

#18

Tim Croll
SPU Living Building ORD
August 2, 2012
Version #7

CITY OF SEATTLE
ORDINANCE _____

COUNCIL BILL 117582

1 AN ORDINANCE relating to Seattle Public Utilities; authorizing the sale of certain real property
2 at the North Transfer Station and ratifying and confirming certain prior acts.

3
4
5
6 WHEREAS, in 1916, as authorized by Ordinance 38600, the City of Seattle acquired a 1,200
7 square foot parcel adjacent to what is now the City's North Transfer Station; and

8 WHEREAS, Seattle Public Utilities (SPU) received Council approval via Ordinance 122447 to
9 redevelop its North Transfer Station to better serve customers, neighbors, and the
10 environment; and

11 WHEREAS, the owner of the property adjacent to the North Transfer Station is seeking to
12 redevelop its property and will use the City's Living Building and Seattle Deep Green
13 Pilot Program; and

14 WHEREAS, a small part of the North Transfer Station property is needed by the adjacent
15 landowner to make the Living Building and Seattle Deep Green Pilot Program project
16 feasible; and

17 WHEREAS, the planned development would be a major contributor to Seattle's economy; and

18 WHEREAS, SPU can successfully redevelop its new North Transfer Station without use of this
19 portion of property; and

20 WHEREAS, the Finance and Administrative Services Department, with the support of SPU, has
21 completed the process to surplus property established in Resolution 30862 and
22 recommends to proceed with surplussing the property; and

23 WHEREAS, SPU obtained an appraisal for the property and thereby established fair market
24 value for its sale; and

25 WHEREAS, SPU negotiated technical terms with the adjacent property owner and the property
26 owner's lessee to enable the efficient construction of both the new North Transfer Station
27 and the adjoining project, while protecting an SPU stormwater drainage line remaining
28 on SPU property; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:



1 Section 1. Pursuant to the provisions of RCW 35.94.040 and after public hearing, fee
2 ownership of the real property legally described in the attachment attached hereto as Attachment
3 1 (the Property), is found and declared to be no longer required for providing municipal utility
4 service and to be surplus to the City of Seattle's needs.

5 Section 2. The Director of Seattle Public Utilities (Director), or his designee, is
6 authorized to execute a real estate purchase and sale agreement, substantially in the form of the
7 attachment attached hereto as Attachment 2, and to execute and record all agreements and
8 documents necessary for such conveyance to Fremont Dock Co.

9 Section 3. The Director, or his designee, is authorized to execute and record the shoring
10 wall agreement and temporary tieback easement and airspace easement substantially in the form
11 of attachment attached hereto as Attachment 3.

12 Section 4. Ratify and Confirm. Any act consistent with the authority of this ordinance and
13 in compliance with the conditions of this ordinance taken after its passage and prior to its effective
14 date is ratified and confirmed.



1 Section 5. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2012, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2012.

7
8 _____
9 President _____ of the City Council

10
11 Approved by me this ____ day of _____, 2012.

12
13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2012.

17
18 _____
19 Monica Martinez Simmons, City Clerk

20 (Seal)

21
22 Attachment 1 – Legal Description
23 Attachment 2 – Real Estate Purchase and Sale Agreement
24 Attachment 3 – Shoring Wall Agreement and Temporary Tieback Easement and Airspace
25 Easement
26
27
28

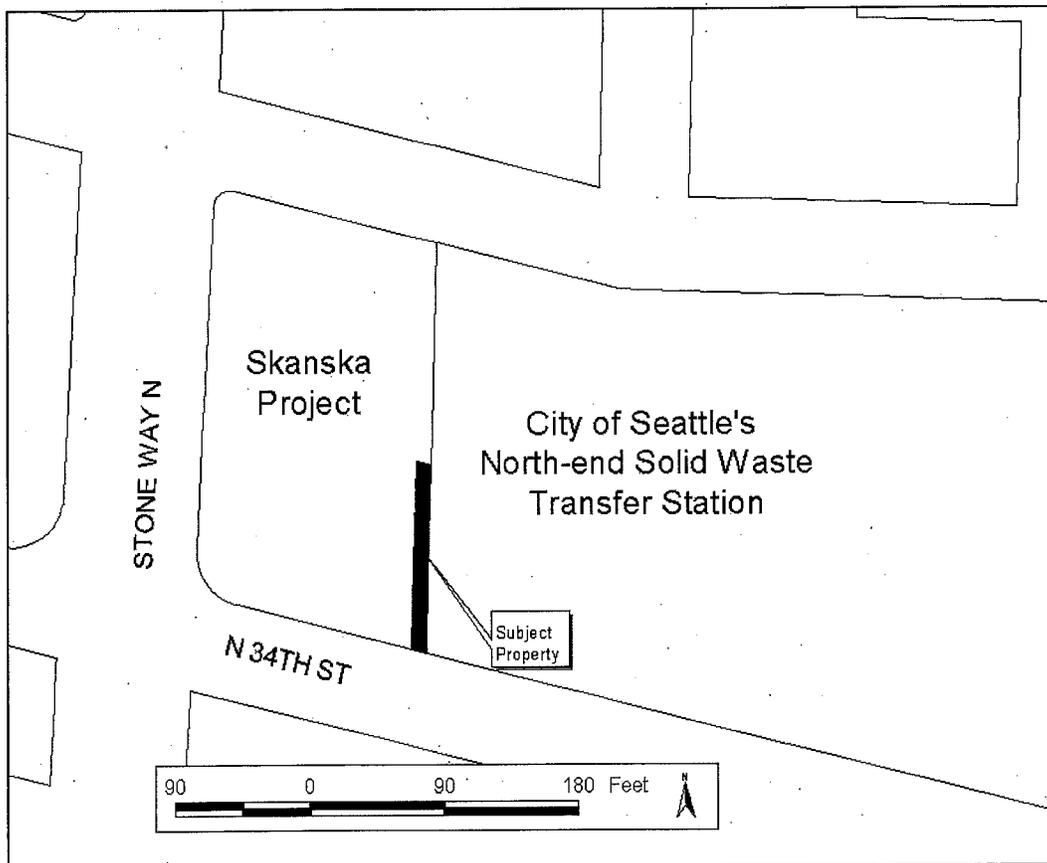


Attachment 1

LEGAL DESCRIPTION

Legal Description:

Beginning at the intersection of the north line of Ewing Street (now N. 34th St), and west line of Edgewater Addition; thence west along the north line of Ewing Street 10 feet; thence north 120 feet; thence east 10 feet to the west line of Edgewater Add; thence south 120 feet to the place of beginning, in King County, Washington.



Attachment 2

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of _____, 2012, by and between The City of Seattle, a municipal corporation, acting by and through Seattle Public Utilities (the "City" or "Seller"), and Fremont Dock Co., a Washington corporation ("Purchaser") whose address is 3401 Evanston Avenue N., Seattle, Washington. The term "Seller" shall mean The City of Seattle only in its capacity as the Seller under this Agreement.

The parties hereto, for and in consideration of the promises and mutual obligations herein undertaken, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, do hereby agree as follows:

1. Agreement to Buy and Sell Property

On the terms of and subject to the conditions of this Agreement, the Seller agrees to sell and convey to Purchaser, and Purchaser agrees to buy from the Seller, that certain real property located adjacent to and east of Purchaser's real property located at 3400 Stone Way N. and legally described on the attached Exhibit A (the "Property"), generally located as shown on the map included in Exhibit A. All maps attached are solely for convenience of reference and do not qualify in any way the description of the Property, nor constitute or evidence any representation or warranty of any kind as to the Property dimensions or boundaries, or any other information shown thereon, it being the intent of the parties that the Purchaser assume the risk of any discrepancies or inaccuracies in such map.

