



SEATTLE CITY COUNCIL

Legislative Summary

CB 118713

Record No.: CB 118713

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125074

In Control: City Clerk

File Created: 06/01/2016

Final Action: 07/15/2016

Title: AN ORDINANCE relating to the sale of the Pacific Place Garage condominium unit ("Garage"); finding that City ownership of the Garage no longer serves municipal purposes; authorizing the sale of the Garage for \$87 million to MPH PP Garage LLC; authorizing the Director of Finance and Administrative Services to execute all documents and take other necessary actions to complete the sale of the Garage; directing the deposit of the net sale proceeds; and exempting the sale from the requirements of Resolution 29799 as amended by Resolution 30862.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att A - Purchase and Sale Agreement (Part 1 of 2), Att A - Purchase and Sale Agreement (Part 2 of 2)

Drafter: Robert.farrell@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	06/07/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk Notes:						
1	City Clerk	06/07/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office Notes:						

- 1 Council President's Office 06/23/2016 sent for review Affordable Housing, Neighborhoods, and Finance Committee
Action Text: The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee
Notes:
- 1 Full Council 06/27/2016 referred Affordable Housing, Neighborhoods, and Finance Committee
Action Text: The Council Bill (CB) was referred. to the Affordable Housing, Neighborhoods, and Finance Committee
Notes:
- 1 Affordable Housing, Neighborhoods, and Finance Committee 07/06/2016 pass Pass
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:
In Favor: 3 Chair Burgess, Vice Chair Herbold, Member Johnson
Opposed: 0
- 1 Full Council 07/11/2016 passed Pass
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
Notes:
In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant
Opposed: 0
- 1 City Clerk 07/12/2016 submitted for Mayor's signature Mayor
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:
- 1 Mayor 07/15/2016 Signed
Action Text: The Council Bill (CB) was Signed.
Notes:
- 1 Mayor 07/15/2016 returned City Clerk
Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:
- 1 City Clerk 07/15/2016 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:
-

CITY OF SEATTLE
ORDINANCE 125074
COUNCIL BILL 118713

AN ORDINANCE relating to the sale of the Pacific Place Garage condominium unit ("Garage"); finding that City ownership of the Garage no longer serves municipal purposes; authorizing the sale of the Garage for \$87 million to MPH PP Garage LLC; authorizing the Director of Finance and Administrative Services to execute all documents and take other necessary actions to complete the sale of the Garage; directing the deposit of the net sale proceeds; and exempting the sale from the requirements of Resolution 29799 as amended by Resolution 30862.

WHEREAS, the Pacific Place Garage condominium unit ("Garage") and adjoining Pacific Place Retail condominium unit were constructed to support the redevelopment of three square blocks of downtown Seattle and to catalyze redevelopment of the overall downtown retail core by contributing to increased pedestrian traffic, improved public safety, and enhanced vehicular circulation; and

WHEREAS, Ordinance 118011 authorized the City to acquire the Garage and enter into an agreement with the original developers of Pacific Place, and the City accepted the deed for the Garage by Ordinance 119290 and since then has continuously operated it as a commercial parking garage; and

WHEREAS, by offering a predictable and affordable supply of short-term parking in the heart of the downtown retail core, the Garage has contributed immeasurably to the health of the downtown retail core and has facilitated an increase in the City's share of sales tax and business and occupation taxes as generated by other businesses in the downtown retail core; and

1 WHEREAS, the Garage is subject to recorded parking covenants and a parking agreement by
2 and amongst the City, MPH Pacific LLC (as successor to the original retail unit owner),
3 and Nordstrom, Inc. ("the Parking Agreement"); and

4 WHEREAS, the Parking Agreement governs the rates charged for short-term parking and
5 remains in effect until 2038, but is subject to a series of automatic, ten-year extensions,
6 surviving the City's sale of the Garage; and

7 WHEREAS, the Department of Finance and Administrative Services has determined that, after
8 nearly 18 years of owning and operating the Garage, given the Parking Agreement and
9 the Garage's stabilized operations, the original purposes for acquiring the Garage have
10 been met and no public interest is served by the City's continued ownership of the
11 Garage; and

12 WHEREAS, FAS retained a commercial real estate broker to market the Garage and conduct
13 solicitation of inquiries and offers, which culminated in multiple offers for the Garage;
14 and

15 WHEREAS, having determined that MPH PP Garage LLC, an affiliate of the owner of the retail
16 unit, made the most favorable offer, the Director of Finance and Administrative Services
17 ("Director") entered into a purchase and sale agreement for the sale of the Garage to
18 MPH PP Garage LLC, whereby the sale of the Garage is conditioned upon City Council's
19 authorization of the sale by ordinance; and

20 WHEREAS, the City financed the purchase of the Garage with tax exempt bonds and the City
21 previously covenanted not to take any action that would affect the tax exempt status of
22 those bonds; and

1 WHEREAS, in order to preserve the tax exempt status of such tax exempt bonds, Council Bill
2 _____ requires the Director to take the appropriate remedial actions with
3 respect to the net disposition proceeds, as required by the applicable provisions of the
4 Internal Revenue Code, including using a portion of the net disposition proceeds to
5 defease and redeem the outstanding bonds; NOW, THEREFORE,

6 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

7 Section 1. As used in this ordinance, “the Garage” means the property commonly known
8 as the Pacific Place Garage condominium unit and legally described as follows:

9 Garage Unit, Pacific Place, a condominium, according to the Declaration thereof
10 recorded August 27, 1998 under recording No. 9808271807, and amendments thereto,
11 said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at
12 Pages 1 through 7, Recorder’s File No. 9808271806, records of King County and situate
13 in the City of Seattle, King County, Washington.

14 Section 2. The City finds that the Garage is no longer required for municipal purposes
15 and is surplus to the City’s needs.

16 Section 3. The Director of Finance and Administrative Services (“Director”) or the
17 Director’s designee is authorized to sell the Garage to MPH PP Garage LLC for \$87,000,000, all
18 cash at closing, title to be conveyed by bargain and sale deed, all pursuant to the terms and
19 conditions of that certain Purchase and Sale Agreement by and between The City of Seattle and
20 MPH PP Garage LLC (“PSA”), attached as Attachment A to this ordinance.

21 Section 4. The Director is authorized to carry out the terms and conditions of the PSA.

22 Section 5. The Director or the Director’s designee is authorized to negotiate, execute,
23 deliver, and record any and all documents and agreements necessary or advisable to carry out the
24 sale of the Garage as authorized by this ordinance, so long as the price is not reduced and the
25 City’s liabilities are not increased.

1 Section 6. The Director is authorized to make technical, conforming, or otherwise
2 immaterial changes to the PSA, the bargain and sale deed, and other documents necessary to
3 close the transaction, and to negotiate material revisions to the PSA benefitting the City, so long
4 as the City's rights with respect to the sale price are not reduced and the City's liabilities are not
5 materially increased.

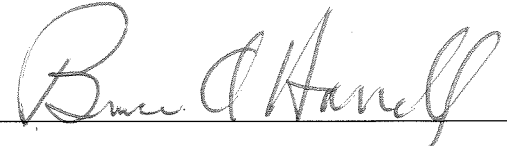
6 Section 7. After deduction of sale-related charges and costs arising out of the PSA and
7 made through escrow, including but not limited to deductions for payment of the broker's fees,
8 the net proceeds from the sale of the Garage will be initially deposited into the Parking Garage
9 Operations Fund, to be transferred immediately thereafter as directed in Council Bill
10 _____, which will be presented to the City Council for approval on or about the date of
11 this ordinance.

12 Section 8. The net disposition proceeds deposited pursuant to Section 7 shall be used in
13 accordance with Council Bill _____ as passed, to carry out the defeasance of the
14 outstanding tax exempt bonds and for the other purposes set forth therein.

15 Section 9. The sale of the Garage is exempt from the requirements of Resolution 29799
16 as amended by Resolution 30862.

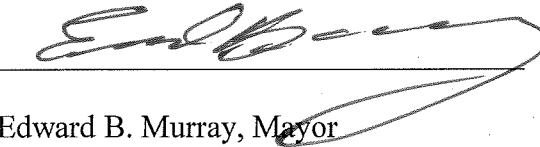
Section 10. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 11th day of July, 2016,
and signed by me in open session in authentication of its passage this 11th day of
July, 2016.



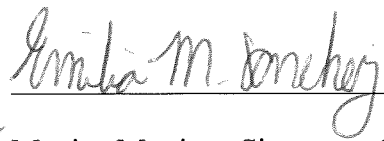
President _____ of the City Council

Approved by me this 15th day of July, 2016.



Edward B. Murray, Mayor

Filed by me this 15th day of July, 2016.


for Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment A – Purchase and Sale Agreement by and between The City of Seattle and MPH PP
Garage LLC

Attachment A to ordinance authorizing the sale of the Pacific Place Garage

Purchase and Sale Agreement by and between the City of Seattle and MPH PP Garage LLC

1 of 2

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PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

THE CITY OF SEATTLE

("SELLER")

AND

MPH PP GARAGE LLC

("PURCHASER")

FOR

PACIFIC PLACE GARAGE
 (Parcel Nos. 660047-0020-02)

Schedules

SCHEDULE A	Legal Description of the Real Property
SCHEDULE B	Description of Personal Property and Intangible Property
SCHEDULE 4.2(c)	List of Occupancy Agreements
SCHEDULE 4.2(i)	List of Property Contracts and Monthly Parking Agreements
SCHEDULE 4.2(k)	List of Prior Environmental Reports
SCHEDULE 4.2(dd)	Schedule of Parking Rates
SCHEDULE 4.3(h)	List of Property Contracts to be Terminated; List of Assigned Contracts
SCHEDULE 4.3(i)	Post-Closing Access Agreement
SCHEDULE 4.3(j)	Nordstrom Estoppels
SCHEDULE 5.2	Purchaser's Due Diligence Checklist
SCHEDULE 6.3	Excluded Personal Property
SCHEDULE 8.2(a)	Form of Deed
SCHEDULE 8.2(c)	Form of Bill of Sale
SCHEDULE 8.2(d)	Form of General Assignment
SCHEDULE 8.2(e)	Form of Termination of Umbrella Agreement
SCHEDULE 8.2(f)	Form of Assumption of Parking Agreements
SCHEDULE 8.2(g)	Form of HIRPTA Affidavit
SCHEDULE 8.2(h)	Form of Affidavit and Indemnity by Owner
SCHEDULE 8.2(l)	Seller's Closing Certificate

Index of Definitions

"Access Agreement" is defined in Section 5.1.

"Act" is defined in Section 12.16(a).

"Affiliate" is defined in Section 12.1.

"Agreement" is defined in the introductory paragraph of this Agreement.

"Amano" is defined in Section 4.2(ee).

"Amano Consent" is defined in Section 4.2(cc).

"Appurtenances" is defined in Section 2.1(a).

"Assigned Contracts" is defined in Section 4.3(h).

"Association" is defined in Section 2.1(c).

"Association Assets" is defined in Section 3.6(b).

"Association Liabilities" is defined in Section 3.6(b).

"Assumption of Parking Agreements" is defined in Section 8.2(f).

"Assumption of Umbrella Agreement" is defined in Section 8.2(e).

"Authorizing Ordinance" is defined in Section 7.1(a).

"Bill of Sale" is defined in Section 8.2(c).

"Brokers" is defined in Section 10.1.

"Business Day" is defined in Section 12.13.

"CDP" is defined in Section 8.2(e).

"City Clerk" is defined in Section 7.1(a).

"City Council" is defined in Section 7.1(a).

"Closing" is defined in Section 8.1.

"Closing Date" is defined in Section 8.1.

"Closing Statement" is defined in Section 8.2(f).

"Common Elements" is defined in Section 2.1(a).

"Condominium Certification" is defined in Section 7.1(c).
 "Condominium Documents" is defined in Section 2.1(c).
 "Confidential Information" is defined in Section 12.16(a).
 "Data Room" is defined in Section 5.2.
 "Declaration" is defined in Section 2.1(a).
 "Deposit" is defined in Section 3.1(a).
 "Diamond" is defined in Section 4.3(h).
 "Diamond Assignment" is defined in Section 4.3(h).
 "Diamond Deliveries" is defined in Section 4.3(h).
 "Diamond Employees" is defined in Section 4.5(b).
 "Diamond Parking Management Agreement" is defined in Section 4.3(h).
 "Diamond's Rates and Benefits" is defined in Section 4.5(b).
 "Due Diligence Materials" is defined in Section 5.2.
 "Effective Date" is defined in the introductory paragraph of this Agreement.
 "Environmental Laws" is defined in Section 4.2(k).
 "ERISA" is defined in Section 4.2(aa).
 "Escrow Agent" is defined in Section 3.1(a).
 "FAS" means Seller's Department of Finance and Administrative Services as defined in the introductory paragraph of this Agreement.
 "Garage Unit" is defined in Section 2.1(a).
 "General Assignment" is defined in Section 8.2(d).
 "Governmental Lists" is defined in Section 4.2(aa).
 "Hazardous Materials" is defined in Section 4.2(k).
 "Holdback Amount" is defined in Section 4.2.
 "Improvements" is defined in Section 2.1(a).
 "Inspection Period" is defined in Section 5.1.

