		
24		Submit 30% Drawings	0 days	Fri 4/19/13	Fri 4/19/13	100%		25
25		30% Review Meeting	7.8 wks	Fri 4/19/13	Wed 6/12/13	100%	24	26
26		30% Drawing Comments	2 wks	Thu 6/13/13	Wed 6/26/13	100%	25	27
27		Submit 60% Drawings	21 wks	Thu 6/27/13	Wed 11/20/13	100%	26	28
28		60% Review Meeting	11 wks	Wed 2/19/14	Tue 5/6/14	100%	27	29
29		60% Drawing Approval	1 day	Wed 5/7/14	Wed 5/7/14	100%	28	64,30
30		90% Drawing Approval	28.8 wks	Thu 5/8/14	Tue 11/25/14	90%	29	31FF+20 days
31		100% Drawing Approval	45 days	Wed 10/22/14	Tue 12/23/14	100%	30FF+20 days	
32		OPD: Master Use Permit / SEPA Process	434 days	Fri 4/19/13	Wed 12/17/14	100%		
33		Pre-Application Appointment	0 days	Fri 4/19/13	Fri 4/19/13	100%		34
34		Traffic Study / SEPA checklist	45 days	Fri 4/19/13	Thu 6/20/13	100%	33	36,35
35		Intake Appointment	1 day	Mon 10/28/13	Mon 10/28/13	100%	34	36



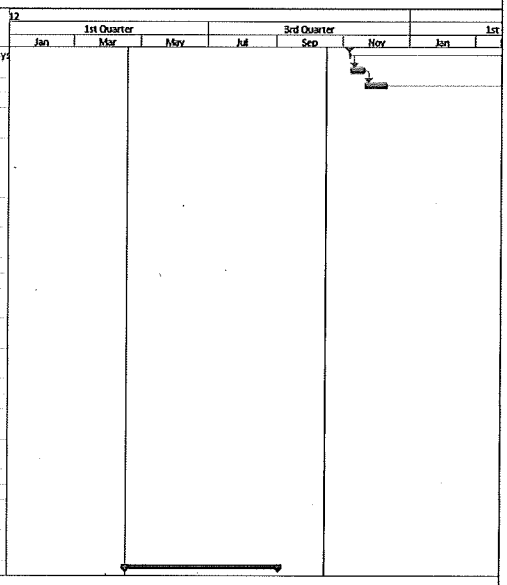
Project: PC1-N Master Schedule 6
Date: Wed 2/4/15

Task | Split | Milestone | Summary | Project Summary | External Tasks | External Milestone | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | Deadline | Progress