2. Payment of Purchase Price; Conveyance

2.1. Price and Form of Payment.

Purchaser agrees to pay the Seller the sum of ONE HUNDRED AND TWO THOUSAND and 00/100 Dollars (\$102,000.00) (the "Purchase Price") for the Property. The Purchase Price shall be paid in cash at Closing (as defined in Section 10 below).

2.2. Conveyance

Upon (i) the payment of the cash required at Closing under Section 2.1 and all other amounts required to be paid by Purchaser at Closing hereunder, and (ii) the satisfaction of the conditions precedent set forth in Section 8.1 of this Agreement, the Seller shall convey the Property, by quit claim deed in the form of and subject to the reversionary interest described in Exhibit B (the "Deed"), which is hereby approved as to form by Purchaser.



3. Deposit for Costs

The parties acknowledge that, by separate agreement, the Purchaser made a five thousand dollar (\$5,000.00) deposit (the "Deposit") with the Seller. The Deposit will be used by the Seller to pay for the Seller's costs associated with the potential sale of the subject property, including time and materials. These costs include, but are not limited to the City's process for declaring property surplus to the City's needs, title review, appraisal, negotiations, and ordinance process. The Deposit is separate from any earnest money deposit and will not be applied to the Purchase Price for the property. If there are funds remaining after costs are paid, those amounts will be returned to Purchaser.

4. Earnest Money

Immediately upon execution of this Agreement, Purchaser shall deposit in escrow with First American Title Insurance Company (FATIC), (215 Columbia Street, Seattle) ("Escrow Agent"), a copy of this Agreement and Purchaser's earnest money deposit in the amount of Five Thousand Dollars (\$5,000.00) in the form of a check made payable to the Escrow Agent. This deposit and any interest accruing thereon shall be hereinafter referred to as the "Earnest Money." The Earnest Money shall be held by the Escrow Agent until such time as the Purchaser becomes entitled to return of such Earnest Money under the terms hereof, or until the Seller becomes entitled to retain such Earnest Money under the provisions of this Agreement. Earnest Money shall be credited to the Purchase Price at Closing.

5. Purpose of Purchase; Prohibitions Against Assignment and Transfer

5.1. Purpose of Sale; Purchaser to Make Diligent Efforts

Seller is selling the Property to Purchaser for the sole purpose of enabling the construction of a building and related improvements on the Property and certain adjacent property by Purchaser's ground lease tenant. The improvements on the Property will be used primarily as a commercial office building as proposed in the Master Use Permit application filed with the City of Seattle's Department of Planning and Development ("DPD") on December 21, 2011 by 3400 Stone LLC, as it may be revised or amended from time to time, and which may include elements of DPD's "Living Building Challenge" through the "Living Building Pilot Program" (the "Project").

5.2. Project Abandonment and Failure to Commence Construction

If the Project, or a substantially similar replacement project, as determined by Seller in its sole discretion, has not commenced construction within two years of Closing, the Property shall revert to the City in accordance with the terms and conditions of the set forth in the deed attached hereto at Exhibit B. If the Property reverts back to Seller, Seller would be entitled to keep the Earnest Money, but shall be required to repay the balance of the Purchase Price. If the Project or a substantially similar replacement project commences construction within two years



of Closing, then the City shall promptly execute a recordable release of the reversionary interest which Purchaser shall record against title to the Property.

6. Transfer of Property and Assignment of Agreement

Prior to Closing, Purchaser shall not transfer this Agreement or any interest herein without the express written consent of the Director of Seattle Public Utilities (the "Director") and the Seller shall not be required to recognize any rights of any assignee to which it has not given express written consent. The Director shall consent to assignment to an entity affiliated with and controlled by Purchaser if the Director finds such an assignment is necessary for financing of the Project.

7. Title Insurance

Purchaser shall, promptly after the effective date of this Agreement, at its expense, order a preliminary commitment for title insurance on the Property from First American Title Insurance Company ("FAIC"). The preliminary commitment for title insurance, together with copies of all exceptions noted therein, shall constitute the "Title Report." Purchaser shall provide Seller with a copy of the Title Report. Purchaser may, at Purchaser's expense, purchase an owner's policy of title insurance with liability in such amount as Purchaser may choose insuring fee simple title to the Property in Purchaser, subject only to the encumbrances or defects noted in the final title commitment approved by Purchaser or waived in writing. If title is not so insurable, this agreement shall terminate; provided, however, that Purchaser may waive defects in writing and elect to purchase or the Seller may elect to make the title insurable in its sole discretion within thirty (30) days of notice of defect. The Escrow Agent shall not be responsible for delivery of title.

8. Conditions Precedent

8.1. The following are conditions precedent to the Seller's obligation to convey the Property:

8.1.1. Purchaser shall have obtained a Master Use Permit ("MUP") for the development of the Property consistent with this Agreement.

8.1.2. Purchaser shall have deposited with FNTC or another escrow agent mutually agreed to in writing by the parties for delivery to the Seller, the sum of money required to pay the cash portion of the Purchase Price and all other amounts payable by Purchaser hereunder in cash, cashier's check or by wire transfer.

8.1.3. Purchaser's representations contained herein shall be true as of the Closing.

8.1.4. Purchaser shall deliver to Seller a fully executed "Wall Construction Agreement" in the form attached as Exhibit C.



8.1.5. Purchaser shall otherwise be in compliance with all of the terms hereof.

8.1.6. The Seattle City Council shall have passed an ordinance authorizing the sale of the Property and approving this Agreement.

8.2. The following are conditions precedent to Purchaser's obligation to purchase the Property.

8.2.1. All representations and warranties of Seller contained herein shall be true, accurate and complete at the time of the Closing as if made again at such time;

8.2.2. Seller shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);

8.2.3. Seller shall deliver to Purchaser the "Wall Construction Agreement" in the form attached as Exhibit C, signed by Seller;

8.2.4. FNTC shall be irrevocably committed to issue an owner's policy of title insurance to Purchase in the amount of the purchase price subject to only those exceptions shown in the final title commitment approved by Purchaser;

8.2.5. The Seattle City Council shall have passed an ordinance authorizing the sale of the Property and approving this Agreement [and the Wall Construction Agreement?]; and

8.2.6. At Closing, the physical condition of the Property shall be the same as on the date hereof, ordinary wear and tear excepted.

8.3. Conditions for Benefit of Seller and Purchaser

The conditions in Section 8.1 and 8.2 are for the benefit of the Seller and the Purchaser, respectively and may be waived at the Seller's or Purchaser's respective sole option, but no waiver shall be valid unless signed by an authorized officer of the Seller or Purchaser as the case may be. Unless all of the conditions to the Seller's obligation are satisfied or waived in writing on or before the Closing Date, as it may be extended, the Seller shall have no obligation to convey the Property. Unless all of the conditions to the Purchaser's obligation are satisfied or waived in writing on or before the Closing Date, as it may be extended, the Purchaser shall have no obligation to purchase the Property.

8.4. Failure to Obtain Ordinance Approval.

In the event that an ordinance of the City authorizing this Agreement has not been passed and become effective by July 30, 2012, this Agreement shall terminate, and neither Party shall have any further obligation to the other. If prior to July 30, 2012 Purchaser requests a



Closing Extension in accordance with Section 10.2 below, then the City Council approval ordinance deadline shall be extended to December 30, 2012 and may be further extended in coordination with further Closing extensions as agreed to between the parties in accordance with Section 10.2 below.

9. Feasibility Period Expiration of Agreement

9.1. Feasibility

Purchaser shall, upon payment of the Earnest Money into Escrow, be entitled to engage in such activities as it deems reasonably necessary to its determination of suitability for Purchaser's intended use. Purchaser shall have until July 30, 2012 to complete this determination ("Feasibility Period").