"Intangible Property" is defined in Section 2.1(c).
 "Land" is defined in Section 2.1(a).
 "Limited Common Elements" is defined in Section 2.1(a).
 "Major Casualty" is defined in Section 9(a).
 "Materials" is defined in Section 5.1.
 "Mayor" is defined in Section 7.1(a).
 "Monetary Liens" is defined in Section 6.1.
 "Monthly Parking Agreements" is defined in Section 4.2(i).
 "New Exception" is defined in Section 6.1.
 "New Title Objections" is defined in Section 6.1.
 "Nordstrom" is defined in Section 8.2(f)(i).
 "Nordstrom Estoppels" is defined in Section 4.3(j).
 "Notice of Objection" is defined in Section 13.1(c).
 "Occupancy Agreements" is defined in Section 4.2(c).
 "OFAC" is defined in Section 4.2(aa).
 "Out of Pocket Costs" is defined in Section 11.1.
 "Parking Agreement" is defined in Section 8.2(f)(ii).
 "Parking Covenants" is defined in Section 8.2(f)(i).
 "Parking Rates" is defined in Section 4.2(dd).
 "Patriot Act Offense" is defined in Section 4.2(aa).
 "Permitted Exception" is defined in Section 6.1.
 "Person" means a natural person, corporation, trust, partnership, limited partnership, limited liability company or other legal entity or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality.
 "Personal Property" is defined in Section 2.1(b).
 "Pine Street" is defined in Section 8.2(c).

"Post-Closing Access Agreement" is defined in Section 4.3(i).
 "Property" is defined in Section 2.1(c).
 "Property Contract" is defined in Section 4.2(i).
 "Purchase Price" is defined in Section 3.1.
 "Purchaser" is defined in the introductory paragraph of this Agreement.
 "Purchaser's Closing Documents" is defined in Section 8.3.
 "Purchaser's Demand for Deposit" is defined in Section 13.1(b)(iv).
 "Purchaser's Representatives" is defined in Section 4.4.
 "Real Property" is defined in Section 2.1(a).
 "Removal Period" is defined in Section 6.1.
 "Resolved" is defined in Section 4.2.
 "Seller" is defined in the introductory paragraph of this Agreement.
 "Seller's Closing Documents" is defined in Section 8.2.
 "Seller's Demand for Deposit" is defined in Section 13.1(b)(ii).
 "Seller's Representatives" is defined in Section 4.2.
 "Survey" is defined in Section 6.1.
 "Survival Period" means the period commencing on the earlier of (i) the expiration or earlier termination of this Agreement, or (ii) the Closing Date, and ending on the one (1) year anniversary thereof.
 "Target Closing Date" is defined in Section 8.1.
 "Title Objections" is defined in Section 6.1.
 "Title Policy" is defined in Section 7.2(d).
 "Title Report" is defined in Section 6.1.
 "Umbrella Agreement" is defined in Section 8.2(e).

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "*Agreement*") is entered into as of the 19th day of May, 2016 (the "*Effective Date*"), by and between THE CITY OF SEATTLE, a first class charter city of the State of Washington ("*Seller*") acting by and through its Department of Finance and Administrative Services, and MPH PP GARAGE LLC, a Delaware limited liability company ("*Purchaser*"). Purchaser and Seller may each be referenced herein as a "*party*" or, collectively, as the "*parties*." The Department of Finance and Administrative Services for the City of Seattle is referred to in this Agreement as "*FAS*."

In consideration of the promises set forth below, Seller and Purchaser agree as follows:

ARTICLE 1 - Purchase and Sale Agreement

1.1 Agreement to Purchase and Sell. In consideration of the undertakings and mutual covenants of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Seller agrees to sell the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller, for the Purchase Price, payable as provided below and subject to the terms and conditions of this Agreement.

ARTICLE 2 - The Property

2.1 Description of the Property. The Property consists of the following:

(a) The condominium unit legally described in Schedule A attached hereto (the "*Garage Unit*") together with (i) all limited common elements allocated to the Garage Unit (collectively, the "*Limited Common Elements*") under the condominium declaration for Pacific Place, a condominium, recorded in the real property records of King County, Washington, on August 27, 1998 under recording No. 9808271807 (including all amendments thereto, the "*Declaration*"); (ii) all of Seller's rights, titles and interests to the common elements (collectively, the "*Common Elements*") established under the Declaration; (iii) to the extent not established as a Common Element or a Limited Common Element under the Declaration, all of Seller's rights, titles and interests to the structures, improvements, buildings, parking spaces and fixtures located within the Garage Unit (collectively, the "*Improvements*"); (iv) to the extent not established as a Common Element under the Declaration, all of Seller's rights, titles and interests to the land on which the Garage Unit is located (the "*Land*"); and (v) all of Seller's rights, privileges, easements, titles, powers, licenses and interests appurtenant, either at law or in equity, in possession or in expectancy, in and to (A) the Garage Unit, the Limited Common Elements, the Common Elements, the Improvements and the Land, (B) any real estate lying in the streets, highways, roads, alleys, rights-of-way or sidewalks, open or proposed, in front of, above, over, under, through or adjoining the Garage Unit, the Limited Common Elements, the Common Elements, the Improvements and the Land and in and to any strips or gores of real estate adjoining any of the foregoing (excluding Seller's interest in public rights-of-way), and (C) all mineral, oil, gas and other hydrocarbon substances on and under and that may be produced from the Garage Unit, including, without limitation, all development rights, land use entitlements, air rights, water rights, riparian rights, and water stock relating to the Garage Unit, the Limited

Common Elements, the Common Elements, the Improvements and the Land (collectively, the "Appurtenances"). The Appurtenances do not include that certain Facade Easement dated April 1, 1996, by and between DE Corporation, as Grantor, and Pine Street Development L.L.C., as Grantee, whose interest has been assigned to Seller pursuant to that certain Assignment of Facade Easement dated November 17, 1998 and recorded in the real property records of King County, Washington under Auditor's File No. 9811171709. The Garage Unit together with the Appurtenances, the Limited Common Elements, the Common Elements, the Improvements and the Land, are, collectively, referred to as the "Real Property."

(b) The tangible personal property described in Schedule B attached hereto, together with all other equipment (except servers), apparatus, fixtures, appliances, inventory, machinery, furniture, furnishings, apparatus, systems, utilities, data, fittings, supplies, books, records, accounts, files, keys and codes, logos, brochures, manuals, advertising materials, plans and specifications, transferable utility contracts, transferable telephone exchange numbers, engineering plans and studies, floor and landscape plans, other personal property of whatever kind or character owned by Seller and now or hereafter attached to or installed or located on or in the Real Property or the operation, ownership or management thereof, such as, but without limitation, heating and air conditioning systems and facilities used to provide any utility services, refrigeration, ventilation, or other services on the Real Property (collectively, the "Personal Property"); and

(c) All of Seller's rights, titles and interests in and to (i) all leases, subleases, rental agreements or licenses, and all amendments, modifications and assignments thereto, if any, that relate to or affect the Real Property, the Personal Property or the operation thereof, but only to the extent any of the foregoing constitute an Assigned Contract or a Permitted Exception hereunder, (ii) all construction contracts and agreements, service, maintenance, supply, software or other contracts or subcontracts that affect the Real Property, the Personal Property or the operation thereof, including, without limitation, all agreements for the leasing or licensing of rooftop space or equipment, telecommunications equipment, cable access and other space, equipment, and facilities that are located on or within the Real Property, and all amendments, modifications and assignments thereto, but only to the extent any of the foregoing constitute an Assigned Contract or a Permitted Exception hereunder, (iii) all deposits paid to or received by Seller in connection with the agreements listed in the immediately preceding subsections (i) and (ii), (iv) all assignable warranties, guaranties, licenses (including, but not limited to, Seller's iParc software license), permits and bonds that affect the Real Property, the Personal Property or the operation thereof, together with all amendments thereto, (v) all trademarks, trade names or symbols under which the Real Property (or any part thereof) is operated including without limitation the name of "Pacific Place Garage" and other intellectual property, goodwill, rights and privileges owned by Seller related to our used in connection with the Real Property; the plans and specifications and other architectural and engineering drawings for the Real Property, if any; and governmental permits, approvals, entitlements, variances, authorizations, consents, waivers and licenses related to our used in connection with the Real Property, if any, (vi) any other intangible personal property now or hereafter owned by Seller and used in the ownership, use and operation of the Real Property or the Personal Property, (viii) the Declaration and the Survey Map and Plans for Pacific Place, a condominium together with all amendments thereto (collectively, the "Condominium Documents"), Permitted Exceptions and Assigned Contracts and (ix) the Pacific Place Owners Association (the "Association") as a member thereof (all of the foregoing, collectively, the "Intangible Property").

The Real Property, Personal Property and Intangible Property are referred to herein, collectively, as the "Property."

ARTICLE 3 - Purchase Price; Deposit; Adjustments

3.1 Purchase Price. The purchase price is Eighty-Seven Million and No/100 Dollars (\$87,000,000.00) (the "Purchase Price").

(a) Deposit. On or before the fifth (5th) Business Day following the Effective Date, Purchaser shall deposit with Chicago Title Insurance Company ("Escrow Agent") the cash sum of Five Million and No/100 Dollars (\$5,000,000.00) (the "Deposit") to secure Purchaser's obligations under this Agreement; provided, however, if such fifth (5th) Business Day is a Friday, the foregoing deadline for the Deposit shall automatically move to the next Business Day. Purchaser shall pay the Deposit by wire transfer of immediately available federal funds. Escrow Agent shall hold the Deposit in an interest-bearing account with an FDIC insured bank and all interest thereon shall be maintained by Escrow Agent in such account and shall be disbursed pursuant to the terms and conditions of this Agreement. The Deposit shall be applied to the Purchase Price at Closing, unless forfeited to Seller or refunded to Purchaser pursuant to the terms of this Agreement.

(b) Deferred Maintenance Credit. At Closing, Purchaser shall be entitled to a closing credit in the amount of Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00) to compensate Purchaser for the anticipated cost of performing deferred maintenance on the Property, which credit shall be shown on the Closing Statement.

3.2 Balance of Purchase Price. On the Closing Date, Purchaser shall pay the Purchase Price, less a credit for the Deposit and subject to any adjustments and pro-rations specified herein, by wire transfer of immediately available federal funds to Escrow Agent to be applied at Closing in accordance with this Agreement.

3.3 Prorations of Taxes and Assessments. All real and personal property taxes and assessments, including condominium assessments levied under RCW 64.34.360, attributable to the year in which Closing occurs shall be prorated and adjusted as of the Closing Date (regardless of whether such taxes and special assessments are then due and payable or delinquent). Purchaser acknowledges that pursuant to RCW 84.36.010 the Real Property is not currently subject to property tax because Seller is a public entity, and that, if Closing occurs hereunder, this public entity tax exemption will not extend to Purchaser's ownership of the Real Property under RCW 84.36.010. Except as set forth below in Section 3.10, Purchaser shall be responsible for any property taxes imposed as a result of the transfer of the Real Property or cessation of exempt use, including, without limitation, supplemental taxes imposed pursuant to statute, including without limitation RCW 84.40.360, none of which shall be prorated. Seller shall be responsible for payment of all taxes and assessments with respect to the Property relating to the period prior to Closing, including, without limitation, any special assessments or LID assessments, and Purchaser shall be responsible for payment of all taxes and assessments with respect to the Property relating to the period after Closing, including, without limitation, any special assessments or LID assessments. If any tax or assessment for the year in which Closing occurs is not finally determined as of the Closing Date, then the tax figures for the immediately prior year shall be used for the purposes of proration on the Closing Date, and a

further adjustment shall be made after Closing within sixty (60) days after the bills for the applicable period are received.

3.4 Income and Expenses. Income derived from the Property and ordinary operating expenses incurred by Seller with respect to the Property shall be prorated between Seller and Purchaser as of the Closing Date, including, without limitation, income and expenses attributable to Assigned Contracts (including, the Monthly Parking Agreements) and Permitted Exceptions. Income and expenses attributable to the period prior to the Closing Date shall be for the account of Seller, and income and expenses attributable to the period on and after the Closing Date shall be for the account of Purchaser. If a third-party is in arrears in amounts due and payable under a Monthly Parking Agreement, any payments received from such third-party after the Closing Date shall be applied in the following order of priority: (i) first, to the month in which Closing occurred; (ii) then, to any month or months following the month in which Closing occurred; and (iii) then to any month or months preceding the month in which Closing occurred. If any sum, or any portion thereof, received by Seller or Purchaser after Closing is payable to the other party by reason of the foregoing allocation, the appropriate sum, less a proportionate share of any reasonable, out-of-pocket costs and expenses of collection thereof, shall be paid to the other party within thirty (30) days of receipt thereof.