Page 1

Market Front
Master Project Schedule

ID	Task Mode	Task Name	Duration WorkDays	Start	Finish	% Complete	Predecessors	Successors
36		Submit Revision to MUP / SEPA checklist	1 day	Thu 11/7/13	Thu 11/7/13	100%	34,35	37,39FS+120 days
37		Public Comment Period	9 days	Fri 11/8/13	Wed 11/20/13	100%	36	38
38		Appeal Period	15 days	Thu 11/21/13	Wed 12/11/13	100%	37	39
39		Receive Corrections	0 days	Thu 4/24/14	Thu 4/24/14	100%	36FS+120 days	40
40		Respond to Corrections	60 days	Fri 4/25/14	Thu 7/17/14	100%	39	41
41		Second Round of Corrections	70 days	Fri 7/18/14	Thu 10/23/14	100%	40	42
42		DPD DRAFT MUP decision	20 days	Fri 10/24/14	Thu 11/20/14	100%	41	43
43		Receive SEPA DNS / MUP Permit ready to issue	1 day	Fri 11/21/14	Fri 11/21/14	100%	42	57
44		Issuance of MUP	5 days	Thu 12/11/14	Wed 12/17/14	100%	52,56	62,67
45		Street Vacation Process	100 days	Mon 4/21/14	Fri 9/5/14	100%		
46		Introduce Petition to City Council	1 day	Mon 4/21/14	Mon 4/21/14	100%		47
47		Comment Period	22 days	Tue 4/22/14	Wed 5/21/14	100%	46	48
48		Respond to Comments	12 days	Thu 5/22/14	Fri 6/6/14	100%	47	50,49
49		Design Commission Pesentation/Approval	1 day	Thu 6/5/14	Thu 6/5/14	100%	48	50
50		Send out Public Notice	33 days	Fri 6/6/14	Tue 7/22/14	100%	49,48	52,51
51		City Council/Transportation Committee Presentation	1 day	Tue 8/12/14	Tue 8/12/14	100%	50	52
52		City Council Approval	4 days	Tue 9/2/14	Fri 9/5/14	100%	50,51	44
53		Market Historic Commission (MHC) Approval	197 days	Mon 4/14/14	Wed 1/14/15	100%		
54		Submit Application	10 days	Mon 4/14/14	Fri 4/25/14	100%	11	55
55		MHC concept approval	163 days	Mon 4/28/14	Wed 12/10/14	100%	54	56SS
56		Design presentations	163 days	Mon 4/28/14	Wed 12/10/14	100%	55SS	57,44
57		MHC final approval	0 days	Wed 1/14/15	Wed 1/14/15	100%	56,43	
58		DPD: Excavation/Shoring/Foundation Permit	156 days	Thu 7/17/14	Thu 2/19/15	90%		
59		Permit Intake	1 day	Thu 7/17/14	Thu 7/17/14	100%	16FS-17 days	60
60		DPD review	55 days	Fri 7/18/14	Thu 10/2/14	100%	59	62,61
61		DPD Round of Corrections	80 days	Fri 10/3/14	Thu 1/22/15	100%	60	62
62		Permit Issuance	20 days	Fri 1/23/15	Thu 2/19/15	25%	60,44,61	108
63		DPD: Building Permit	147 days	Fri 8/8/14	Tue 3/3/15	81%		
64		Permit Intake	0 days	Fri 8/8/14	Fri 8/8/14	100%	16,29	65
65		DPD Review	97 days	Mon 8/11/14	Tue 12/23/14	100%	64	67,66
66		DPD Round of Corrections	30 days	Wed 12/24/14	Tue 2/3/15	75%	65	67
67		Permit Issuance	20 days	Wed 2/4/15	Tue 3/3/15	0%	65,44,66	92FS-10 days
68		GC/CM SELECTION PROCESS	99 days	Fri 4/19/13	Thu 9/5/13	100%		



Project: PC1-N Master Schedule 6
Date: Wed 2/4/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

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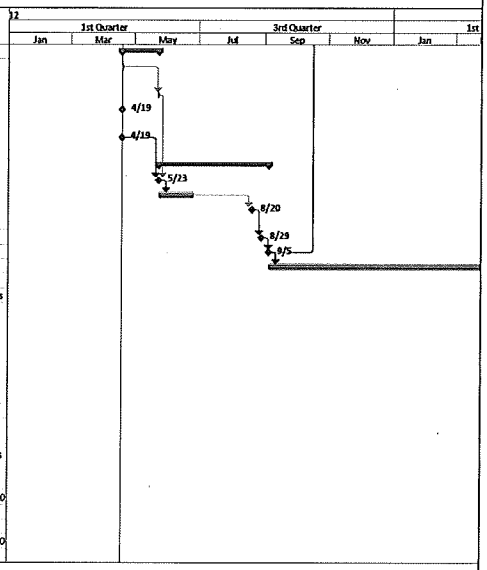
Market Front
Master Project Schedule