9.2. Expiration.

If Purchaser fails to deliver to Seller written notice prior to the end of the Feasibility Period that Purchaser has determined the Property to be suitable, then the Property shall be deemed unsuitable for Purchaser's purposes, this Agreement shall terminate, Escrow Agent shall return the Earnest Money along with any accrued interest to Purchaser, and Seller and Purchaser shall have no further obligations or liability to each other under this Agreement. Seller and Purchaser agree that the Feasibility Period may be extended by mutual agreement of the parties through written amendment to this Agreement signed by both Seller and Purchaser.

10. Closing

10.1. Definition

"Closing" shall mean the execution, delivery and recording (as appropriate) of all documents and payment of all funding into escrow as provided herein.

10.2. Date of Closing

Subject to the conditions set forth herein, Closing shall take place on such date as the Purchaser shall specify in a written notice to the Seller ("Closing Notice") at least ten (10) days in advance of the date for Closing specified in such written notice ("Closing Date"), (ii) may be given at any time within, but not later than, forty-five (45) days after all conditions required herein to be satisfied prior to Closing, other than deposit of funds and instructions in escrow, have been satisfied, and (iii) must provide for a Closing Date no later than December 30, 2012, except as provided in this section. On or before December 1, 2012, Purchaser may exercise a six (6) month closing extension upon written notice to Seller. Purchaser may request further closing extensions which may be approved at the sole discretion of the Director. If Closing does not occur by the date stated above, as it may be extended, because of a failure without the fault of either party to satisfy or waive the conditions set forth in Section 8, then this Agreement shall



terminate automatically without notice, the Earnest Money shall be returned to Purchaser and the parties shall have no further obligations or liability to each other under this Agreement.

10.3. Obligations Prior to Closing

At least five (5) days in advance of the Closing Date the Purchaser shall deliver to the Seller an original of the Deed, in the form attached as Exhibit B but with exhibit designations removed, signed by the Purchaser to evidence Purchaser's approval of the form thereof and Purchaser's agreement to the covenants therein. At least two (2) days in advance of the Closing Date, the Seller and Purchaser shall each deliver to the Escrow Agent for deposit into escrow all of the documents required by this Agreement as conditions to Closing, bearing all the original signatures called for therein, together with reasonable escrow instructions.

10.4. Recording

At Closing, the Escrow Agent shall be instructed to record the Deed. Recording of the Deed shall constitute delivery to Purchaser.

10.5. Fees and Costs

The escrow fee charged in connection with this Closing shall be paid by the Purchaser. Any taxes, assessments or public charges that are payable with respect to the Property during the Seller's ownership thereof shall be prorated and paid by the Seller as of Closing. Purchaser shall pay the cost of recording the Deed, and any documents required by Purchaser's financing.

10.6. Default

In the event the Purchaser fails, without legal excuse, to complete the purchase of the Property, the Earnest Money Deposit held by Escrow Agent, together with all interest earned thereon, and all amounts previously paid to it hereunder, shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure. The retention of the Earnest Money Deposit and other sums is liquidated damages and not a penalty. The parties acknowledge that in the event of such failure or default by Purchaser, Seller will have incurred substantial but unascertainable damages and that therefore the provision herein for liquidated damages is a valid one.

10.7. Possession at Closing.

Purchaser shall be entitled to possession of the Property at the time of Closing.

11. Right of Entry

The Property is currently subject to a permit in favor of Purchaser. Consistent with the permit, Seller grants to Purchaser and its ground tenant and each of their employees, agents and



Tim Croll
SPU Living Building ORD ATT 2
July 17, 2012
Version #1

contractors, the right to enter upon the Property during the Feasibility Period, for the purpose of conducting such inspections, investigations and studies as Purchaser may reasonably deem necessary or appropriate and at Purchaser's expense, in order to determine the suitability of the Property. Purchaser agrees to restore to its previous condition any portion of the Property disturbed by Purchaser's investigation or studies. Purchaser shall provide Seller with any data or other information compiled or collected relating to the Property during the Feasibility Period. This obligation shall remain irrespective of whether the Property is transferred to Purchaser.

12. Risk of Loss

Seller shall bear the risk of loss of or damage to the Property until the date of Closing except as the same shall have occurred as the result of activities of the Purchaser, its employees, agents or contractors.

13. Condition of Property

Except as provided in this Agreement, Purchaser acknowledges and agrees that it is relying solely on its inspection and investigation of the Property, and that upon Closing accepts the Property "As-Is," "Where-Is" and "with-all-faults" in its present condition. Purchaser acknowledges and agrees that the Property is located adjacent to a permanent solid waste transfer station that will continue operations indefinitely. Purchaser also acknowledges and agrees that the Seller has made no warranty or representation of any kind, oral or written, expressed or implied, with respect to any condition of the Property, including without limitation, the habitability, tenantability, or fitness for a particular purpose of the Property, the presence or absence of any hazardous substances, wastes or materials as defined by state, federal or local law.

14. Seller's Representations and Warranties and Covenants Prior to Closing

For purposes of inducing Purchaser to consummate the transactions contemplated hereby Seller represents and warrants to Purchaser, as of the date hereof, as follows:

14.1. Seller has full power, authority and legal right to execute, deliver and perform this Agreement, and all other documents contemplated hereby; the Seller has duly authorized the execution, delivery and performance thereof; and has authorized the person executing this Agreement to do so; except as expressly provided herein, there is not pending or, to the best of Seller's knowledge, threatened (i) condemnation or similar proceedings with respect to the Property or any part thereof, (ii) legal action of any kind or nature, served on the City, affecting the Property, which would enjoin or restrict the right of Seller to consummate the transactions contemplated hereby;

14.2. The property is not affected by any special assessment, whether or not a lien thereon, which has not or will not be paid in full by Seller prior to the Closing Date;



14.3. Seller is not aware of any labor, material or services that have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborer's or materialmen's liens or claims might arise.

14.4. Seller further covenants to Purchaser that from the effective date of this Agreement to Closing, Seller:

14.4.1. shall not allow any lien to attach to the Property or any part thereof except the lien for ad valorem taxes that are not due and payable and any liens that result from the activities of Purchaser in connection with the Property, nor will Seller grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Purchaser's written consent first having been obtained;

14.4.2. shall notify Purchaser of each event of which Seller becomes aware affecting the Property or any part thereof promptly upon learning of the occurrence of such event; and

14.4.3. shall not enter into any leases, trust deeds, mortgages, restrictions, encumbrances, liens, licenses or other instruments or agreements affecting the Property without the prior written consent of the Purchaser.

15. Purchaser's Representations and Warranties

Purchaser represents and warrants that it is a duly organized and validly existing corporation under the laws of the State of Washington, and has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby; the execution and delivery of this Agreement by the undersigned individual has been duly authorized by all necessary corporate or other action; and this Agreement is the valid, binding obligation of Purchaser, enforceable in accordance with its terms.

16. Regulatory Approval

Nothing in this Agreement is intended or shall be construed to require the City to exercise its discretionary authority under its regulatory ordinances to issue any permits with respect to Purchaser's development or use, after closing, of the Property.

17. Notice

All notices, approvals and demands required or permitted to be given under this Agreement shall be in writing and personally delivered, sent by United States certified mail, return receipt requested, to the addressee's mailing address set forth below, or sent by telecopy to the addressee's fax number set forth below. Any notice will be effective when actually received or, if mailed as provided herein, on the earlier of actual receipt or two (2) days after the date deposited in the mail.