3.5 Utilities. Seller shall cause all meters for electricity, gas, water, sewer or other utility usage at the Real Property to be read on the Closing Date, and Seller shall pay all charges for utilities consumed at the Real Property prior to the Closing Date; provided, however, that if and to the extent any utility charges are paid directly by a third-party (including any condominium unit owners' association) no meter reading or payment shall be required. If any utility provider is unable or refuses to read its meter on the Closing Date, all charges for those utility charges to the extent unpaid shall be prorated and adjusted as of the Closing Date based on the most recent bills therefor. Seller shall provide a notice to Purchaser five (5) days prior to the Closing Date stating (i) which utility meters will be read as of the Closing Date and (ii) a copy of the most recent bill for any utility charges which are to be prorated and adjusted as of the Closing Date as an adjustment at the Closing. If any utility meter(s) cannot be read as of the Closing Date and, therefore, the most recent bill is used to prorate and adjust as of the Closing Date as an adjustment at the Closing, then the parties agree to the extent that the amount of such prior bill proves to be more or less than the actual utility charges for the applicable pro-rata period, a further adjustment shall be made after the Closing Date within sixty (60) days after the bills for the applicable period are received.

3.6 Condominium Charges.

(a) Common charges, assessments and other condominium fees due and payable by the owner of the Real Property under the Declaration and the other Condominium Documents shall be prorated as of the Closing Date. On or before the Closing Date, Seller shall pay all assessments, charges and fees accrued or to be due under the Condominium Documents with respect to the Garage Unit relating to the period prior to Closing.

(b) At Closing, the parties shall calculate the sum of all cash and prepaid expenses (collectively, "Association Assets") and the accounts payable and accrued liabilities (collectively, "Association Liabilities") using the Association's unaudited compilation of balance sheets for calendar year 2016. If the resulting Association Assets are greater than

Association Liabilities on the Closing Date, Seller shall be entitled to a credit at Closing equal to one-half of the difference between Association Assets and Association Liabilities. If the resulting Association Liabilities are greater than Association Assets on the Closing Date, Purchaser shall be entitled to a credit at Closing equal to one-half of the difference between Association Liabilities and Association Assets. In the event that, on or before the date that is five (5) days prior to the Closing Date, the information necessary to calculate the foregoing credit, if any, is not available, then Seller and Purchaser shall work together in good faith to determine the applicable portion of such credit, if any, using the most currently available information.

3.7 Estimates. Not later than four (4) Business Days prior to the Closing Date, Escrow Agent shall prepare an estimate of the pro-rations required under this Agreement and a computation showing such estimated pro-rations, based upon bills and other evidence Seller shall provide as may be reasonably requested by Purchaser and Escrow Agent to confirm the pro-rations for the Closing Statement. In the event that on the Closing Date the precise figures necessary for any of the foregoing adjustments are not capable of determination, then, at Seller's option, those adjustments shall be made on the basis of good faith estimates of Seller using currently available information, as reasonably approved by Purchaser. Seller and Purchaser shall each cooperate with the other diligently and promptly to correct any errors in computations or estimates under this Article 3 and shall promptly pay to the party entitled thereto any refund, credit or other payment necessary to comply with this Article 3 on demand therefor.

3.8 Adjustment Payments. The net amount of all adjustments to be made under this Article 3 shall be paid on the Closing Date in immediately available funds. All post-closing adjustments (if any) shall be made in immediately available funds.

3.9 Calculation of Prorations. All pro-rations made under this Agreement shall be made based on the number of days of ownership of the Property in the period applicable to the pro-rata, with Purchaser entitled to income and responsible for expenses for the Closing Date. Pro-rations of annual payments shall be made based on the number of days of ownership in the applicable annual period.

3.10 Seller's Closing Costs. Seller shall pay: (i) all state, county and local documentary transfer taxes (including, but not limited to, any real estate excise tax) due upon sale of the Real Property (ii) the base premium for an ALTA 2006 standard coverage Owner's Policy of Title Insurance insuring Purchaser's title to the Real Property in the amount of the Purchase Price; (iii) one-half of any fees charged by Escrow Agent; (iv) Seller's appropriate share of the pro-rations set forth above in this Article 3; (v) recording charges for any instrument necessary to release and discharge any lien created or suffered by Seller and any other lien and/or title exceptions to be released by Seller pursuant to this Agreement, together with all other costs associated with releasing or discharging such liens and/or title exceptions; (vi) Seller's attorneys' fees; and (vii) other expenses stipulated to be paid by Seller under other provisions of this Agreement.

3.11 Purchaser's Closing Costs. Purchaser shall pay: (i) all recording fees (other than as listed in Section 3.10 above); (ii) the premiums for any extended title insurance coverage and any title insurance endorsements requested by Purchaser; (iii) the cost of any ALTA survey required in order to issue extended title insurance or any endorsements requested by Purchaser; (iv) one-half of any fees charged by Escrow Agent; (v) Purchaser's appropriate share of the pro-

rations set forth above in this Article 3; (vi) Purchaser's attorneys' fees; (vii) any sales or use tax due upon sale of the Personal Property; and (viii) other expenses stipulated to be paid by Purchaser under other provisions of this Agreement.

3.12 Survival. The parties' obligations under this Article 3 shall survive the Closing.

ARTICLE 4 - Representations, Warranties, Covenants and Agreements

4.1 "AS IS" Sale. Except as to Seller's representations and warranties set forth in this Agreement and in Seller's Closing Documents, Purchaser acknowledges that Seller is selling the Property "as is" with all faults, and that Seller makes no representations or warranties regarding the Property or its suitability for Purchaser's intended use. PURSUANT TO RCW CH. 64.06, AS AMENDED BY CHAPTER 64, LAWS OF 2010, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PURCHASER HEREBY WAIVES ITS RIGHT TO RECEIVE THE SELLER DISCLOSURE STATEMENT REFERRED TO THEREIN. THIS WAIVER DOES NOT EXTEND TO THE "ENVIRONMENTAL" SECTION OF THE SELLER DISCLOSURE STATEMENT, WHICH (i) SELLER SHALL PROVIDE TO PURCHASER ON OR PRIOR TO THE EFFECTIVE DATE, AND (ii) IS NOT PART OF THIS AGREEMENT. PURCHASER SHALL ACKNOWLEDGE IN WRITING RECEIPT OF SELLER'S DISCLOSURE STATEMENT. UNLESS PURCHASER RESCINDS THIS AGREEMENT WITHIN THE TIMEFRAME REQUIRED UNDER RCW CH. 64.06, PURCHASER WILL BE DEEMED TO HAVE WAIVED ALL OF ITS RIGHTS UNDER RCW CH. 64.06.

4.2 Seller's Representations and Warranties. Seller hereby represents and warrants to Purchaser as of the Effective Date, as follows:

(a) There are no actions, suits or other legal proceedings pending or, to the best of Seller's knowledge, threatened with respect to the Property or against Seller with respect to the Property, or any portion thereof, or any of Seller's interests therein, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality.

(b) There are no pending or, to Seller's knowledge, threatened eminent domain, condemnation actions or similar proceedings against or relating to the Property or any portion thereof or any of Seller's interests therein, nor has Seller received any notice of any being contemplated.

(c) Except as listed in Schedule 4.2(c) attached hereto, there are no leases, subleases, rental agreements, licenses, occupancy or similar agreements or tenancies creating or granting possessory interests in the Property (collectively, the "Occupancy Agreements").

(d) Seller has delivered true, accurate and complete copies of the Monthly Parking Agreements and the Property Contracts to Purchaser in accordance with Section 5.2 of this Agreement.

(e) Each Monthly Parking Agreement and Property Contract is in full force and effect according to the terms set forth therein.

(f) To the best of Seller's knowledge, all obligations of Seller under the Monthly Parking Agreements, the Property Contracts and the Permitted Exceptions have been performed, and each counterparty under each such Monthly Parking Agreement, Property Contract and Permitted Exception has accepted Seller's performance of such obligations. No counterparty under any Monthly Parking Agreement, Property Contract or Permitted Exception has asserted any offset, defense or claim against Seller for amounts payable by it or other performance of obligations due from it under such Monthly Parking Agreement, Property Contract or Permitted Exception, as applicable, and Seller has not received any notices of default from any such counterparty. To the best of Seller's knowledge, no state of facts exist that, with the passage of time or the giving of notice, would constitute a default on either the part of Seller or any counterparty under any Monthly Parking Agreement, Property Contract or Permitted Exception.

(g) Except as to any payment delinquencies under Monthly Parking Agreements (none of which Purchaser shall be liable for after Closing), no counterparty under any Monthly Parking Agreement, Property Contract or a Permitted Exception is in arrears in the performance of any monetary obligation required of it thereunder and, to the best of Seller's knowledge, no counterparty under any such agreement is in non-monetary default thereunder.

(h) Seller has received no written notice that any counterparty under any Monthly Parking Agreement, Property Contract or Permitted Exception is the subject of an insolvency proceeding or that any such counterparty is unable to perform any or all of its material obligations required of it thereunder.

(i) Except as listed on Schedule 4.2(i), there are no management or service contracts or other agreements relating to the operation or management of the Property (any such contract or agreement, a "Property Contract" and, collectively, "Property Contracts"). Except as set forth in Schedule 4.2(i), Seller has not assigned, amended, modified or supplemented any Property Contract, nor is Seller aware of any such assignment, amendment, modification or supplement made by any other parties to any Property Contract. Except as listed on Schedule 4.2(i), there are no licenses, contracts or other agreements granting any rights or privileges to access and use the Property, including use of one or more parking spaces at the Property (any such license, contract or agreement, a "Monthly Parking Agreement" and, collectively, "Monthly Parking Agreements"). Except as set forth in Schedule 4.2(i), Seller has not assigned, amended, modified or supplemented any Monthly Parking Agreement, nor is Seller aware of any such assignment, amendment, modification or supplement made by any other parties to any Monthly Parking Agreement.

(j) Seller has not received written notice that it is in default under any of the covenants, easements, regulations, laws, rules, ordinances, orders or restrictions affecting or encumbering the Property, including, without limitation, the Permitted Exceptions.

(k) Except as otherwise disclosed in the environmental reports listed on Schedule 4.2(k), (I) Seller has not received any written notice or communication from any governmental authority or other Persons regarding any violation of or liability under Environmental Law or relating to Hazardous Materials in regard to the Property; and (II) to Seller's knowledge, there has been no generation, storage, discharge, migration, disposal, arrangement for disposal, or release of, or exposure of any Person to, any Hazardous Materials

from, into, on, at, under or about the Property in violation of any applicable Environmental Laws. For purposes of this Agreement, "Hazardous Materials" shall mean inflammable explosives, radioactive materials, radon, asbestos, polychlorinated biphenyls, urea formaldehyde, lead, lead-based paint, under and/or above ground tanks, hazardous materials, hazardous wastes, hazardous substances, oil or other petroleum products or related materials, including any which are listed or regulated in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 6901, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 1401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), the and Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), and any other applicable federal, state or local laws or regulations covering or relating to pollution or protection of the environment, public or worker healthy safety Hazardous Materials or environmental conditions (all of the foregoing, collectively, "Environmental Laws") or any wastes, materials or substances for which standards of conduct or liabilities may be imposed under any Environmental Laws. A list of all environmental reports, including all modifications, amendments and supplements thereto, in Seller's possession and control is set forth in Schedule 4.2(k) attached hereto. Seller has not entered into any consent decree or administrative order for any alleged violation of laws relating to Hazardous Materials. Seller has not received any written request for information or a demand letter from any party with respect to any alleged violation of laws pertaining to Hazardous Materials.

(l) Seller is not a foreign corporation, foreign partnership, foreign estate or foreign person (as such terms are defined in Section 1445 of the Internal Revenue Code, as amended, and the Income Tax Regulations thereunder).

(m) To the extent the same are within Seller's possession, custody or control, Seller has delivered or will cause to be delivered, in accordance with Section 5.2 below, true, correct and complete copies of each of the items listed in Schedule 5.2, including all modifications, amendments and supplements thereto.

(n) There are no parties in possession of any portion of the Property except Seller.

(o) This Agreement (i) has been duly authorized, executed and delivered by Seller and (ii) is valid and legally binding upon Seller and enforceable in accordance with its terms. Seller has the power to enter into and deliver this Agreement and perform all transactions contemplated hereunder and to execute, deliver and perform under any and all documents to effectuate same. Subject to and conditioned upon the Authorizing Ordinance becoming effective, (1) Seller will have the power to proceed to Closing and sell the Property to Purchaser and to execute, deliver and perform under any and all documents to effectuate same, including, without limitation, Seller's Closing Documents, and (2) Seller will have obtained all consents, approvals, authorizations or orders of any court or governmental agency or body or any other third-party, if any, required for Seller to proceed to Closing and sell the Property to Purchaser and to execute, deliver and perform under any and all documents to effectuate same, including, without limitation, Seller's Closing Documents.

(p) Seller's execution and delivery of this Agreement and Seller's performance of its obligations hereunder do not violate any applicable provisions of the charter documents by which Seller is formed or otherwise affecting Seller. Subject to and conditioned upon the Authorizing Ordinance becoming effective, Seller's sale of the Property to Purchaser at Closing and Seller's performance of its obligations hereunder to effectuate same, including, without limitation, Seller's execution, delivery and performance under Seller's Closing Documents, will not violate any applicable provisions of the charter documents by which Seller is formed or otherwise affecting Seller.