ID	Task Mode	Task Name	Duration WorkDays	Start	Finish	% Complete	Predecessors	Successors
69		CPARB Approval Process	25 days	Fri 4/19/13	Thu 5/23/13	100%		
70		Prep Application to Project Review Committee (PRC)	1 day	Fri 4/19/13	Fri 4/19/13	100%		71
71		PRC approval of GC/CM delivery method	1 day	Thu 5/23/13	Thu 5/23/13	100%	70	75
72		Board Approval of GC/CM Procurement Strategy	0 days	Fri 4/19/13	Fri 4/19/13	100%		
73		PDA Council Approval to Utilize GC/CM Procurement	0 days	Fri 4/19/13	Fri 4/19/13	100%		75
74		GC/CM Procurement Process	74 days	Thu 5/23/13	Thu 9/5/13	100%		
75		Public Announcement RFP	0 days	Thu 5/23/13	Thu 5/23/13	100%	71,73	76
76		RFP solicitation	23 days	Fri 5/24/13	Tue 6/25/13	100%	75	77
77		Inteviews Conducted and Final GC/CM Selection	0 days	Tue 8/20/13	Tue 8/20/13	100%	76	78
78		PDA Council Approves Resolution	0 days	Thu 8/29/13	Thu 8/29/13	100%	77	79
79		NTP on preconstruction phase	0 days	Thu 9/5/13	Thu 9/5/13	100%	78	80,7
80		GC/CM PRECONSTRUCTION Phase	347 days	Thu 9/5/13	Fri 1/2/15	100%	79	
81		GC/CM CONSTRUCTION Phase	505 days	Mon 12/15/14	Fri 11/18/16	7%		
82		Sellen Review of CD documents	22 days	Mon 2/2/15	Tue 3/3/15	0%	21	92,83SS+17 days
83		Sellen's 90% CD Comments Due to Design	0 days	Tue 2/24/15	Tue 2/24/15	0%	82SS+17 days	
84		GC/CM Bidding - Shoring	59 days	Mon 1/5/15	Fri 3/27/15	75%		
85		Shoring Bid Advertisement	0 days	Mon 1/5/15	Mon 1/5/15	100%		86
86		Shoring Bid Period	25 days	Mon 1/5/15	Fri 2/6/15	75%	85	87FS+1 day
87		Limited NTP - Shoring	0 days	Fri 3/27/15	Fri 3/27/15	0%	86FS+1 day	
88		GC/CM Bidding - Early Work / Excavation, Foundation	55 days	Mon 12/15/14	Fri 2/27/15	64%		
89		Bid Package Review/Preparation	30 days	Mon 12/15/14	Fri 1/23/15	100%	19,20	90FS-6 days
90		Early Work Bidding	25 days	Mon 1/26/15	Fri 2/27/15	20%	89FS-6 days	101
91		GC/CM Bidding - Site, Garage, Retail and Plaza	50 days	Wed 3/4/15	Tue 5/12/15	0%		
92		Bid Package Preparation	20 days	Wed 3/4/15	Tue 3/31/15	0%	21,67FS-10 da	94,93FS+21 days
93		PDA Council Approval to Enter into Contract with Sellen	5 days	Thu 4/30/15	Wed 5/6/15	0%	92FS+21 days	94FF
94		Site, Garage, Retail and Plaza Bidding	30 days	Wed 4/1/15	Tue 5/12/15	0%	92,93FF	103FF-20 days,10
95		GC/CM Bidding - Housing	42 days	Mon 4/13/15	Tue 6/9/15	0%		
96		Housing Package Preparation	20 days	Mon 4/13/15	Fri 5/8/15	0%	108SS	97
97		Housing Package Bidding	22 days	Mon 5/11/15	Tue 6/9/15	0%	96	105SS-20 days,10
98		PDA Council Approvals	124 days	Thu 1/1/15	Tue 6/23/15	18%		

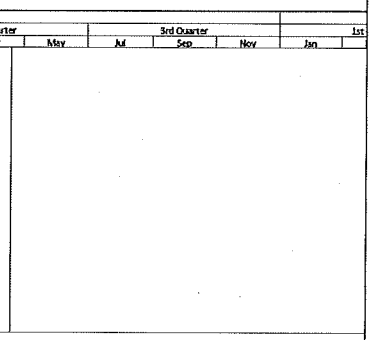


Project: PC1-N Master Schedule 6
Date: Wed 2/4/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