Tim Croll
SPU Living Building ORD ATT 2
July 17, 2012
Version #1

If to Seller: Timothy Croll, Director – Solid Waste
Seattle Public Utilities
PO Box 34018
Seattle, WA 98124

If by Carrier or Delivery:
700 Fifth Avenue, Floor 49
Seattle, WA 98104
Phone: (206) 684-7934

If to Purchaser: Suzanne M. Burke
Fremont Dock Co.
3401 Evanston Ave. N.
Seattle, WA 98103
Phone: (206) 632-0124

If to Escrow Agent: Escrow Office
First American Title Insurance Company
215 Columbia Street
Seattle, WA 98104-1040
Phone: (206) 343-1321
Fax: (206) 343-4720

18. Entire Agreement

There are no other verbal or other agreements which modify or affect this Agreement. Time is of the essence of this Agreement. All subsequent modifications or waivers of any condition of this Agreement shall be in writing and signed by the appropriate parties.

19. Survival

All warranties, representations, covenants, obligations and agreements contained in or arising out of this Agreement shall survive the Closing and the transfer and conveyance of the Property hereunder and any and all performance hereunder. All warranties and representations shall be effective regardless of any investigations made or which would have been made.

20. No Third Party Beneficiaries

The provisions hereof are for the sole benefit of the parties hereto and, subject to restrictions on transfers by Purchaser stated herein, their respective successors and assigns. No other parties shall any rights or remedies hereunder.

21. Governing Law; Venue

This Agreement shall be governed by the laws of the State of Washington. Venue of any

Tim Croll
SPU Living Building ORD ATT 2
July 17, 2012
Version #1

action brought to interpret or enforce this Agreement shall be in the Superior Court of King County, Washington at Seattle.

22. Waiver of Rights Under RCW Chapter 64.06; Statutory Notice

To the full extent permitted by law, Purchaser hereby irrevocably waives the right to receive a disclosure statement pursuant to RCW Chapter 64.06 and waives any right to rescind this Agreement under RCW Chapter 64.06.

23. Brokerage Commission

Purchaser and Seller agree that no real estate brokers are involved in this transaction or shall be compensated in connection with the sale of the Property or any portion thereof. If any such commission or fee is or becomes due by reason of the conduct of one party, then that party shall pay such fee or commission and shall indemnify and hold the other party harmless from and against any liability for the same reason.

24. Calculation of Time

For purposes of this Agreement, a "business day" is any day that is not a Saturday, Sunday or City of Seattle holiday. If the time for performance of any of the terms, conditions and provisions hereof shall fall on a day that is not a business day, then the time of such performance shall be extended to the next business day thereafter.

25. Interpretation

Any titles of the several Parts, Subparts or Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

26. Counterparts

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

27. Exhibits

The following Exhibits are part of this Agreement and are incorporated herein by this reference:

Exhibit A	Legal Description and Map Showing Location of the Property
Exhibit B	Form of Quit Claim Deed
Exhibit C	Wall Construction Agreement

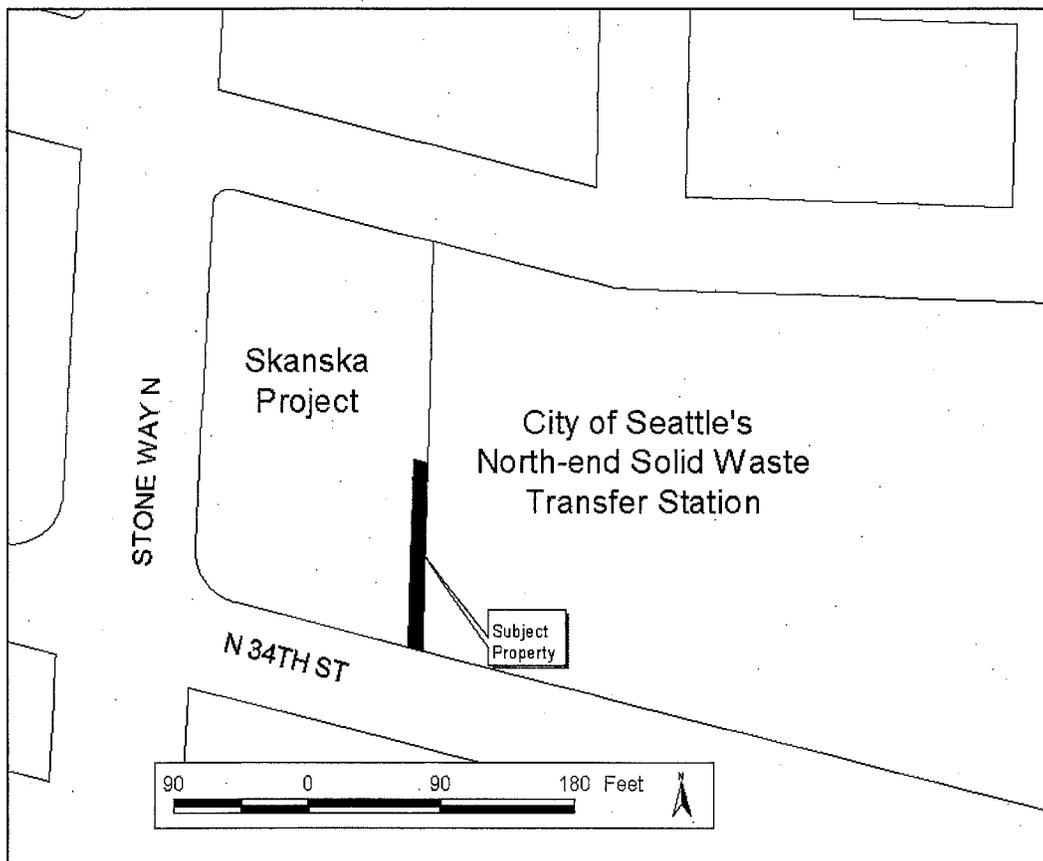


EXHIBIT A

TO REAL ESTATE PURCHASE AND SALE AGREEMENT LEGAL DESCRIPTION

Legal Description:

Beginning at the intersection of the north line of Ewing Street (now N. 34th St), and west line of Edgewater Addition; thence west along the north line of Ewing Street 10 feet; thence north 120 feet; thence east 10 feet to the west line of Edgewater Add; thence south 120 feet to the place of beginning, in King County, Washington.



Tim Croll
SPU Living Building ORD ATT 2
July 17, 2012
Version #1

EXHIBIT B

**TO REAL ESTATE PURCHASE AND SALE AGREEMENT
FORM OF QUIT CLAIM DEED WITH POWER OF TERMINATION**

After recording, return to:

QUIT CLAIM DEED WITH POWER OF TERMINATION

Reference number of related documents:

Grantor: The City of Seattle

Grantee: Fremont Dock Co.

Legal Description:

1. Abbreviated Form:
2. Additional legal description is on Page __ of document.

Assessor's Property Tax Parcel Account Number(s): 182504-9088

Grant. The City of Seattle, a Washington municipal corporation, acting by and through its Seattle Public Utilities ("Grantor"), hereby conveys and quit claims to Fremont Dock Co., ("Grantee"), for and in consideration of the sum of ONE HUNDRED AND TWO THOUSAND Dollars (\$102,000), and subject to the COVENANT set forth below, that certain real property ("Property") located in the City of Seattle, King County, Washington, and legally described as follows:

Beginning at the intersection of the north line of Ewing Street (now N. 34th St), and west line of Edgewater Addition; thence west along the north line of Ewing Street 10 feet; thence north 120



Tim Croll
SPU Living Building ORD ATT 2
July 17, 2012
Version #1

feet; thence east 10 feet to the west line of Edgewater Add; thence south 120 feet to the place of beginning, in King County, Washington.