(q) Seller's execution and delivery of this Agreement, Seller's Closing Documents and all related documents and the performance of its obligations hereunder and thereunder do not conflict with any provision of any law or regulation to which Seller is subject, conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Seller is a party or by which Seller is bound or any order or decree applicable to Seller or result in the creation or imposition of any lien on any of its assets or property, which would adversely affect the ability of Seller to perform its obligations under this Agreement.

(r) Seller has not filed any petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Seller. Seller is not insolvent and the consummation of the transactions contemplated by this Agreement shall not render Seller insolvent.

(s) The operating statements for the Property made available to Purchaser pursuant to this Agreement have been used by Seller in its operation of the Property.

(t) Seller has received no written notice (that remains uncured) from any government agency or from any Board of Fire Underwriters having jurisdiction over the Real Property that considers either the construction of the Improvements or the operation or use of the Property to be in violation of any law, ordinance, regulation, or order.

(u) Attached hereto as Schedule B is a true, correct and complete inventory of all Personal Property, all of which is owned by Seller free and clear of all liens, claims and encumbrances, except to the extent noted on Schedule B.

(v) Except as expressly set forth in the Umbrella Agreement, Seller has not entered into any presently effective agreement to sell the Property or any portion thereof or interest therein (other than this Agreement), or entered into any option agreement for the sale of the Property or any portion thereof or interest therein, or any right of first refusal or right of first offer with respect thereto.

(w) Purchaser will not be liable for any defined pension liabilities related to any employee of Seller. There are no employees of Seller that will become employees of Purchaser as a result of the transaction contemplated hereunder.

(x) No statement, certificate, or schedule made, furnished, or to be furnished to Purchaser pursuant hereto or in connection with the transactions contemplated hereby.

contains or will contain any untrue statement of a material fact, or omits or will omit a material fact necessary to make the statement contained therein not misleading.

(y) The Due Diligence Materials furnished or to be furnished to Purchaser do not contain, or will not contain, any untrue statement of a material fact, and do not omit, or will not omit, material facts necessary to make the statements contained therein not misleading; provided, however, that Seller disclaims any express or implied obligation to undertake independent investigation of any of the Due Diligence Materials prepared by any Person other than Seller, and Seller does not warrant the accuracy or completeness of any Due Diligence Materials that have been prepared by third-parties, except that any such third-party Due Diligence Materials will be delivered to Purchaser without intentional alteration or omission by Seller.

(z) Seller holds such certificates of occupancy, licenses, approvals and other certificates, permits, franchises and rights, from all governmental authorities having jurisdiction, which are necessary for the operation, use and occupancy of the Property as it is being operated as of the Effective Date, all of which are validly issued, extant, subject to no successful contest or appeal, and in full force and effect.

(aa) Neither Seller nor any member, partner or shareholder of Seller, nor, to Seller's knowledge, any owner of a direct or indirect interest in Seller (A) is listed on any Government Lists (as defined below), (B) has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC (defined below) or in any enabling legislation or other Presidential Executive Orders in respect thereof, (C) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense (defined below), or (D) is currently under investigation by any governmental authority for alleged criminal activity. For purposes hereof, the term "Patriot Act Offense" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (I) the criminal laws against terrorism, (II) the criminal laws against money laundering, (III) the Bank Secrecy Act, as amended, (IV) the Money Laundering Control Act of 1986, as amended, or the (V) Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "Government Lists" means (x) the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("OFAC"), (y) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that a party hereto notified the other in writing is now included in "Governmental Lists," or (z) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Government Authority or pursuant to any Executive Order of the President of the United States of America that a party hereto notified the other in writing is now included in "Governmental Lists."

(bb) To the extent that that the Property is deemed to be "plan assets" for purposes of Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), Seller represents and warrants that the transactions contemplated by this

Agreement will not give rise to a prohibited transaction under Section 406 of ERISA, or Section 4975 of the Code, other than a transaction which is exempt from Section 406 of ERISA and Section 4975 of the Code, because the conditions of one or more statutory or regulatory exemptions granted pursuant to Section 408 of ERISA or Section 4975 of the Code are satisfied.

(cc) Intentionally deleted.

(dd) The hourly parking rate schedule attached hereto as Schedule 4.2(dd) is a true and correct schedule of the hourly parking rates being charged by Seller at the Garage Unit as of the Effective Date (the "Parking Rates"). Seller has received no notice from any Person alleging that the Parking Rates fail to comply with the terms and conditions of the Parking Agreement and, to Seller's knowledge, there is no basis for the issuance of any such notice.

(ee) Seller owns or has a valid and, subject to obtaining the Amano Consent, transferable license or other agreement to use and operate all servers, equipment, data (including, but not limited to, all data with respect to monthly parkers and property access cards) and software (including, but not limited to, Seller's iParc software) used in connection with the ownership, operation, use and management of the Property; provided, however, prior written consent ("Amano Consent") from Amano McGann, Inc. ("Amano") is a condition to Seller's assignment and transfer to Purchaser of Seller's iParc software. Seller's license to use such iParc software and the related warranty from Amano, pursuant to Section 4.3(i) below, Seller will cooperate with the transition and assignment to Purchaser of the items described in this Section 4.2(cc).

All of Seller's representations and warranties contained in this Section 4.2 shall survive for the Survival Period and Purchaser must bring any claim alleging Seller's breach of any representation or warranty prior to expiration of the Survival Period or such claim shall be forever barred; provided, that Purchaser shall have no right to bring any action against Seller alleging any breach of any representation or warranty of Seller, unless and until the aggregate amount of all liability and losses arising out of all breaches of Seller's representations and warranties under this Agreement exceeds Fifty Thousand and No/100 Dollars (\$50,000.00), whereupon Purchaser may bring such an action to the full extent of its claims (with no reduction of such claims by the foregoing Fifty Thousand and No/100 Dollars (\$50,000.00) threshold amount); provided, further, that in no event will Seller's liability for all breaches of Seller's representations and warranties exceed, in the aggregate, Five Hundred Thousand and No/100 Dollars (\$500,000.00), regardless of whether such liability arises in contract, tort, equity or under any other legal theory. Subject to the limitations set forth in the immediately preceding sentence, Seller hereby covenants and agrees to indemnify, defend and hold Purchaser harmless from and against any and all costs, damages, losses, expenses, liens, claims and/or liabilities (including, without limitation, reasonable attorneys' fees) suffered by Purchaser as a result of any representation or warranty made by Seller in this Agreement and/or Seller's Closing Documents not being true and correct in all respects on and as of the Closing Date, which defense and indemnity obligations of Seller shall survive Closing.

To secure Seller's liabilities and obligations, including, without limitation, Seller's indemnification obligations, that survive Closing under this Agreement and Seller's Closing Documents, the sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Holdback Amount") shall be withheld from the net sales proceeds otherwise due to Seller at

Closing. The Holdback Amount shall be held by Escrow Agent in an interest bearing account for the term of one (1) year after the Closing Date; provided, however, that if Purchaser brings an action against Seller prior to the expiration of such one (1) year period to enforce Seller's surviving obligations under this Agreement, Escrow Agent shall continue to hold a portion of the Holdback Amount equal to the amount in controversy in such action and shall return the balance of the Holdback Amount to Seller on or as soon as is practical after the expiration of such one (1) year period.

In the event Purchaser has failed to bring an action against Seller during the one (1) year period immediately following the Closing Date, Escrow Agent shall return the entirety of the Holdback Amount to Seller promptly after the expiration of such one (1) year period. Any disputed amounts for which Purchaser has timely brought an action against Seller prior to the expiration of such one (1) year period shall be held by Escrow Agent until such action is Resolved. An action shall be "Resolved" upon the earliest to occur of (A) settlement of the action by an instrument executed in writing by Seller and Purchaser directing Escrow Agent's disposition of the disputed amounts, (B) a final judgment entered by a court of competent jurisdiction in the action directing Escrow Agent's disposition of the disputed amounts, or (C) joint written instructions of Seller and Purchaser directing Escrow Agent's disposition of the disputed amounts.

Seller shall have no liability for any breach of any of Seller's representations, warranties or covenants in this Agreement if, prior to Closing, Purchaser's Representatives have actual knowledge of the breach, and Purchaser nevertheless proceeds to Closing.

To the extent that any representation or warranty of Seller contained herein is qualified by or limited to Seller's "knowledge" or "actual knowledge" such phrases shall mean the actual knowledge (as opposed to the imputed knowledge), without inquiry or investigation, of the fact or condition by the following people: Chris Potter, Robert Farrell and Stephen McKenzie (collectively, "Seller's Representatives"). Seller hereby represents and warrants to Purchaser that Seller's Representatives are the primary FAS personnel involved with, and responsible for, managing the transactions described in this Agreement and the daily operation of the Real Property. The provisions of this Section 4.2 shall survive the Closing in accordance with its terms.

4.3 Seller's Covenants. Seller hereby covenants and agrees with Purchaser that:

(a) From the Effective Date through Closing, Seller shall (i) maintain and operate the Property in the same condition as the same is in as of the Effective Date, subject only to reasonable use and wear, (ii) maintain and operate the Property in compliance in all material respects with applicable laws and (iii) administer its rights, remedies and obligations under the Permitted Exceptions, Condominium Documents, Monthly Parking Agreements and Property Contracts by following the practices and procedures customarily followed by Seller with respect thereto prior to the Effective Date. Seller hereby acknowledges and agrees the reference to "condition" in this Section 4.3(a) refers to the operational status of the Property as well as the physical condition thereof.

(b) From the Effective Date through Closing, Seller shall not (i) enter into any Monthly Parking Agreements, Occupancy Agreements or Property Contracts affecting the

Property or any portion thereof, (ii) modify, amend, extend or change the terms of any Monthly Parking Agreement, Property Contract or Permitted Exception, (iii) enter into any other agreement other than this Agreement for the sale or lease of the Property or any portion thereof or any of Seller's interests therein, or (iv) terminate any Monthly Parking Agreements or other Assigned Contracts. In each case, without the prior written consent of Purchaser, which may be granted or withheld in Purchaser's sole and absolute discretion. Notwithstanding the foregoing, this Section 4.3(b) shall not prevent Seller from (A) entering into or renewing any contract or agreement for services provided to the Garage Unit, so long as any (y) such contract or agreement is terminated by Seller prior to the Closing Date and is not binding upon Purchaser or any portion of the Real Property after the Closing Date or (z) Purchaser has agreed to assume such contract or agreement at Closing and Purchaser has approved the form and substance of such contract or agreement, which approval may be granted or withheld in Purchaser's sole and absolute discretion; or (B) entering into a new Monthly Parking Agreement in the ordinary course of business and on substantially similar terms as the Monthly Parking Agreements described in Schedule 4.2(i), so long as Seller delivers a copy thereof to Purchaser promptly upon execution thereof.

(c) From the Effective Date through Closing, Seller shall not remove from the Real Property any of the Personal Property, except if worn out, and then only if replaced by Personal Property of equivalent or greater value and utility before the Closing Date and with prior written notice to Purchaser.

(d) From the Effective Date through Closing, Seller shall maintain and continue in full force and effect all insurance policies that Seller maintains relative to the Property as of the Effective Date.

(e) From the Effective Date through Closing, Seller shall provide Purchaser with copies of (i) all written notices received by Seller from any governmental agency or any insurer with respect to the Property or any portion thereof within three (3) Business Days after Seller's receipt thereof, and (ii) all written correspondence received or delivered by Seller under the Permitted Exceptions, Condominium Documents, Property Contracts, Monthly Parking Agreements, including, but not limited to, notices of default thereunder.

(f) From the Effective Date through Closing, Seller shall not take any of the following actions: (i) make or permit to be made any material alterations to or upon the Property; (ii) grant any liens or encumbrances upon the Property that will not be discharged on or before the Closing Date; or (iii) make any material change, or cause any material change to be made, by Seller or the agent or employees of Seller, in the condition of the Property, which change is not consistent with the practices and procedures customarily followed by Seller with respect to the Property. Seller hereby acknowledges and agrees the foregoing reference to "condition" refers to the operational status of the Property as well as the physical condition thereof.

(g) From the Effective Date through Closing, Seller shall not (i) list the Property, or any portion thereof, with any broker or otherwise solicit or make or accept any offers (whether binding or not) for the sale or other disposition of the Property, or any portion thereof, (ii) engage in negotiations (whether binding or not) with any third-party with respect to the sale or other disposition of the Property, or any portion thereof, or (iii) enter into any

contracts or agreements (whether binding or not) with any third-party with respect to the sale or other disposition of the Property, or any portion thereof.