Market Front
Master Project Schedule

ID	Task Mod	Task Name	Duration WorkDays	Start	Finish	% Complete	Predecessors	Successors
99		Finalize / Sign Development Agreement	78 days	Thu 1/1/15	Mon 4/20/15	25%		100FF
100		Legislation Finalized	0 days	Mon 4/20/15	Mon 4/20/15	0%	99FF	104
101		Negotiate MACC amount	15 days	Mon 3/9/15	Fri 3/27/15	0%	90	108SS,102
102		Issue Limited Notice to Proceed for $380K	0 days	Fri 3/27/15	Fri 3/27/15	0%	101	108
103		Execute Construction Contract	5 days	Wed 4/8/15	Tue 4/14/15	0%	94FF-20 days	104
104		Issue Notice to Proceed for Site,Garage,Retail and Plaza	1 day	Tue 4/21/15	Tue 4/21/15	0%	100,103	109
105		Finalize Housing Tax Credit Funding	1 day	Mon 4/13/15	Mon 4/13/15	0%	97SS-20 days	
106		Construction Contract Amendment (amend MACC)for Housing	10 days	Wed 6/10/15	Tue 6/23/15	0%	97	112
107		Construction	430 days	Mon 3/30/15	Fri 11/18/16	0%		
108		Early Work - Excavation, Shoring, Foundations Shop Drawings (LNTP)	21 wks	Mon 3/30/15	Fri 8/21/15	0%	62,101SS,102	96SS,112SS+11 mons
109		Site, Garage, Retail and Plaza Construction	18 mons	Wed 5/13/15	Tue 9/27/16	0%	94,104	110FS-1 day,111
110		Substantial Completion on Garage,Retail, Plaza	1 day	Tue 9/27/16	Tue 9/27/16	0%	109FS-1 day	111
111		Final Completion on G/R/P	30 days	Mon 10/10/16	Fri 11/18/16	0%	110,109,114FF	
112		Housing	36 wks	Mon 2/1/16	Fri 10/7/16	0%	106,108SS+11	113FS-1 day
113		Substantial Completion on Housing	1 day	Fri 10/7/16	Fri 10/7/16	0%	112FS-1 day	114
114		Final Completion on Housing	30 days	Mon 10/10/16	Fri 11/18/16	0%	113	111FF