SUBJECT TO THE FOLLOWING EXPRESS CONDITION:

IF GRANTEE, within two years of the date on which this deed is recorded, has not commenced or caused to be commenced construction of a commercial office building as proposed in the Master Use Permit application filed with the City of Seattle's Department of Planning and Development ("DPD") on December 21, 2011 by 3400 Stone LLC, as it may be revised or amended from time to time and which may include elements of DPD's "Living Building Challenge" through the "Living Building Pilot Program" (or any comparable permit application), then the Grantor shall have the right to enter and retake its former estate in fee simple provided that Grantor must exercise such right of reentry within two (2) years after the expiration of the two year period to commence construction or this right of reentry shall be irrevocably waived and shall be of no further force and effect. Grantor may exercise its right to enter and retake its former estate through recording a confirming document and submission to Grantee of ONE HUNDRED TWO THOUSAND DOLLARS (\$102,000) as reimbursement for the purchase price and without commencing an action or physically entering the property.

COVENANT REGARDING ENVIRONMENTAL CONDITIONS

Except as otherwise provided in the Real Estate Purchase and Sale Agreement of which this covenant is a part, the Property described herein 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 ground-water conditions), either latent or patent, may exist on the Property. Grantee releases 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 regulatory agencies, attorneys, contractors and consultants' fees and costs), 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 or present 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 (excluding any release emanating from the adjoining property owned by the Grantor and used as a solid waste transfer station), that Grantee may have against Grantor. The release provided for herein touches and concerns the Property and is intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor.

For purposes of this COVENANT, the term "Hazardous Substance" shall mean petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; underground or above-ground storage tanks; or any substance or material that is now or hereafter becomes regulated under any federal, state, or local



Tim Croll
SPU Living Building ORD ATT 2
July 17, 2012
Version #1

APPROVED AS TO FORM AND
ACCEPTED BY PURCHASER

The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Quit Claim Deed as to form and acknowledge and accept all of the terms, conditions and provisions of the Covenant Regarding Environmental Conditions contained herein.

By: _____

Print Name: _____

Print Title: _____

Date: _____



Tim Croll
SPU Living Building ORD ATT 2
July 17, 2012
Version #1

EXHIBIT C

**TO PURCHASE AND SALE AGREEMENT
WALL CONSTRUCTION AGREEMENT**



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

Attachment 3
SHORING WALL AGREEMENT AND TEMPORARY TIEBACK EASEMENT
AND TEMPORARY AIRSPACE EASEMENT

After Recording Return to:

Dan Matheson
Skanska USA Commercial Development Inc.
221 Yale Avenue N, Suite 400
Seattle, WA 98109

Grantor: The City of Seattle
Grantees: 3400 Stone, LLC; Fremont Dock Company
Legal Descriptions (abbreviated):

A portion of Government Lot 2, Section 18, Township 25 North, Range 4 East, W.M., in King County, Washington, and a portion of Block 5 Edgewater Addition to the City of Seattle, according to the plat thereof recorded in Volume 3 of Plats, page 141, in King County, Washington, and vacated alley in said Block 5.

Additional Legal Descriptions on pages ___:

Assessor's Tax Parcel ID #s:

1825049072; 1825049075; 1825049132; 1825049088; 2264500450

Recording Numbers of Related Documents: None

SHORING WALL AGREEMENT AND TEMPORARY TIEBACK EASEMENT
AND TEMPORARY AIRSPACE EASEMENT
(3400 Stone)

This Shoring Wall Agreement and Temporary Tieback Easement and Airspace Easement ("Agreement") is made and effective as of this ___ day of _____, 2012, [**Note: The execution copy will be dated the same date as the deed from SPU to FDC and this agreement will be recorded immediately after the deed. This note will not appear in the execution copy**], by and between THE CITY OF SEATTLE, a municipal corporation acting by and through Seattle Public Utilities ("SPU"), FREMONT DOCK CO, a Washington corporation ("Fee Owner") and 3400 STONE LLC, a Delaware limited liability company ("Developer") (collectively referred to as the "Parties" or individually as a "Party").

RECITALS

Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

A. SPU sold and Fee Owner purchased from SPU the property legally described in Exhibit A (the "City Strip") and the parties agreed to enter into this agreement to be effective immediately upon recordation of the deed from SPU to Fee Owner covering the City Strip.

B. Fee Owner owns all of the property legally described in Exhibit B (the "3400 Property").

C. SPU is the owner of certain real property adjacent to the 3400 Property and legally described on Exhibit C attached hereto ("SPU's North Transfer Station Property").

D. Fee Owner has leased the 3400 Property to Developer under a long term ground lease. Developer intends to construct a building, including an underground parking garage and other improvements on the 3400 Property (collectively, the "Project") in compliance with permits obtained from the City of Seattle's Department of Planning and Development ("DPD").

E. In connection with the potential development on the 3400 Property, Developer and SPU desire to enter into this Agreement for the following purposes:

(i) If Developer constructs the Project, to protect the storm drain line that traverses SPU's North Transfer Station Property from adverse impacts during construction of the Project.

(ii) If Developer constructs the Project, to allow Developer to install and maintain temporary subsurface supports and devices such as tieback anchors, soil nails, underpinnings, and related appurtenances (collectively, "Tieback System") on, under or within SPU's North Transfer Station Property and within forty-five (45) feet of the 3400 Property line; and

(iii) If Developer constructs the Project, to allow Developer to use from time to time the airspace above SPU's North Transfer Station Property and within one hundred ninety (190) feet of the 3400 Property line and no lower than twenty (20) feet above the surface of SPU's North Transfer Station Property or improvements for a crane in connection with construction and development activities on the 3400 Property provided such airspace easement use does not, at any time, interfere with regular SPU transfer station operations on SPU's North Transfer Station Property;

(iv) If Developer constructs the Project, to allow SPU, at their option to install certain anchors on a shoring wall to be built on the 3400 Property (the "Shoring Wall") so that SPU may install facing material to conceal the surface of the Shoring Wall that would face SPU's North Transfer Station Property.

NOW, THEREFORE, in consideration of the covenants contained herein, the sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Grant of Tieback Easement.



SPU grants to Fee Owner and Developer the right to install and maintain the Tieback System under and within SPU's North Transfer Station Property and within forty-five (45) feet of the 3400 Property line in accordance with plans and specifications prepared by Developer's architects and engineers and the applicable permits issued by DPD (the "Tieback Easement"). The Tieback Easement includes the temporary right to enter onto SPU's North Transfer Station Property as reasonably necessary in connection with planning and construction of the Tieback System and Shoring Wall provided that such entry does not interfere with regular SPU transfer station operations on SPU's North Transfer Station Property. Developer must request consent by SPU to enter SPU's North Transfer Station Property by submitting a written request to SPU three (3) business days in advance. SPU shall not unreasonably withhold its consent and shall be deemed to have given its consent unless SPU denies consent by written notice to Developer within such three (3) business day period. Developer's entry onto SPU's North Transfer Station Property shall be subject to the restrictions set forth in this Agreement.

Developer covenants that the Tieback System will be used for temporary shoring in connection with the development of the 3400 Property for such period of time as is reasonably necessary for development and construction of the Project, provided however, the Tieback System will be de-tensioned in place by Developer on or before October 1, 2013. Developer shall notify SPU when the Tieback System has been de-tensioned. After completion of the Project, SPU may elect to remove the elements of the Tieback System on SPU's North Transfer Station Property.

2. Shoring Wall Agreement

If the Project is constructed, Developer shall be responsible for the design, construction and all costs of installation of the Shoring Wall to be installed on the 3400 Property along the common boundary with SPU's North Transfer Station Property in accordance with the plans and specifications approved and permitted by the DPD. Developer shall not be required to reimburse SPU for any costs under this provision.