(h) Seller shall take all actions necessary to terminate, or cause to be terminated, those certain Property Contracts identified as "To Be Terminated" on Schedule 4.3(h) attached hereto and made a part hereof, which termination(s) shall be effective on or before the Closing Date and effectuated in accordance with the applicable terms of each such agreement or contract; provided, that Seller shall have no obligation to affirmatively terminate that certain Blanket Contract dated November 15, 2013 (the "Diamond Parking Management Agreement") by and between Seller and the Joel and Julie Diamond Multigenerational Trust dba Diamond Parking ("Diamond") if Diamond has terminated the Diamond Contract or otherwise resigned as the operator of the Garage Unit and such termination or resignation will be effective on or before the Closing Date. In connection with termination of the Diamond Parking Management Agreement (whether initiated by Seller or Diamond), Seller shall instruct Diamond in writing to perform its obligations in connection with such termination, including, without limitation, Diamond's delivery of the documents, information, materials and other required deliveries pursuant to Section 65(G) thereof (collectively, the "Diamond Deliveries") and, upon receipt, Seller shall provide copies of the Diamond Deliveries to Purchaser. At Closing, Seller shall assign to Purchaser those certain Property Contracts identified as the "Assigned Contracts" on Schedule 4.3(h) and the Monthly Parking Agreements (collectively, the "Assigned Contracts") pursuant to the General Assignment, which assignment shall be effective as of the Closing Date and effectuated in accordance with the applicable terms of each such Assigned Contract. Prior to Closing, Seller shall instruct Diamond in writing to execute and deliver at Closing an assignment instrument reasonably acceptable to Purchaser (the "Diamond Assignment"), pursuant to which Diamond will assign all of Diamond's right, title and interest, if any, in and to the Monthly Parking Agreements, together with all then-existing parking access cards issued with respect to the Real Property, to Purchaser, or Purchaser's designee. The Diamond Assignment shall be prepared by Purchaser prior to expiration of the Inspection Period and, if requested by Purchaser, shall include acknowledgements, made for the benefit of Purchaser, by Seller and Diamond that the Diamond Parking Management Agreement has been terminated in accordance with its terms. Except to the extent otherwise indicated on Schedule 4.3(h) or requested by Purchaser in writing prior to expiration of the Inspection Period, Seller shall cause Diamond to terminate all agreements and contracts (if any) to which Diamond is a party and which relate to the Property, which termination(s) shall be effective on or before the Closing Date and effectuated in accordance with the applicable terms of each such agreement or contract. Seller shall pay all costs and expenses required for, and resulting from, the termination of the Property Contracts to be terminated under this Section 4.3(h). Seller hereby covenants and agrees to indemnify, defend and save Purchaser harmless of and from any and all of Purchaser's costs, damages, losses, expenses, liens, claims and/or liabilities (including, without limitation, reasonable attorneys' fees) arising from Seller's failure to terminate those certain Property Contracts to be terminated effective on or before the Closing Date in accordance with this Section 4.3(h), which defense and indemnity obligations of Seller shall survive Closing for the Survival Period. At or prior to Closing, Seller shall provide Purchaser with copies of the written instructions delivered to Diamond as described above in this Section 4.3(h).

(i) In accordance with the terms and conditions of this Section 4.3(i), Seller shall cooperate with Purchaser's efforts to transition and transfer to Purchaser all equipment (except servers), data (including, but not limited to, all data with respect to all monthly parkers,

Monthly Parking Agreements and related property access cards) and software (including, but not limited to, iParc software) used in connection with the ownership, operation, use and management of the Property, together with all warranties, guaranties and licenses related thereto (including, but not limited to, Seller's license to iParc software and Amano's warranty). From and after the Effective Date through the Closing Date, Seller shall not remove, delete or modify any such equipment, data, software, warranties, guaranties or licenses, all of which shall be maintained in the same condition as exists on the Effective Date, subject only to reasonable use and wear in the ordinary course of business, unless otherwise requested by Purchaser; provided, however, prior to Closing, Seller may transfer information and data from servers located at the Property; provided, that (A) any such transferred information and data are unrelated to the Property, including, without limitation, the ownership, operation, use and management of the Property, (B) before any such transfer, the transferred information and data do not constitute a portion of the Property and (C) all such transfers shall be completed before the Closing Date. In order to ensure a seamless transition of operations at Closing, Seller shall grant Purchaser and its agents, contractors and subcontractors access to the Property beginning on the date that is thirty (30) days prior to the Target Closing Date for the purpose of installing replacement servers, completing all credit card reconfigurations and creating new and/or modified networks in advance of Closing; provided, that all such access by Purchaser and its agents, contractors and subcontractors shall be subject to the terms and conditions of this Agreement governing Purchaser's access to the Property. On the Closing Date, Seller shall transfer and assign to Purchaser all of Seller's ownership, access and use rights with respect to the items listed in the first sentence of this Section 4.3(i), together with all warranties, guaranties and licenses related thereto. From and after the Effective Date through the Closing Date, Seller shall not remove any data servers from the Property, unless and until (y) Seller provides Purchaser with no less than ten (10) Business Days' prior written notice of a date and time for Purchaser to visit the Property; and (z) during such visit, Seller and Purchaser together confirm that all equipment (except servers), data (including, but not limited to, all data with respect to monthly parkers, Monthly Parking Agreements and property access cards) and software (including, but not limited to, iParc software) have been transferred to Purchaser's replacement servers in accordance with this Section 4.3(i). At Closing, Purchaser shall be entitled to a credit of up to \$15,000.00 to reimburse Purchaser for actual third party costs incurred or reasonably expected to be incurred in connection with the transition and transfer of the items listed in the first sentence of this Section 4.3(i) and the cost of replacing servers. In accordance with an access agreement to be executed and delivered by Seller and Purchaser at Closing in a form substantially similar to the form attached hereto as Schedule 4.3(i) (the "Post-Closing Access Agreement"), during the fifteen (15)-day period immediately following Closing, Seller will be permitted access to the Garage Unit for purposes of removing Licensee's Server Equipment (to be more particularly identified and defined in the Post-Closing Access Agreement) not conveyed to Purchaser at Closing; provided, however, in no event shall Licensee's Server Equipment, or any portion thereof, include any portion of the Property to be conveyed by Seller to Purchaser at Closing pursuant to this Agreement.

(j) From and after the date that is five (5) Business Days after the expiration of the Inspection Period and until Closing hereunder, Seller shall use good faith efforts to obtain the following estoppel certificates (collectively, the "Nordstrom Estoppels"): (a) An estoppel certificate from Nordstrom under the Parking Covenant in accordance with Section 7.12 of the Parking Covenant and in substantially the same form as attached hereto as Schedule 4.3(j); and

(b) an estoppel certificate from Nordstrom under the Parking Agreement in substantially the same form as attached hereto as Schedule 4.3(j). Within five (5) Business Days after the expiration of the Inspection Period, Seller shall send the Nordstrom Estoppels to Nordstrom.

(k) From and after the Effective Date through Closing or earlier termination of this Agreement, Seller will not change the Parking Rates without the prior written consent of Purchaser, which may be granted or withheld in Purchaser's sole and absolute discretion.

(l) Prior to Closing, Seller shall work with the Association to rearm the four security doors providing access from street level to the Garage Unit, and Seller shall be responsible for its allocated share of all costs related thereto as determined under the Declaration. If the Association's work on the security doors is not complete before the Closing Date, Seller's obligation to pay its allocable share of the cost of such work shall survive Closing.

4.4 Purchaser's Representations and Warranties. Purchaser hereby represents and warrants to Seller as of the Effective Date as follows:

(a) Purchaser is duly organized and validly existing under the laws of the state of its formation or incorporation and, on the Closing Date, will be qualified to transact business in the state of Washington.

(b) No consent, waiver, approval or authorization is required from any Person (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(c) Purchaser has not (i) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (ii) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its property, or (iii) made an assignment for the benefit of creditors.

(d) On the Closing Date, Purchaser will have the power to proceed to Closing and purchase the Property, and to execute, deliver and perform under any and all documents to effectuate same, including, without limitation, Purchaser's Closing Documents, and (B) Purchaser will have obtained all consents, approvals, authorizations or orders of any court or governmental agency or body or any other third-party, if any, required for Purchaser to proceed to Closing and purchase the Property from Seller, and to execute, deliver and perform under any and all documents to effectuate same, including, without limitation, Purchaser's Closing Documents.

To the extent that any reference to Purchaser contained in this Agreement is qualified by or limited to Purchaser's "knowledge" or "actual knowledge," such phrases shall mean the actual knowledge (as opposed to the imputed knowledge), without inquiry or investigation, of the fact or condition by Purchaser's Representatives. "Purchaser's Representatives" shall mean, collectively, Chad Eisenbud and David Brainerd; provided, however, that nothing contained in

this Agreement shall create any individual liability for Purchaser's Representatives and all of Purchaser's representations, warranties, obligations and liabilities contained in this Agreement are those of Purchaser, not of Purchaser's Representatives.

4.5 Purchaser's Covenants. Purchaser hereby covenants and agrees with Seller that:

(a) No later than thirty (30) days prior to the Target Closing Date, Purchaser shall instruct its proposed replacement garage operator in writing to enter into (and have in place as of the Closing Date) a collective bargaining agreement covering all hourly wage employees who will be employed by such replacement garage operator to work at the Garage Unit; and

(b) No later than ten (10) days prior to the Target Closing Date, Purchaser will instruct its replacement garage operator in writing to offer employment, commencing on the Closing Date for a period of not less than one hundred twenty (120) days, to those employees of Diamond who (i) are covered by the Collective Bargaining Agreement described in Schedule 4.2(i); (ii) were employed by Diamond at the Property as of the Effective Date and thereafter continuously through and including the Closing Date, (iii) are in good standing with Diamond and have not been suspended (with or without pay) by Diamond at any time prior to the Closing Date, and (iv) were not previously employed by Purchaser's replacement garage operator and subsequently released from such employment for any reason (collectively, "*Diamond Employees*"). Seller shall notify Purchaser in writing of all Diamond Employees satisfying the foregoing requirements no later than thirty (30) days prior to the Target Closing Date, and all Diamond Employees so identified shall be entitled to the offer of employment described in this paragraph so long as they continue to satisfy such requirements through the Closing Date. Purchaser's replacement garage operator's offer of employment to the qualifying Diamond Employees shall be at rates and with benefits consistent with the Collective Bargaining Agreement described in Schedule 4.2(i) (collectively, "*Diamond's Rates and Benefits*"). subject to such other commercially reasonable terms and conditions established by Purchaser's replacement garage operator, including, without limitation, such replacement garage operator's right to discipline and/or terminate any Diamond Employee based upon such Diamond Employee's performance during the course of operations at the Property. In no event shall Purchaser or Purchaser's replacement garage operator be obligated or required to (A) offer employment to the Diamond Employees at rates and with benefits in excess of, or in addition to, Diamond's Rates and Benefits, (B) make any severance payments to any Diamond Employee or (C) offer employment to any Person other than the Diamond Employees.

(c) Prior to Closing, Purchaser shall provide Seller with copies of the written instructions delivered to Purchaser's replacement garage operator as described above in this Section 4.5.

ARTICLE 5 - Access, Inspection, Diligence

5.1 Inspections. On November 9, 2015, Seller and Purchaser executed that certain Pacific Place Parking Garage Access Agreement, as amended by that certain First Amendment to Pacific Place Parking Garage Access Agreement with an effective date of January 8, 2016 (as so amended and as further amended, modified, restated or replaced from time to time, the "*Access Agreement*") pursuant to which Seller has agreed that Purchaser and its authorized agents or representatives shall be entitled to enter upon the Real Property during normal business hours

upon advance notice to Seller (which may be oral) to make such non-invasive and non-destructive investigations, studies and tests, including, without limitation, surveys, engineering studies, soil tests, groundwater tests and review of books and records relating to the Property in Seller's possession or control, all as Purchaser deems reasonably necessary or advisable and as more specifically set forth in this Section 5.1. For purposes of this Agreement, the "Inspection Period" shall mean the period of time commencing on the Effective Date and expiring at 5:00 p.m. pacific time on the 10th calendar day following the Effective Date or, if such date is not a Business Day, the next Business Day. Purchaser's entry upon the Real Property and inspection of the Property may be conducted (i) prior to the Effective Date in accordance with the Access Agreement and (ii) from the Effective Date through the Closing Date in accordance with this Agreement (notwithstanding expiration of the Inspection Period). Purchaser shall provide no less than twenty-four (24) hours' prior notice to Seller of its intention, or the intention of its agents or representatives, to enter the Real Property. Notwithstanding anything in this Agreement to the contrary, the parties' notices to be provided under this Section 5.1 may be given by electronic mail to the parties at the electronic mail addresses set forth in Section 12.2 below. Purchaser shall be solely responsible for paying the cost of all inspections, tests, investigations and analyses conducted pursuant to this Section 5.1. At Seller's option, Seller or its representative may accompany Purchaser or its agents or representatives while on the Real Property before the Closing Date. In conducting any inspections, investigations or tests of the Property, Purchaser and its agents and representatives shall: (i) not unreasonably disturb or interfere with Seller's use of the Property; (ii) not unreasonably interfere with the operation and maintenance of the Property; (iii) not damage any part of the Property or any Personal Property or any other real or personal property owned by a third-party; (iv) not injure or otherwise cause bodily harm to Seller, or its agents, guests, invitees, contractors or employees at the Property; (v) provide to Seller, prior to any entry onto the Property, a certificate of insurance issued by an insurance carrier having an AM Best rating of A-VII or better, naming Seller as an additional insured, and evidencing the following coverage against any claims or damages arising from the presence of Purchaser, its agents and representatives on the Real Property: commercial general liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, workers compensation insurance with minimum statutory limits and employers' liability insurance with minimum limits of not less than \$1,000,000, and maintain that coverage as a condition of any entry onto the Real Property prior to Closing; (vi) pay when due the costs of all tests, investigations, and examinations done with regard to the Property; (vii) not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property arising from the exercise of its inspection rights under this Section 5.1; and (viii) with respect to any damage to the Property or any other real or personal property, fully repair such damage to the extent (a) caused by such inspections and (b) necessary to restore the Property or other real or personal property to the condition in which the same were found immediately before such inspections were undertaken. Notwithstanding any other provision of this Agreement, any invasive or intrusive inspections or tests of the physical condition of the Property shall require the prior written consent of Seller, which Seller may grant or withhold in its sole discretion. At Seller's written request, Purchaser shall provide Seller information regarding the results of any invasive inspections or test, including but not limited to providing Seller copies of any written data or reports prepared with respect to the Property (collectively, the "Materials"); provided that any such Materials will be delivered for informational purposes only and Purchaser makes no representation or warranty, express or implied, as to the accuracy or completeness of any such Materials so delivered. Seller agrees that it may not rely on the Materials for any purpose and