Project: PC1-N Master Schedule 6
Date: Wed 2/4/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
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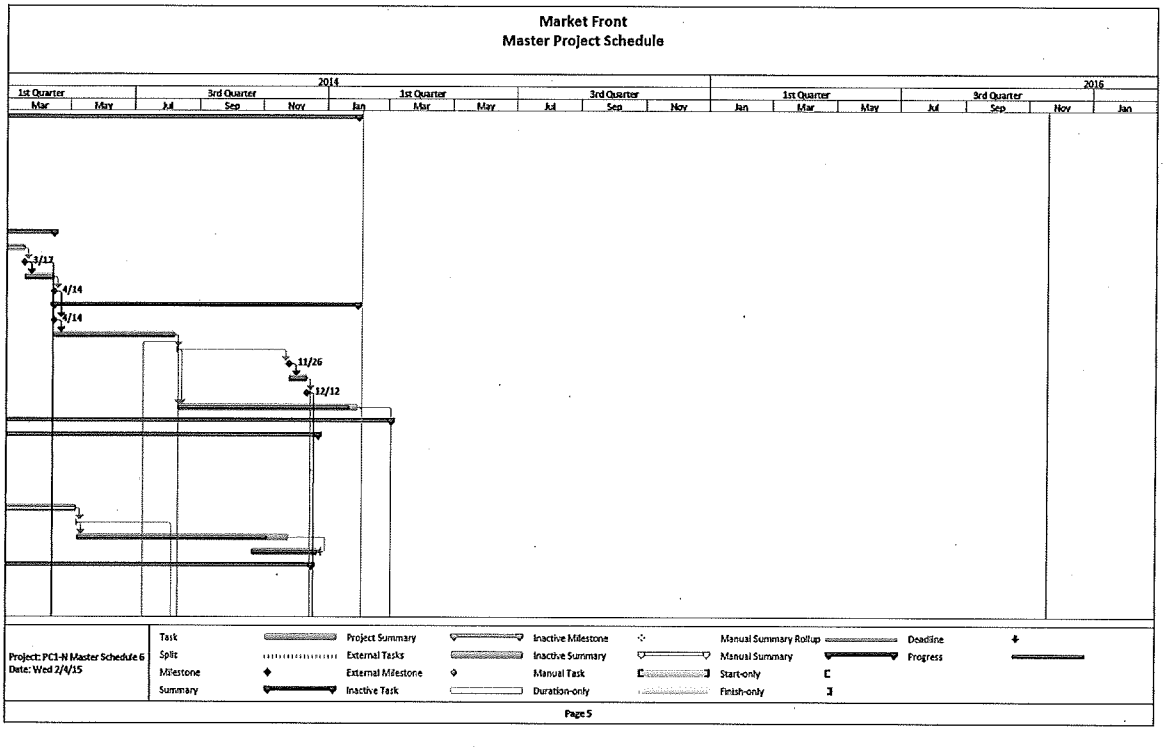
Market Front
Master Project Schedule
2014
2015
1st Quarter
3rd Quarter
1st Quarter
3rd Quarter
1st Quarter
3rd Quarter
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May
Jul
Sep
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Project: PC1-N Master Schedule 6
Date: Wed 2/4/15
Task
Split
Milestone
Summary
Project Summary
External Tasks
External Milestone
Inactive Task
Inactive Milestone
Inactive Summary
Manual Task
Duration-only
Manual Summary Rollup
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Finish-only
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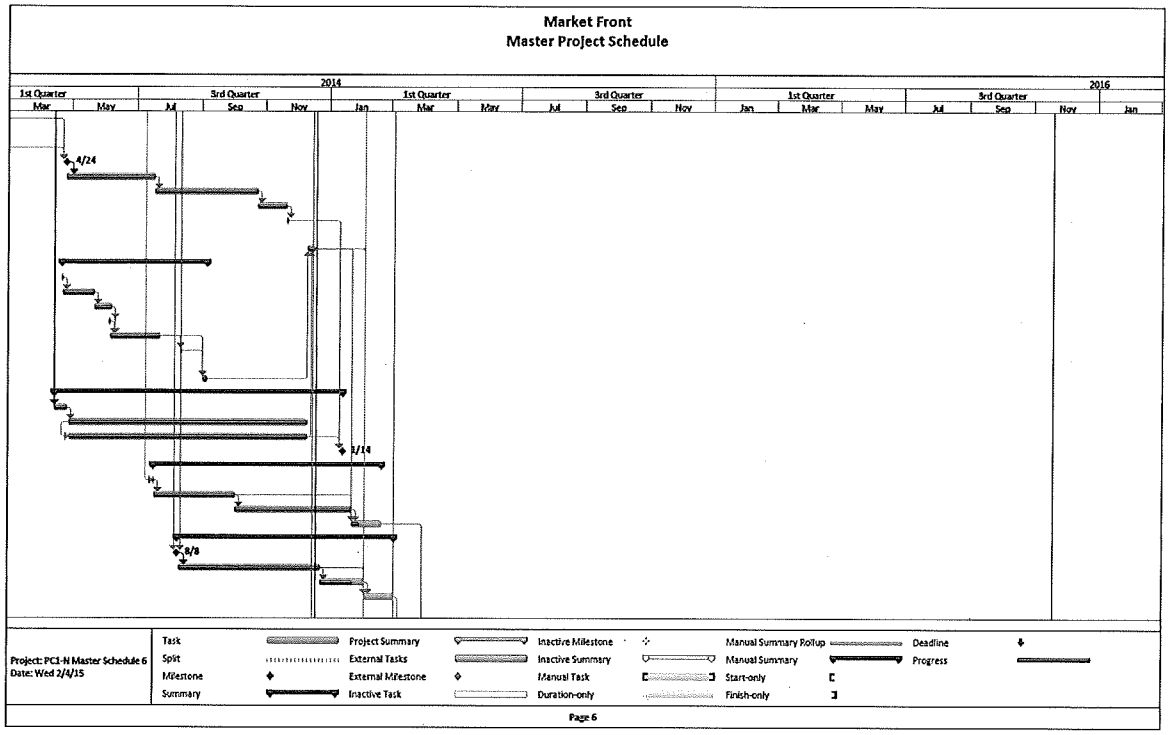
Market Front
Master Project Schedule
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3rd Quarter
1st Quarter
3rd Quarter
1st Quarter
3rd Quarter
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Jan
4/24
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8/8