3. Grant of Temporary Airspace Easement to Developer and Fee Owner.

SPU grants to Developer and Fee Owner a temporary airspace easement to permit Developer or Fee Owner to use the airspace above SPU's North Transfer Station Property and within one hundred ninety (190) feet of the 3400 Property boundary line, from time to time for crane and construction-related activities in connection with development and construction of the proposed Project on the 3400 Property, including operation of a construction crane, provided such airspace use does not interfere with regular SPU transfer station operations (as defined by SPU) on SPU's North Transfer Station Property. The crane boom length will not exceed two hundred seventy-five (275) feet and no part of the crane will swing below twenty (20) feet above the surface of SPU's North Transfer Station Property, including any improvements on SPU's North Transfer Station Property. Further, no crane load will swing above SPU North Transfer Station Property. This temporary airspace easement will terminate on April 1, 2014.

Developer shall indemnify and hold SPU harmless from any and all personal injury and/or property damage, losses attributable thereto, attorney's fees and costs arising out of, related to, or in any way connected Developer's use of a crane in the airspace above SPU's North Transfer Station Property or Developer's exercise of any rights granted to Developer through the airspace easement.



4. Grant of Easement to SPU

If Developer completes the Project, effective upon completion of the Shoring Wall, Developer and Fee Owner hereby grant to SPU an easement for the sole purpose of installing, repairing and maintaining anchoring devices attached to the Shoring Wall to support facing material that would cover the surface of the Shoring Wall provided that (a) SPU must obtain the approval of Developer and Fee Owner of the final design and all applicable plans before SPU may exercise any rights under this easement and Developer agrees that Developer's approval will not be unreasonably withheld, (b) the facing material shall not be heavier than an eleven (11) inch thick layer of reinforced concrete, and (c) all contractors who will enter on the 3400 Property to perform any work on behalf of SPU must carry and provide proof of insurance that is reasonably satisfactory to Developer and Fee Owner but not less than the coverage Developer has agreed to carry under Section 5 below. Nothing herein is intended to convey ownership of any part of the 3400 Property to SPU and construction of the Shoring Wall shall not change the legal boundary between the 3400 Property and SPU's North Transfer Station Property. Nothing contained herein is intended to create or shall be deemed to be a gift or dedication of any portion of the 3400 Property to the general public or for any public purposes whatsoever. Except as expressly provided herein, Fee Owner and Developer reserve all rights with respect to the 3400 Property including the right to use the 3400 Property for any purpose that is not inconsistent with the easement granted in this paragraph.

5. Developer Covenants.

Developer covenants that, in the exercise of its rights created herein, Developer shall (a) obtain all necessary permits, licenses and approvals; (b) comply in all respects with applicable laws, regulations, and ordinances and with the terms and conditions of all permits and approvals applicable thereto; (c) exercise its rights hereunder in such a way as to not interfere with the existing improvements (including the existing storm drain line on SPU's North Transfer Station Property) and regular operations thereof as a transfer station on SPU's North Transfer Station Property; (d) maintain workmen's compensation insurance in form and amount as is required by law during all such periods of construction; (e) during any period when Developer's crane is located on the 3400 Property or Developer is installing the Tieback System, to maintain commercial general liability insurance with a combined single limit of not less than \$5,000,000 per occurrence, naming SPU as an additional insured, and Developer shall deliver to SPU certificates and endorsements evidencing that the foregoing insurance is in effect prior to installing Tieback System or operating a crane in the airspace above SPU's North Transfer Station Property; (f) cause Developer's contractor to maintain insurance in such amounts and with such types of coverage as are customary for comparable projects; (g) keep SPU's North Transfer Station Property free and clear of all debris and all liens, charges, and other monetary encumbrances arising out of Developer's exercise of its rights or performance of its obligations hereunder, and (h) comply with all of the terms and conditions of this Agreement at Developer's sole cost and expense.

6. Rights and Responsibilities

A. Identification of Utility Lines



SPU has identified all existing utility lines that traverse the 3400 Property and SPU's North Transfer Station Property within twenty (20) feet of the 3400 Property in that certain ____ dated _____ and Developer acknowledges receipt of a copy of such plan.

B. Permits, Approvals and Environmental Reviews

SPU shall have no obligation to obtain any necessary permits or to perform any environmental reviews that may be required in connection with initial construction of the Shoring Wall and Tieback System. Developer shall have no obligation to obtain any necessary permits to install materials on the Shoring Wall as described in Section 4 above.

C. Design, Permitting and Construction of the Shoring Wall

(i) Design. SPU shall not be responsible for the design of the Shoring Wall and Tieback System. Developer shall provide SPU with copies of any revised plans or additional submittals to DPD relating to the Shoring Wall and Tieback System simultaneously with or prior to their submittal to DPD. SPU shall have the right to reasonably review and approve the revised plans and additional submittals to the extent they relate to the objectives described in Recital E above. SPU shall be deemed to have approved such revised plans or submittals unless SPU notifies Developer in writing detailing its objections and the basis for such objections within five (5) business days after SPU's receipt of the documents.

(ii) Construction. SPU shall have no obligation to construct the Shoring Wall and Tieback System or to assume any portion of the costs thereof or to perform any of the following tasks in connection therewith, including but not limited to:

- a. overseeing construction crews and managing construction work;
- b. coordinating traffic control support services related to Shoring Wall and Tieback System construction;
- c. producing as-built drawings;
- d. directing, administering and coordinating timely performance;
- e. assuring the Shoring Wall and Tieback System comply with all applicable regulations, standards and specifications.

(iii) Notification of Completion and Final Review. Developer shall notify SPU upon completion of construction of the Shoring Wall and Tieback System. SPU shall review the Shoring Wall and Tieback System at that time and shall submit to Developer and Fee Owner a complete list of any concerns or deficiencies within ten (10) business days of the date of the review.

D. Risk of Deterioration, Repairs and Maintenance

For a period of one (1) year after completion, Developer shall be responsible for maintaining the Shoring Wall, including responsibility for all costs of repair to maintain the Shoring Wall. After one year post-completion, Developer shall have no duty to repair or maintain the Shoring Wall, except in the situation where the guard rail located on 3400 Property is damaged and is a risk to SPU, at SPU's reasonable determination, in which case Developer and Owner shall be obligated to



fix such guard rail so that it is in a safe condition. For the continued protection of the storm drain line adjacent to the 3400 Property, the Shoring Wall shall not be demolished or removed, except as provided herein.

If the grade on the 3400 Property side of the Shoring Wall is adjusted to match the grade on SPU's North Transfer Station Property adjacent to the Shoring Wall or if Developer or any successor in interest makes suitable provisions to protect the storm drain line on SPU's North Transfer Station Property (if such drain line then exists on SPU's North Transfer Station Property), then the Shoring Wall may be removed. If the Developer or its successor in interest or Fee Owner desires to remove part of the Shoring Wall, then that party must first confer with and receive permission from SPU before such removal. Such permission shall not be unreasonably withheld. Developer shall deliver to SPU a copy of any plans relating to removal or replacement of the Shoring Wall. SPU shall have the right to reasonably review and approve the plans to the extent they relate to protection of the storm drain line and, if part of the wall will remain in place, protection of the remaining anchoring devices and facing material installed by SPU under Section 4 above. SPU shall be deemed to have approved such plans unless SPU notifies Developer in writing detailing its objections within five (5) business days after SPU's receipt of the documents.

E. Deadlines.

SPU shall reasonably consider any request by Developer to extend the termination dates and deadlines for Developer's performance under Sections 1, 3 and 12 of this Agreement. In the reasonable discretion of its director, SPU may grant any such extension provided that any such extension may not interfere with redevelopment of SPU's North Transfer Station Property.

7. Liens.

If a mechanics lien is filed against SPU's North Transfer Station Property or the 3400 Property as a result of any contractor, subcontractor or other person performing work or supplying materials on behalf of another party, the party on whose behalf the work was performed or materials supplied shall, within thirty (30) days after receipt of notice of the filing of such lien, take all action necessary to cause the release of such lien.