shall not assert any claim against any preparer of the Materials alleging error or inaccuracy with regard to any of the Materials. The Materials shall not include any appraisals, budgets, internal reports, valuations, economic evaluations or market and economic feasibility studies of the Property, reports regarding the Property prepared by Purchaser or any of Purchaser's employees, agents, lenders, consultants, investors, prospective investors, members, partners, auditors, attorneys, accountants, advisors, and other professionals, and prospective lenders (and their advisors) for the internal use or for the information of the investors in such party, partnership or entity related information, any documents pertaining to equity financing, any documents or materials subject to nondisclosure and/or confidentiality agreements, any documents or materials subject to an attorney client privilege or the work product doctrine and any other proprietary information not related to the physical condition or operations of the Property. Purchaser hereby agrees to indemnify, defend and hold Seller and all of its elected officials, officers, directors, agents, employees, attorneys, representatives and contractors, harmless from and against any and all liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) to the extent arising from (A) any inspections or tests performed upon the Property pursuant to the rights granted under this Section 5.1 or the presence of Purchaser and/or its employees, consultants, agents or contractors on the Real Property or (B) any violation of the provisions of this Section 5.1; provided, however, such indemnity obligation of Purchaser shall not (1) apply to the extent any such liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) are caused by the willful misconduct or negligence of Seller or another indemnified Person, (2) make Purchaser liable to remediate any pre-existing conditions or liabilities discovered by Purchaser and/or its employees, consultants, agents or contractors or (3) obligate Purchaser to defend or indemnify any indemnified Person for any such liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) arising from such pre-existing conditions, so long as any such conditions are not exacerbated by Purchaser and/or its employees, consultants, agents or contractors; and, in the event of any such exacerbation, any related obligation or liability of Purchaser hereunder shall be limited to the extent of such exacerbation. For the sole purpose of giving effect to Purchaser's defense and indemnity obligations under this Section 5.1, to the maximum extent permitted by applicable law, Purchaser hereby waives its industrial insurance immunity, if any, under Washington law for claims brought by its employees, but only with respect to and for the benefit of Seller and its elected officials, officers, directors, agents, employees, representatives and contractors. The foregoing waiver has been mutually negotiated between Seller and Purchaser and is not intended to waive any immunity which Purchaser may have for claims made directly against Purchaser by its employees. Purchaser's defense and indemnity obligations under this Section 5.1 shall survive expiration or termination of this Agreement, but only as to any third-party claim arising from property damage or bodily injury occurring prior to the Closing Date in connection with Purchaser's inspection of the Property.

5.2 Due Diligence Materials. Seller has arranged for Purchaser to access the information and materials listed on Schedule 5.2 attached hereto (collectively, the "Due Diligence Materials") prior to the Effective Date in an electronic data room (the "Data Room"). Purchaser acknowledges receipt of access to the Data Room as of the Effective Date. After the Effective Date, to the extent in Seller's possession or control, Seller shall promptly make the following available to Purchaser in the Data Room: (i) all documents, instruments and materials responsive to Purchaser's Due Diligence Checklist shown on Schedule 5.2 that are not in the Data Room as of the Effective Date, (ii) any amendments, modifications and/or supplements to

the Due Diligence Materials that are not in the Data Room as of the Effective Date and (iii) any other documents, instruments and materials requested by Purchaser that are not in the Data Room as of the Effective Date and are reasonably necessary for Purchaser to complete its due diligence with respect to the Property. The term "Due Diligence Materials" shall include all documents, instruments and materials to be made available by Seller pursuant to the immediately preceding sentence. Seller disclaims any express or implied obligation to undertake independent investigation of any of the Due Diligence Materials prepared by any Person other than Seller, and Seller does not warrant the accuracy or completeness of any Due Diligence Materials that have been prepared by third-parties, provided that any such third-party materials will be delivered to Purchaser without intentional alteration or omission by Seller. Subject to the terms of any confidentiality agreement agreed to by Purchaser with respect to the Property, all Due Diligence Materials made available to Purchaser under this Agreement shall be held in strict confidence, but may be disclosed to Purchaser's investors, prospective investors, members, partners, employees, agents, attorneys, accountants, advisors, and other professionals, lenders and prospective lenders (and their advisors) in accordance with the terms of such confidentiality agreement, and either promptly returned to Seller or destroyed by Purchaser (with written confirmation of such destruction to Seller) if Closing does not occur.

5.3 Purchaser's Right to Terminate During Inspection Period. In Purchaser's sole discretion, Purchaser may, by written notice to Seller given at any time prior to the expiration of the Inspection Period terminate this Agreement and decline to proceed with the transaction described herein, in which event, Escrow Agent shall return the Deposit to Purchaser and neither party shall have any further rights or obligations under this Agreement, except those which expressly survive termination of this Agreement. Unless Purchaser has provided written notice to Seller prior to expiration of the Inspection Period that Purchaser will terminate this Agreement and will not proceed to Closing, the termination right described in this paragraph shall be deemed waived and, except as otherwise set forth herein, the Deposit shall be deemed non-refundable to Purchaser, and the parties shall proceed to Closing in accordance with, and subject to, the terms and conditions of this Agreement.

5.4 Property Conveyed "AS-IS, WHERE-IS." Except as expressly set forth in this Agreement and in Seller's Closing Documents, neither Seller nor any agent, employee, officer, director, attorney, broker, contractor, representative or property manager of Seller have made, and Seller specifically disclaims, any warranties, representations or guarantees of any kind or character, express or implied, statutory, oral or written, past, present or future, with respect to the Property or the Improvements. Except as expressly set forth in this Agreement and in Seller's Closing Documents, Purchaser acknowledges it has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Seller (except those provided for in this Agreement and in Seller's Closing Documents) or any of its respective agents, employees, officers, directors, attorneys, brokers, contractors, representatives or property managers and acknowledges that no such representations have been made except as expressly set forth in this Agreement and in Seller's Closing Documents.

ARTICLE 6 - Title and Survey

6.1 Title and Survey Review. Prior to the Effective Date, Escrow Agent prepared a preliminary commitment for title insurance covering the Real Property (the "Title Report") and Purchaser commissioned an initial ALTA survey of the Real Property (the "Survey"); copies of

which have been delivered to Purchaser and Seller. Prior to the Effective Date, Purchaser delivered to Seller certain written objections ("Title Objections") to the Title Report and Survey; provided that Purchaser is not obligated to make written objection to any lien or other monetary encumbrance against the Real Property that may be resolved at Closing solely by Seller's payment of money ("Monetary Liens") and the Title Objections and any New Title Objections shall be deemed to include all such Monetary Liens. Seller shall cause all Monetary Liens to be paid in full at Closing; provided, however that Seller shall not be obligated to make payment towards any Monetary Liens for LIDs or similar charges, taxes or assessments attributable to periods after Closing. In the event that any title matter not previously disclosed by the Title Report or Survey is disclosed to Purchaser prior to Closing (in either event, a "New Exception"), then Purchaser shall promptly notify Seller and Purchaser shall have ten (10) Business Days after receiving notice of such New Exception to submit such written objections to New Exceptions as Purchaser may wish ("New Title Objections"). Seller shall propose its plan to resolve (a) the Title Objections within five (5) days after the Effective Date and (b) any New Title Objections within five (5) days after Seller's receipt thereof. Within five (5) days after receiving the applicable proposal from Seller, Purchaser shall either accept or reject Seller's proposed resolution as to each Title Objection and New Title Objection, as applicable. If Seller fails to timely propose a resolution of any particular Title Objection or New Title Objection, as applicable, Seller shall be deemed to have declined to take any action with respect thereto. If (y) Seller declines, or is deemed to have declined, to take any action with respect to any particular Title Objection or New Title Objection or (z) Purchaser timely rejects Seller's proposed resolution for any particular Title Objection or New Title Objection, Purchaser may, at any time within ten (10) days after the deadline for Seller's response to such Title Objection or New Title Objection, terminate this Agreement and receive a refund of the Deposit, whereupon neither party shall have any further rights or obligations under this Agreement, except those which expressly survive termination of this Agreement. Seller shall not cause or permit any title matter to be recorded against the Real Property after the Effective Date without Purchaser's consent, which may be withheld in Purchaser's sole discretion. As used in this Agreement, the term "Permitted Exceptions" shall mean: (i) any title matter described in the Title Report or Survey as to which Purchaser failed to timely deliver a Title Objection; (ii) any New Exception disclosed to Purchaser prior to Closing as to which Purchaser failed to timely deliver a New Title Objection; (iii) any title matter described in a Title Objection or a New Title Objection that Seller declines, or is deemed to have declined, to address (unless Purchaser terminates this Agreement in accordance with this Section 6.1); (iv) liens for real property taxes, assessments and charges not yet due and payable; and (v) any other title matter that Purchaser expressly agrees to be an exception from coverage under the Title Policy. Notwithstanding any other provision of this Agreement, notices to be given under this Section 6.1 may be given by electronic mail to the parties, their respective legal counsel and Escrow Agent at the electronic mail addresses set forth in Section 12.2.

6.2 Required State of Title. At Closing, Seller shall convey to Purchaser marketable fee simple title to the Real Property by bargain and sale deed in the form attached hereto as Schedule 8.2(a), subject only to the Permitted Exceptions and provisions of existing building zoning laws. The provisions of this Section 6.2 shall survive the Closing. For all purposes of this Agreement, a title exception shall be deemed "discharged," "resolved" or "released" by Seller if such title exception has been discharged and removed of record, or otherwise addressed by Seller pursuant to a plan approved by Purchaser under Section 6.1.

6.3 Personal Property. At Closing, Seller shall convey the Personal Property to Purchaser (except any excluded Personal Property described in Schedule 6.3) by the Bill of Sale.

ARTICLE 7 - Conditions to Seller's and Purchaser's Performance

7.1 Seller's Closing Conditions. The obligations of Seller to close the transaction contemplated by this Agreement are subject to the following closing conditions (any of which may be waived in whole or in part by Seller in its discretion):

(a) The passage of an authorizing ordinance authorizing Seller's sale of the Property to Purchaser on the terms described in this Agreement (the "Authorizing Ordinance") by the Seattle City Council ("City Council") and such Authorizing Ordinance becoming effective law. No later than the 14th calendar day following the last day of the Inspection Period, or if such date is not a Business Day then the next Business Day thereafter, Seller shall submit to the Mayor of the City of Seattle ("Mayor") for his transmittal to City Council the proposed Authorizing Ordinance with contemporaneous notice to Purchaser of such submittal. Purchaser acknowledges that approval of the Authorizing Ordinance is made at the discretion of a majority of the members of the City Council and failure of the Authorizing Ordinance to be passed by the City Council and subsequently to become effective shall not constitute a default by Seller under this Agreement, except if FAS acts or fails to act with the intent of hindering or prohibiting approval or passage of the Authorizing Ordinance. Seller shall keep Purchaser reasonably informed as to the status of the Authorizing Ordinance. If City Council has not passed the Authorizing Ordinance before the Target Closing Date, Purchaser may elect, by delivering written notice to Seller on or before the Target Closing Date, either to terminate this Agreement or to extend the Target Closing Date one time only to a date occurring on or prior to December 31, 2016. If City Council passes the Authorizing Ordinance prior to the Target Closing Date (as may be extended by Purchaser under this Section 7.1(a)), but the Authorizing Ordinance will not be effective as of the Target Closing Date, the parties shall proceed to Closing (subject to the terms and conditions of this Agreement) and the Target Closing Date shall be automatically extended until the date that is five (5) days after the date the Authorizing Ordinance becomes effective; provided, however, if the Authorizing Ordinance is passed by City Council, but prior to the effectiveness thereof, a petition for referendum is filed with the Office of the City Clerk of Seattle (the "City Clerk") with respect to the Authorizing Ordinance, then (y) if the King County Records and Elections Division issues a determination that the petition is invalid or insufficient, the parties shall proceed to Closing (subject to the terms and conditions of this Agreement) and the Target Closing Date shall be automatically extended until the date that is five (5) days after the Authorizing Ordinance becomes effective, or (z) if the King County Records and Elections Division issues a Certificate of Sufficiency with respect to the petition for referendum, then Purchaser shall have the absolute right by written notice to Seller, which notice must be delivered to Seller within ten (10) days following the issuance of the Certificate of Sufficiency, to (A) immediately terminate this Agreement or (B) extend the Target Closing Date until the public ballot vote on the Authorizing Ordinance. If the Target Closing Date is extended to the public ballot vote and the Authorizing Ordinance is approved, the parties shall proceed to Closing (subject to the terms and conditions of this Agreement) and the Target Closing Date shall be automatically extended until the date that is five (5) days after the Authorizing Ordinance becomes effective. If the Target Closing Date is extended to the public ballot vote and the Authorizing Ordinance does not become effective, either Purchaser or Seller may terminate this Agreement upon five (5) days' written notice to the other party. Notwithstanding anything to

the contrary contained above in this Section 7.1(a), if the Authorizing Ordinance has not become effective as of the date that is nine (9) months immediately following the Effective Date, then Purchaser shall have the absolute right by written notice to Seller, which notice must be delivered to Seller within ten (10) days thereof, to immediately terminate this Agreement. If this Agreement is terminated pursuant to an express termination right granted by the provisions of this Section 7.1(a), Escrow Agent shall return the Deposit to Purchaser and neither party shall have any further rights or obligations under this Agreement, except those which expressly survive termination of this Agreement.