Project: PC1-N Master Schedule 6
Date: Wed 2/4/15
Task
Split
Milestone
Summary
Project Summary
External Tasks
External Milestone
Inactive Task
Inactive Milestone
Inactive Summary
Manual Task
Duration-only
Manual Summary Rollup
Manual Summary
Start-only
Finish-only
Deadline
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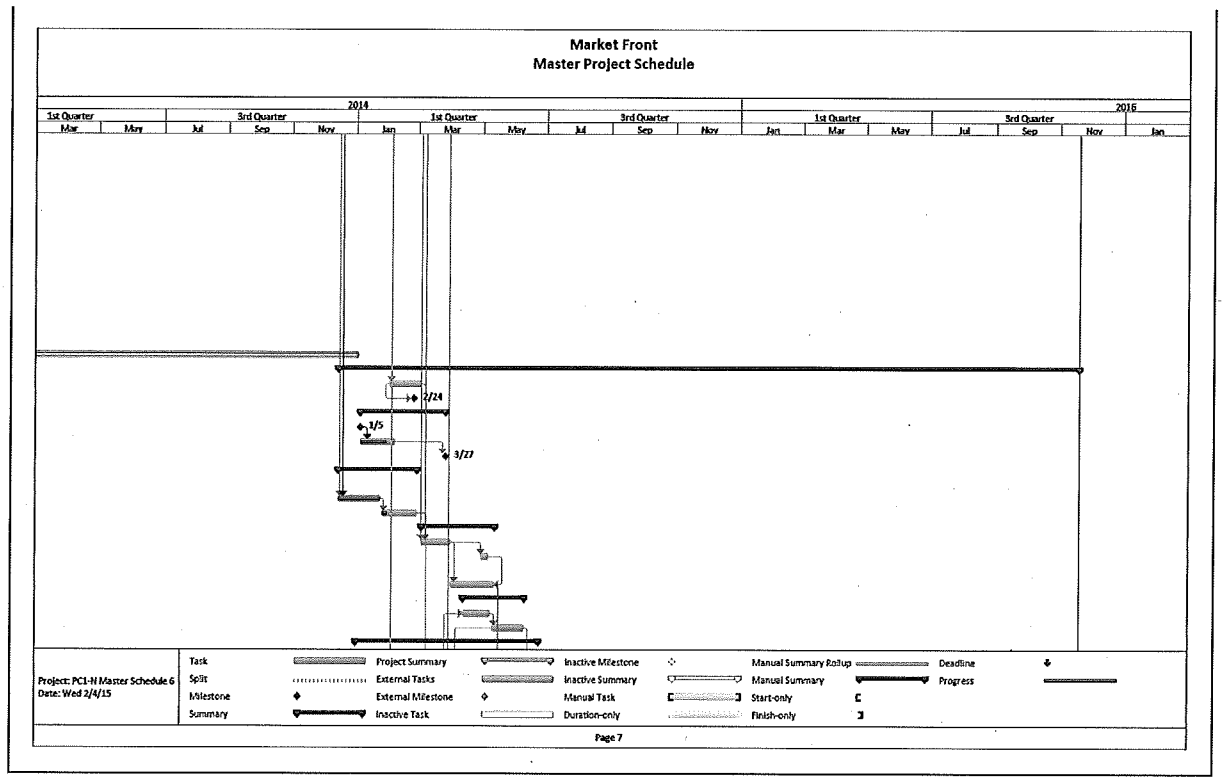
Market Front
Master Project Schedule
2014
2015
1st Quarter
3rd Quarter
1st Quarter
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Project: PC1-N Master Schedule 6
Date: Wed 2/4/15
Task
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Milestone
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Project Summary
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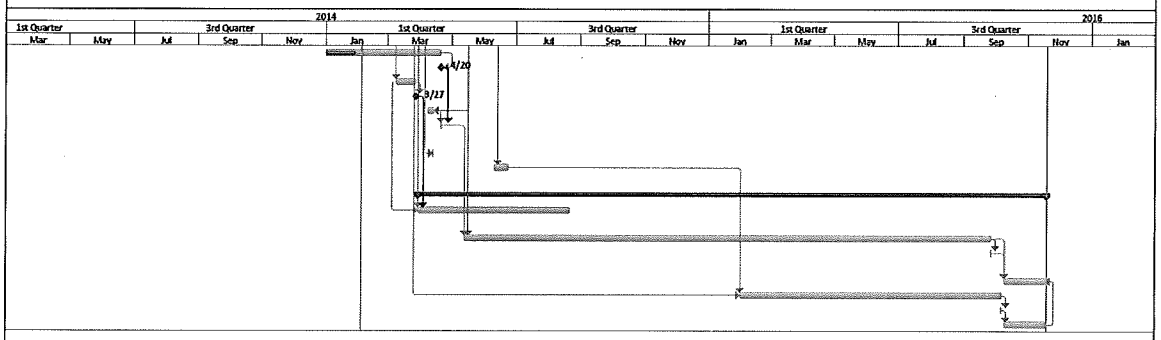
Market Front
Master Project Schedule



Project: PC1-N Master Schedule 6
Date: Wed 2/4/15

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
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Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

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