8. Authority.

Each party represents to the others that each has the full power and authority necessary to enter into and perform under this Agreement.

9. Designated Representatives.

Developer and SPU will each designate a representative, who will be the point of contact responsible for communications, notifications and coordination among the Parties but need not be staff dedicated solely to the Project (the "Designated Representatives"). Each Party's initial Designated Representative is identified in the notice provision below or in Exhibit D. Either Party may change its Designated Representative at any time by notice to the other Party. The Designated Representatives will meet as they mutually deem necessary during design, permitting and construction of the Shoring Wall and Tieback System.



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

10. Notices.

Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered: (a) in person; (b) by certified mail, postage prepaid, return receipt required; or (c) by a commercial overnight courier that provides a receipt, and such notices shall be addressed to the respective notice address set forth below, or to such other address as any party may from time to time specify in writing to the other parties. Any notice shall be effective upon mailing or delivery by one of the above methods.

SPU Notice address:

Seattle Public Utilities
Director's Office
Attention: Ray Hoffman
Mail Stop 49-00
700 5th Avenue
Seattle, WA 98104

With a copy to:

Seattle City Attorney's Office
Attention: Engel Lee
P.O. Box 94769
Seattle, WA 98124-4769

Developer Notice address:

3400 Stone LLC
Attn: Dan Matheson
221 Yale Avenue N, Suite 400
Seattle, Washington 98109

With a copy to:

Davis Wright Tremaine
Attn: Lisa Peterson
1201 3rd Ave, Suite 2200
Seattle, WA 98101

Fee Owner Notice address:

Fremont Dock Co.
3401 Evanston Avenue North, Suite A
Seattle, Washington 98103

With a copy to:

John Houlihan Esq.
3401 Evanston Avenue North, Suite C



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

Seattle, Washington 98103

11. Binding Effect.

The benefits and burdens of this Agreement are appurtenant to and shall run with the 3400 Property and SPU's North Transfer Station Property, and shall be binding on the parties' respective heirs, executors, administrators, personal representatives, transferees, successors and assigns. Developer shall record this Agreement in King County records. The covenants contained herein are intended as covenants running with the land not as personal obligations of the parties and upon transfer of its interest in the property, each party shall be released from any obligations hereunder arising thereafter.

12. Duration.

The access portion of the easement rights granted in Sections 1 and 2 above shall remain in effect for the benefit of the parties until April 1, 2014. The easement rights granted in Section 3 above shall remain in effect for the benefit of the parties until April 1, 2014. The easement for the Tieback System shall remain in effect so long as the Tieback System is in place. The easement rights granted in Section 4 shall remain in effect so long as the Shoring Wall is in place.

13. Termination.

If fee title to the City Strip reverts to SPU, this Agreement shall automatically terminate and shall be of no further force and effect.

EXECUTED as of the date first above written:

DEVELOPER:

3400 STONE, LLC, a Delaware limited liability company

By: _____

Name: _____

Its: Manager

FEE OWNER:

FREMONT DOCK CO, a Washington corporation

By: _____

Name: _____

Its: _____

SPU:



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

THE CITY OF SEATTLE, a Washington municipal corporation, by and through SEATTLE PUBLIC UTILITIES

By: _____

Name: Ray Hoffman

Its: Director



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of July, 2012, before me, a Notary Public in and for the State of Washington, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the Manager of 3400 STONE LLC, to be the free and voluntary act and deed of said limited liability company for the uses and purposes mentioned in the instrument.

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

Notary Seal (must not extend into the margins)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of Washington
My appointment expires: _____



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of July, 2012, before me, a Notary Public in and for the State of Washington, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the _____ of FREMONT DOCK CO, to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned in the instrument.

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

Notary Seal (must not extend into the margins)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of Washington
My appointment expires: _____



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of July, 2012, before me, a Notary Public in and for the State of Washington, personally appeared Ray Hoffman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the Director for Seattle Public Utilities, to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned in the instrument.

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

Notary Seal (must not extend into the margins)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of Washington
My appointment expires: _____



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

EXHIBIT A

LEGAL DESCRIPTION OF CITY STRIP

Beginning at the intersection of the north line of Ewing Street (now N. 34th St), and west line of Edgewater Addition; thence west along the north line of Ewing Street 10 feet; thence north 120 feet; thence east 10 feet to the west line of Edgewater Add; thence south 120 feet to the place of beginning, in King County, Washington.



EXHIBIT B

LEGAL DESCRIPTION OF 3400 PROPERTY

PARCEL A:

All that portion of Government Lot 2, Section 18, Township 25 North, Range 4 East, W.M., in King County, Washington, more particularly described as follows:

Beginning at a point on the south line of North 35th Street, formerly Blewett Street, as established by Ordinance No. 14889 of the City of Seattle, at the intersection of said south line and a line parallel with and distant 16 feet west of the extended west line of Lot 22, Block 5, Edgewater Addition to the City of Seattle, according to the plat thereof recorded in Volume 3 of Plats, page 141, in King County, Washington; thence westerly along said south line of North 35th Street, 124.0 feet; thence following said south line of North 35th Street on a curve to the left having a radius of 10.0 feet, a distance of 17.72 feet to a point on the east line of Stone Way, as established by Ordinance No. 12141 of the City of Seattle; thence south along said east line of Stone Way, 130 feet, more or less, to a point on a line which is parallel with and 120 feet north of the north margin of North 34th Street, formerly Ewing Street, as established by Ordinance No. 9480 of said city; thence easterly along said parallel line and said line produced to a point on a line parallel with and distant 16 feet west of the west line of Lot 22, Block 5, said Edgewater Addition; thence north along said parallel line, 139.03 feet, more or less, to the point of beginning.

PARCEL B:

A portion of Government Lot 2, Section 18, Township 25 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at a point on the northerly margin of North 34th Street, formerly Ewing Street, at its intersection with a line parallel to and 10 feet west of the west line of Block 5, said Edgewater Addition; thence north along said parallel line, 120 feet; thence westerly parallel to the northerly line of North 34th Street to the east line of Stone Way, as established by Ordinance No. 12141 of the City of Seattle; thence south and southeasterly along the easterly marginal line of Stone Way and the northerly marginal line of North 34th Street to the point of beginning.

PARCEL C:

That portion of Government Lot 2, Section 18, Township 25 North, Range 4 East, W.M., in King County, Washington described as follows:

Beginning at the northwest corner of Block 5, Edgewater Addition to the City of Seattle, according to the plat thereof recorded in Volume 3 of Plats, page 141, in King County, Washington; thence southerly along the westerly line of said Block 5, a distance of 139.10



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

feet, more or less, to the northwest corner of Lot 13 in said Block 5; thence westerly parallel to the northerly line of Ewing Street as established by City of Seattle Ordinance Number 9480, a distance of 16.37 feet, more or less, to a point 16 feet westerly, when measured at right angles, to the westerly line of said Block 5; thence northerly parallel to and 16 feet westerly of, when measured at right angles, the westerly line of said Block 5, a distance of 139.03 feet, more or less, to the southerly line of Blewett Street as established by City of Seattle Ordinance 14889; thence easterly along the southerly line of Blewett Street a distance of 16.36 feet, more or less, to the point of beginning.

PARCEL D:

Beginning at the intersection of the north line of Ewing Street (now N. 34th St), and west line of Edgewater Addition; thence west along the north line of Ewing Street 10 feet; thence north 120 feet; thence east 10 feet to the west line of Edgewater Add; thence south 120 feet to the place of beginning, in King County, Washington.