(b) No action, suit or legal or administrative proceedings shall have been instituted by or before any governmental authorities seeking to enjoin the transactions contemplated by this Agreement.

(c) The Association shall have delivered to Seller and Purchaser a written statement from the Association (the "Condominium Certification") certifying to Seller and Purchaser (together with Purchaser's successors or assigns under this Agreement) the amount of any unpaid assessments by owed by Seller under the Condominium Documents;

(d) Purchaser shall have delivered to Seller reasonable evidence that Purchaser's replacement garage operator has caused to be in place the collective bargaining agreement described in Section 4.5 above and has made the offer of employment to Diamond's Employees described therein; provided, however, if Purchaser has not received the reasonable evidence to satisfy this Section 7.1(d) before the date that is two (2) Business Days prior to the then-scheduled Target Closing Date, then Purchaser shall have the one (1)-time right under this Section 7.1(d) to extend the then-scheduled Target Closing Date up to thirty (30) days by delivering written notice to Seller before 5:00 pm Pacific Time on the date that is two (2) Business Days prior to the then-scheduled Target Closing Date;

(e) The representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date;

(f) Purchaser shall have delivered to Escrow Agent all funds, documents and instruments required to be delivered by Purchaser hereunder; and

(g) Purchaser shall have performed in all material respects all covenants and obligations required by this Agreement to be performed by Purchaser on or prior to the Closing Date.

If any of the foregoing conditions in this Section 7.1 is not satisfied at Closing, then Seller shall have the right to (A) terminate this Agreement by providing written notice to Purchaser, in which case, neither party shall have any further rights or obligations under this Agreement, except those which expressly survive such termination, or (B) waive any condition in this Section 7.1 (except passage of the Authorizing Ordinance as set forth in Section 7.1(a) above) at or prior to Closing. If Seller terminates this Agreement pursuant to the immediately preceding sentence as the result of any failed condition listed in subsections (c)-(g) of this Section 7.1, then (i) that portion of the Deposit equal to five percent (5%) of the Purchase Price shall be disbursed to Seller, but only if Seller is entitled to receive such sum in accordance with

Section 11.3 below, otherwise the Deposit shall be returned to Purchaser, and (ii) neither party shall have any further rights or obligations under this Agreement, except those which expressly survive such termination.

7.2 Purchaser's Closing Conditions. The obligations of Purchaser to consummate the transaction contemplated by this Agreement are subject to the following closing conditions (any of which may be waived in whole or in part by Purchaser in its discretion):

(a) The representations and warranties made by Seller in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date;

(b) Seller shall have performed in all material respects all covenants and obligations required by this Agreement to be performed by Seller on or prior to the Closing Date, including, without limitation, execution and delivery of Seller's Closing Documents to Escrow Agent;

(c) Except in the event of a Closing described in Section 9, there shall have occurred no material adverse change in the condition of the Property (including but not limited to the physical or environmental conditions thereof);

(d) Except for the payment of the premiums due Escrow Agent for its issuance of an ALTA 2006 standard coverage Owner's Policy of Title Insurance (or if Purchaser obtains and provides to Escrow Holder a recently prepared ALTA/ACSM survey of the Property, an ALTA Extended Coverage Owner's Policy of Title Insurance) insuring Purchaser's title to the Real Property in the amount of the Purchase Price and subject only to the Permitted Exceptions (the "Title Policy"). Escrow Agent shall be unconditionally committed to issue the Title Policy with no "gap" to Purchaser at Closing;

(e) No action, suit or legal or administrative proceedings shall have been instituted by or before any governmental authorities seeking to enjoin the transactions contemplated by this Agreement;

(f) The Association shall have delivered the Condominium Certification to Seller and Purchaser;

(g) The Authorizing Ordinance shall have been passed and shall have become effective law in accordance with Section 7.1(a) above.

(h) Seller shall have delivered the Amano Consent to Purchaser in a form reasonably acceptable to Purchaser.

If any of the foregoing conditions is not satisfied at Closing, then Purchaser shall have the right (A) to terminate this Agreement by providing written notice to Seller, in which case the Deposit shall be refunded to Purchaser and neither party shall have any further rights or obligations under this Agreement, except those which expressly survive such termination, or (B) to waive any condition in this Section 7.2 and proceed to Closing.

ARTICLE 8 - Closing

8.1 Escrow Closing. The consummation of the transaction contemplated in this Agreement (the "Closing") shall occur on or before the Target Closing Date through an escrow closing arrangement at the offices of Escrow Agent or such other mutually agreed upon location. The "Target Closing Date" is July 28, 2016, as such date may be extended in accordance with the terms and conditions of this Agreement. Purchaser may unilaterally elect to extend the Target Closing Date to August 29, 2016 by delivering notice to Seller no later than July 18, 2016 and, in such event, the dates of "December 31, 2016" and "January 1, 2017" set forth in Section 4 of the Assumption of Parking Agreements shall be deemed amended to read "January 31, 2017" and "February 1, 2017" respectively. If the Target Closing Date falls on a Friday or a day that is not a Business Day, the Target Closing Date shall automatically move to the next Business Day. The date on which Closing actually occurs and Seller's deed to Purchaser is recorded shall be the "Closing Date."

8.2 Seller's Closing Deliverables. On or before the Closing Date, Seller shall deliver each of the following items to Escrow Agent (collectively, "Seller's Closing Documents"):

(a) A duly executed and acknowledged bargain and sale deed in recordable form conveying the Real Property to Purchaser in the form attached hereto as Schedule 8.2(a), subject only to the Permitted Exceptions;

(b) A duly executed counterpart Real Estate Excise Tax Affidavit;

(c) A duly executed Bill of Sale in the form attached hereto as Schedule 8.2(c) (the "Bill of Sale") conveying the Personal Property to Purchaser;

(d) A duly executed assignment and assumption of Seller's interest in and obligations under the Assigned Contracts and the Intangible Property (the "General Assignment") in the form attached hereto as Schedule 8.2(d), together with original counterparts of the Assigned Contracts and any warranties, guaranties and agreements governing the Intangible Property;

(e) If all prior approvals and/or consents necessary for termination of the Umbrella Agreement (i) are then secured, including, without limitation, consent from the mortgage lender of the owner of the Systems Block Retail Unit (as such term is defined in the Umbrella Agreement), a duly executed Termination of Umbrella Agreement in the form attached as Schedule 8.2(e) terminating that certain Umbrella Agreement, by and among Pine Street Development L.L.C., a Washington limited liability company ("Pine Street"), Community Development Properties King County II, Inc., a Delaware non-profit corporation ("CDP"), and Seller, dated as of April 1, 1996, a memorandum of which was recorded under recording number 9704101114, and as (i) modified by that certain Amendment of Umbrella Agreement dated as of December 2, 1996; (ii) modified by that certain Second Amendment of Umbrella Agreement dated as of November 16, 1998, a memorandum of which was recorded as the First Amendment to Memorandum of Umbrella Agreement under recording number 9811171707; (iii) assigned to and assumed by PSD Pacific Place L.L.C. pursuant to that certain Assignment and Assumption of Umbrella Agreement dated as of October 14, 1999 and recorded under recording number 19991018001747; and (iv) assigned to and assumed by MPH PACIFIC PLACE LLC, a

Delaware limited liability company, pursuant to that certain Assignment and Assumption of Umbrella Agreement dated as of July 14, 2014 and recorded under recording number 20140714000587 (collectively, the "*Umbrella Agreement*") or (2) are not then secured, a duly executed assignment and assumption of the Umbrella Agreement in a form substantially similar to the form attached hereto as Schedule 8.2(f) (the "*Assumption of Umbrella Agreement*") assigning to Purchaser all of Seller's rights and obligations under the Umbrella Agreement;

(f) A duly executed Assignment and Assumption of Parking Agreements in the form attached as Schedule 8.2(f) (the "*Assumption of Parking Agreements*") assigning to Purchaser all of Seller's rights and obligations under the following agreements related to the operation of the Garage Unit:

(i) Parking Covenants by and between Pine Street Development L.L.C., Community Development Properties, King County II, Inc., and Nordstrom, Inc. ("*Nordstrom*"), dated April 1, 1996, first recorded under King County Recording No. 9605011064 and re-recorded under King County Recording No. 9701270429, as amended by that certain First Amendment to Parking Covenants dated as of November 16, 1998, recorded under King County Recording No. 9811171706 (as so amended, the "*Parking Covenants*"); and

(ii) Parking Agreement dated as of April 1, 1996 by and among Pine Street, CDP, Nordstrom and Seller, as amended by First Amendment to Parking Agreement dated June 29, 1998 and Second Amendment to Parking Agreement dated November 16, 1998 (as so amended, the "*Parking Agreement*").

(g) A certificate or certificates of non-foreign status from Seller substantially in the form attached hereto as Schedule 8.2(g);

(h) Customary affidavits sufficient for Escrow Agent to issue extended coverage title insurance to Purchaser, including, but not limited to, that certain Affidavit and Indemnity by Owner substantially in the form attached hereto as Schedule 8.2(h);

(i) Evidence reasonably satisfactory to Escrow Agent of Seller's authority to convey the Property pursuant to this Agreement;

(j) An executed copy of Seller's closing statement (or a joint closing statement) prepared by Escrow Agent for Closing and setting forth the Purchase Price, the closing adjustments required hereunder and the application of the Purchase Price as adjusted in accordance with this Agreement (the "*Closing Statement*");

(k) Access codes and, to the extent in Seller's possession or control, keys and access cards for all locks at the Property, if any;

(l) A Certificate from Seller stating that all representations and warranties set forth in Section 4.2 hereof remain true, accurate and complete in all material respects, as of the Closing Date in the form attached as Schedule 8.2(l), which Certificate shall include (i) a certification from Seller that no updates or modifications are required to any of Schedules B, 4.2(e), 4.2(f), 4.2(k), 4.2(dd) or 6.3 attached to this Agreement or (ii) certified and updated versions of any such Schedules as necessary to reflect changes thereto between the Effective

Date and the Closing Date, which changes shall be limited to those expressly permitted pursuant to the terms and conditions of this Agreement;

(m) A written resignation from all officers and director(s) representing the Owner of the Garage Unit resigning his/her position on the Board of Directors of the Association as of the Closing Date;

(n) A letter of resignation from all committee members representing the Owner of the Garage Unit resigning her/his position on the Parking Oversight Committee created in accordance with the Parking Agreement (if such committee exists as of the Closing Date);

(o) Evidence of the termination of all agreements and contracts to be terminated as required under this Agreement;

(p) To the extent not previously delivered to Purchaser, originals of the Due Diligence Materials and any additional Due Diligence Materials coming into Seller's possession or control after the Effective Date; provided, that Seller may deliver copies thereof in lieu of originals to the extent executed original counterparts are not in Seller's possession or control;

(q) To the extent not previously delivered to Purchaser, copies of the Diamond Deliveries (to the extent Seller has received them from Diamond);

(r) A duly executed request for re-conveyance of that certain Subordinate Deed of Trust, Assignment of Leases and Rents, Fixture Filing and Security Agreement dated on or about November 17, 1998 by and between Pine Street Development L.L.C., as Grantor, and Seller, as Beneficiary, recorded in the real property records of King County, Washington, under Recorder's File No. 9811171710.

(s) To the extent received by Seller, the Nordstrom Estoppels executed by Nordstrom.

(t) A legal opinion from the Seattle City Attorney's Office sufficient for Escrow Agent to issue the Title Policy to Purchaser without any exception related to Seller's authority to convey the Property at Closing.

(u) A termination agreement, in a form reasonably acceptable to Purchaser, among Seller, Nordstrom and MPH Pacific Place LLC, pursuant to which those parties shall acknowledge and agree that, to the extent that certain Special Use and Long Term Parking Agreement dated as of November 19, 1998 by and among Pine Street Development L.L.C., Nordstrom and Seller was ever executed and in effect, such agreement is no longer in effect and has been terminated. In the event Seller does not deliver the foregoing termination agreement at Closing, Seller shall represent and warrant to Purchaser, as of the Closing Date, pursuant to a certification in a form reasonably acceptable to Purchaser, as follows: "Except for any Permitted Exceptions or agreements to be assigned to Purchaser at Closing pursuant to this Agreement, Seller (i) has not entered into any contracts or other agreements, whether written or oral, with Nordstrom relating to the Property and (ii) has not executed or delivered any Monthly Long Term Parking Contracts, Special Use Long-Term Parking Contracts or Special Use Valet Parking Contracts (as each such term is defined in the Parking Agreement)." The foregoing

representations shall be incorporated by reference and made a part of those certain representations of Seller in Section 4.2 above.