EXHIBIT C

LEGAL DESCRIPTION OF SPU'S NORTH TRANSFER STATION PROPERTY

Blocks 4 and 5, Edgewater Addition to the City of Seattle, according to the plat thereof recorded in Volume 3 of Plats, page 141, in King County, Washington, and

That portion of Interlake Avenue North from the northerly line of North 34th Street to the south line of North 35th Street; also, the Alley in Block 4, Edgewater Addition, as recorded in Volume 3 of Plats, page 141, Records of King County, Washington, being the alley between North 34th Street and North 35th Street, from the east line of Interlake Avenue North to the west line of Carr Place North, as vacated in City of Seattle Ordinance 95315, and

The alley in Block 5, Edgewater Addition, as recorded in Volume 3 of Plats, page 141, records of King County, Washington, being the alley between North 34th Street and North 35th Street from Interlake Avenue North to the production south of the west line of Lot 22, said block, as vacated by City of Seattle Ordinance 91971.

EXCLUDING THE FOLLOWING

Beginning at the intersection of the north line of Ewing Street (now N. 34th St), and west line of Edgewater Addition; thence west along the north line of Ewing Street 10 feet; thence north 120 feet; thence east 10 feet to the west line of Edgewater Add; thence south 120 feet to the place of beginning, in King County, Washington.



Tim Croll
SPU Living Building ORD ATT 3
July 17, 2012
Version #1

EXHIBIT D

DESIGNATED REPRESENTATIVES



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Tim Croll/684-7934	Karl Stickel/684-8085

Legislation Title:

AN ORDINANCE relating to Seattle Public Utilities; authorizing the sale of certain real property at the North Transfer Station and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation would declare surplus and authorize the sale of a 10-foot wide by 120-foot deep piece of property on the western edge of the SPU's North Transfer Station property to the adjoining property owner, Fremont Dock Company.

Background:

Seattle Public Utilities owns two parcels that make up the North Transfer Station. The 10-foot wide by 120-foot deep parcel on the west side of the transfer station was purchased in 1916. Fremont Dock Company requested to buy the parcel to enable construction of a commercial office building and related improvements as proposed in the Master Use Permit application filed by 3400 Stone LLC with the City of Seattle's Department of Planning and Development on December 21, 2011. SPU can design and construct its new North Transfer Station without this portion of the transfer station property and is willing to sell the property for the purposes described above, subject to an array of conditions contained in this legislation.

 X This legislation has financial implications.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2012 Revenue	2013 Revenue
Solid Waste Fund - 45010	Seattle Public Utilities	Proceeds on Sales of Assets	\$102,000	
TOTAL			\$102,000	

Revenue/Reimbursement Notes:

The property will be sold for \$102,000.



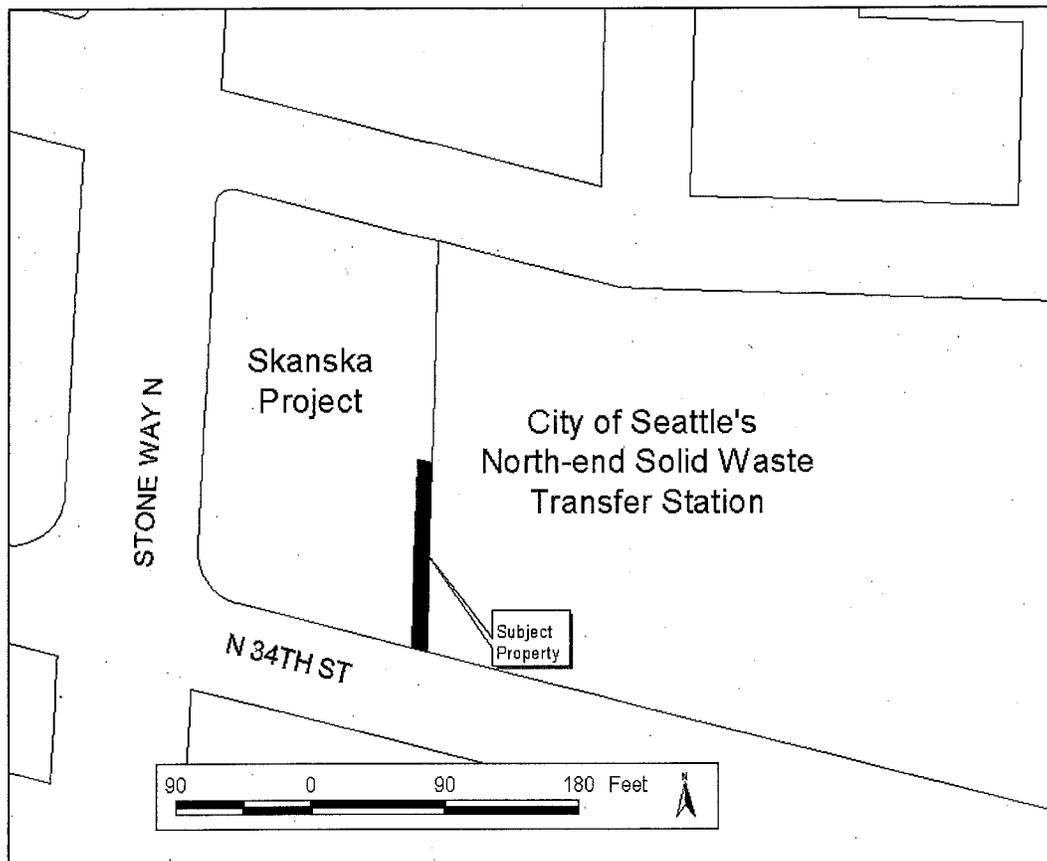
Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No.
- b) **What is the financial cost of not implementing the legislation?**
SPU would not receive the \$102,000 for the sale of the property.
- c) **Does this legislation affect any departments besides the originating department?**
No.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
SPU could lease the property and potentially recover it later. The Purchase and Sale Agreement associated with this legislation contains a provision for the sale to “unwind” and the property reverts back to SPU if the development proposal does not come to fruition.
- e) **Is a public hearing required for this legislation?**
Yes. Public hearings held concurrent with Committee and Council meetings will meet the requirement for the sale of this property. Also, neighbors within a 1,000 foot radius were notified during FAS’ excess property process.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- g) **Does this legislation affect a piece of property?**
Yes. A map is attached to the legislation.
- h) **Other Issues:** None

List attachments to the fiscal note below:

Exhibit A – Map of subject property

Exhibit A Map





City of Seattle
Office of the Mayor

July 24, 2012

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill authorizing the sale of a narrow strip Seattle Public Utilities' North Transfer Station property and authorizing the granting and acceptance of easements and permits to aid the development of an adjoining Living Building and Seattle Deep Green Pilot Program project.

As you will recall, Seattle Public Utilities is redeveloping its North Transfer Station to better serve customers, neighbors and the environment. Coincidentally, the owner of property immediately to the west of the transfer station site is redeveloping property using the City's Living Building and Seattle Deep Green Pilot Program. This development would house the corporate headquarters of Brooks Sports Incorporated and would be a major economic contributor to Seattle. A small part of the North Transfer Station property is required to make the project feasible, and Seattle Public Utilities has determined it can design and construct its new transfer station without this part of the property.

Executive departments took several additional steps to facilitate the property sale and thereby the development project. The Finance and Administrative Services Department completed the property surplus process established in Resolution 30862 and is recommending the surplus proceeding. Seattle Public Utilities had the property appraised and negotiated a deal that gets SPU fair market value for the land and enables construction of both projects.

City Council's approval of this property sale, in tandem with its potential actions to modify the Living Building and Seattle Deep Green Pilot Program which the Council is considering, would result in significant advances in both our environment and economy. Thank you for your consideration of this legislation. Should you have questions, please contact Timothy Croll at 684-7934.

Sincerely,

Paul Smith Deputy Mayor

Michael McGinn
Mayor of Seattle

*for Mike McGinn
Mayor of Seattle*

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcgin@seattle.gov