(v) The original Diamond Assignment duly executed by Diamond in accordance with Section 4.3(i) above.

(w) A duly executed Post-Closing Access Agreement.

(x) Such other instruments as Purchaser or Escrow Agent may reasonably request to effectuate the transaction contemplated by this Agreement without additional liability or expense to Seller.

8.3 Purchaser's Closing Deliverables. On or before the Closing Date, Purchaser shall deliver each of the following to Escrow Agent (collectively, "Purchaser's Closing Documents");

(a) The Purchase Price by wire transfer in readily available funds (reduced by the amount, if any, of the Deposit applied for that purpose, and as adjusted by any pro-rations or other adjustments expressly contemplated under this Agreement);

(b) A duly executed counterpart Real Estate Excise Tax Affidavit;

(c) A duly executed counterpart original of the General Assignment;

(d) An executed copy of the Closing Statement (or Purchaser's closing statement) prepared by Escrow Agent;

(e) A Certificate from Purchaser stating that all representations and warranties of Purchaser set forth in Section 4.4 hereof remain true, accurate and complete in all material respects as of the Closing Date;

(f) If applicable under Section 8.2(e) above, a duly executed counterpart of the Assumption of Umbrella Agreement;

(g) A duly executed counterpart of the Assumption of Parking Agreements;

(h) A duly executed counterpart of the Post-Closing Access Agreement.

(i) Such other instruments as Seller or Escrow Agent may reasonably request to effectuate the transaction contemplated by this Agreement without additional liability or expense to Purchaser.

ARTICLE 9 - Casualty and Condemnation

(a) Casualty. Seller agrees to give Purchaser prompt notice of any fire or other casualty affecting the Property, or any portion thereof, between the Effective Date and the Closing. If any of portion of the Property is damaged by fire, earthquake or any other casualty event prior to Closing and the cost to repair exceeds (i) \$500,000 if the casualty is an uninsured

casualty or (ii) \$1,000,000 if the casualty is an insured casualty (each a "Major Casualty"), then either Purchaser or Seller may, at its option by written notice to the other party within twenty (20) days after the date of Seller's notice to Purchaser of the casualty (and if necessary, the Closing Date shall be extended to give the parties the full twenty (20) day period to make such election and to obtain insurance settlement agreements with Seller's insurers), elect to either (i) terminate this Agreement, in which case the Deposit shall be refunded to Purchaser, and neither party shall have any further rights or obligations under this Agreement, other than those that expressly survive termination or (ii) proceed to Closing pursuant to the subsequent terms of this Section 9(a). If Purchaser and Seller each timely makes its election to proceed to Closing pursuant to this paragraph and the casualty is insured, then the Closing shall take place as provided herein (subject to the extension of Closing as provided above), the Purchase Price shall be reduced by an amount equal to Seller's deductible under its insurance policies, and Seller shall assign to Purchaser at the Closing all of Seller's interest in and to any casualty insurance proceeds on account of the occurrence, including, without limitation, the proceeds of any business interruption or loss of rental insurance. If Purchaser and Seller each timely makes its election to proceed to Closing pursuant to this paragraph and the casualty is uninsured, then the Closing shall take place as provided herein. Purchaser shall accept the Property in its condition at Closing and the Purchase Price shall be reduced by the estimated cost to repair, as reasonably determined by the parties working with such consultants and contractors as they may engage to jointly prepare such estimate. If either Purchaser or Seller does not timely make an election pursuant to this Section 9(a), such party shall be deemed to have elected to terminate this Agreement, in which case the Deposit shall be refunded to Purchaser, and neither party shall have any further rights or obligations under this Agreement, other than those that expressly survive termination. If, before Closing, the Property is damaged by (A) a fire or other casualty that is not a Major Casualty or (B) an uninsured casualty and Seller repairs the damage before Closing, then Purchaser may not terminate this Agreement, and if the casualty is insured but the damage has not been fully repaired before Closing to Purchaser's satisfaction in its sole discretion, the Purchase Price shall be reduced by an amount equal to Seller's deductible under its insurance policies, and Seller shall assign to Purchaser at the Closing all of Seller's interest in and to any casualty insurance proceeds on account of the occurrence, including, without limitation, the proceeds of any business interruption or loss of rental insurance.

(b) Condemnation. In the event that all or any portion of the Property shall be taken in condemnation or under the right of eminent domain prior to the Closing Date, Seller shall promptly notify Purchaser thereof. Within ten (10) Business Days after receipt of the foregoing notice (and if necessary the Closing Date shall be automatically extended to give Purchaser the full ten (10) Business Day period to make such election), Purchaser shall notify Seller, electing either: (a) to proceed with this transaction and Closing in accordance with this Agreement notwithstanding such condemnation; or (b) to terminate this Agreement, receive a refund of the Deposit and neither party shall have any further rights or obligations under this Agreement except for those that expressly survive termination. If Purchaser elects to proceed with this transaction pursuant to clause (a) above, there shall be no reduction in the Purchase Price and Seller shall (i) deliver to Purchaser at the Closing, or as soon thereafter as available, any proceeds actually received by Seller attributable to the Property from such condemnation or eminent domain proceeding, and (ii) transfer and assign to Purchaser any and all rights Seller may have with respect to payments by or from and with respect to recovery against any party for damages or compensation relating to the Property on account of such condemnation or eminent

domain proceeding. A failure by Purchaser to notify Seller in writing within ten (10) Business Days after receiving written notice of such taking shall be deemed an election to proceed under clause (b) above. If Purchaser elects to proceed under clause (a) above, Seller shall not compromise, settle or adjust any claims to such award without Purchaser's prior written consent. Purchaser shall have the sole right after Closing to negotiate and otherwise deal with the condemning authority in respect of such matter.

The provisions of this Article 9 shall survive Closing.

ARTICLE 10 - Brokerage Commissions

10.1 Representations and Indemnity. Seller and Purchaser each mutually represent and warrant to the other that they have not dealt with, and are not obligated to pay, any fees or commissions to any broker in connection with the transaction contemplated by this Agreement other than Holliday, Fenoglio Fowler, L.P. and Craig Kinzer & Co., d/b/a Kinzer Partners and Kinzer Real Estate Services (collectively, the "Brokers"). Seller is solely responsible for compensating the Brokers pursuant to separate agreements. Each party hereby agrees to indemnify and hold harmless the other party from and against any and all liability, cost, damage or expense on account of any claim for a brokerage commission or finder's fee made by any other Person or entity claiming through such indemnifying party. Each of Purchaser and Seller hereby indemnifies and holds harmless the other from all loss, cost and expenses (including reasonable attorneys' fees and expenses) arising out of a breach of its representation or undertaking set forth in this Section 10.1. The provisions of this Section 10.1 shall survive Closing or the earlier termination of this Agreement.

ARTICLE 11 - Default, Termination and Remedies

11.1 Purchaser's Remedies for Seller Default. So long as Purchaser has performed all of its obligations and is not in default hereunder beyond any applicable notice and cure periods, if, at or prior to Closing, Seller fails to perform its obligations pursuant to this Agreement for any reason except failure by Purchaser to perform its obligations hereunder, or if before Closing, Seller causes or permits any of Seller's representations or warranties to be untrue and fails, within five (5) Business Days after Purchaser's written notice thereof to Seller, to take further action necessary to make the applicable representation or warranty true and correct, then Purchaser may, as its sole and exclusive remedy (but without prejudice to Purchaser's rights and remedies with respect to any of Seller's indemnification obligations hereunder) either: (i) terminate this Agreement by giving Seller timely written notice of its election and recover the Deposit, together with Purchaser's actual, third-party costs (collectively, "Out of Pocket Costs") not to exceed Two Hundred Thousand and 00/100 dollars (\$200,000.00) incurred in connection with the negotiation and documentation of this Agreement, Purchaser's conduct of inspections, tests and other due diligence activities relating to the Property and costs incurred by Purchaser in preparation for Closing on the purchase of the Property (which costs shall include, but not be limited to, Purchaser's fees payable to its attorneys, engineers, surveyors and environmental consultants); or (ii) bring suit to compel specific performance of Seller's obligations under this Agreement. Any suit seeking specific performance of Seller's obligations under this Agreement must be commenced within forty-five (45) days after the scheduled Closing Date or shall thereafter be barred. In no event shall Purchaser seek or be entitled to recover punitive damages or consequential damages against Seller, and Purchaser hereby waives any claim for recovery of

punitive damages or consequential damages. The provisions of this Section 11.1 shall survive any termination of this Agreement.

11.2 No Recourse to City of Seattle. Purchaser shall have no recourse under this Agreement to any assets or property of Seller other than the Property and the proceeds from Seller's sale of the Property, including, without limitation, the Holdback Amount, for the payment or collection of any judgment, arbitral award, fee or cost or for any other obligation or claim arising out of or based upon this Agreement requiring the payment of money by Seller.

11.3 Seller's Remedies for Purchaser Default. So long as Seller has performed all of its obligations and is not in default hereunder beyond any applicable notice and cure periods, and all of Purchaser's Closing conditions contained in Section 7.2 above have been satisfied or waived, if Purchaser defaults in its obligation to purchase the Property on the terms required hereunder, Seller shall be entitled to terminate this Agreement and receive from the Deposit an amount of money equal to five percent (5%) of the Purchase Price as liquidated damages in lieu of all other remedies available to Seller at law or in equity for such default (but without prejudice to Seller's rights and remedies with respect to any of Purchaser's indemnification obligations hereunder). Seller and Purchaser agree that the damages resulting to Seller as a result of such default by Purchaser are difficult or impossible to ascertain and the liquidated damages set forth in this Section 11.3 constitute Purchaser's and Seller's reasonable estimate of such damages and not a penalty to Purchaser. In no event shall Seller seek or be entitled to punitive damages or consequential damages against Purchaser, and Seller hereby waives any claim for recovery of punitive damages or consequential damages. The provisions of this Section 11.3 shall survive any termination of this Agreement.

11.4 Intent of Damages Limitation. Notwithstanding the foregoing provisions of this Article 11, any limitation on remedies provided for in this Article 11 shall be in addition to and not in lieu of any defense or indemnity obligation of Seller or Purchaser provided for in this Agreement, Seller's Closing Documents and/or Purchaser's Closing Documents, as applicable, and shall not otherwise preclude enforcement of any obligations, liabilities, representations or warranties that survive Closing pursuant to this Agreement, Seller's Closing Documents and/or Purchaser's Closing Documents, as applicable (subject, however, in each event, to any express time and/or liability limitations contained in this Agreement, Seller's Closing Documents and/or Purchaser's Closing Documents, as applicable).

ARTICLE 12 - Miscellaneous

12.1 Assignment. Purchaser may assign or transfer its rights under this Agreement only to an Affiliate, a joint venture entity in which it has an interest, successor by operation of law, wholly owned subsidiary, entity controlled by Purchaser or under common control with Purchaser and to any entity owning or purchasing all or substantially all of the assets of Purchaser; provided Purchaser shall first notify Seller of the proposed transfer and shall deliver to Seller such reasonable documentary evidence as Seller may request in order to confirm that Purchaser's proposed assignment complies with the conditions described in this Section 12.1. Otherwise, Purchaser shall not transfer or assign its rights under this Agreement without Seller's prior written consent, which may be granted or withheld in Seller's sole discretion. The covenants and agreements contained in this Agreement shall extend to, bind and inure to the benefit of the permitted successors and assigns of Purchaser. As used herein, "Affiliate" shall mean (i) any Person that directly or indirectly controls, is controlled by or is under common

control with Purchaser or Madison Realty Partnership LLC or (ii) any investment vehicle or entity (including, without limitation, an income trust, real estate investment trust or other publicly-traded or quasi-public entity), the sponsor of which is Purchaser or any Person that directly or indirectly controls, is controlled by or is under common control with Purchaser and/or Madison Realty Partnership LLC. For purposes hereof, "control" shall mean the right to directly or indirectly control the management and the day to day operation of the applicable entity, subject to customary "major decision" rights of investors in such entity.

12.2 Notices. Any notice required or permitted to be delivered under this Agreement shall be in writing and shall be deemed given on the earlier of actual receipt or (i) when delivered, if delivered by hand during regular business hours, (ii) three (3) days after being sent by United States Postal Service, registered or certified mail, postage prepaid, return receipt requested and first class mail, postage prepaid, or (iii) the next business day if sent by a reputable national overnight express mail service that provides tracing and proof of receipt or refusal of items mailed. Any notice given by a party to the other party relating to its entitlement to the Deposit shall be simultaneously given to Escrow Agent. Notices to Seller, Purchaser and/or Escrow Agent shall be delivered as follows:

If to Seller: THE CITY OF SEATTLE
 Department of Finance and Administrative Services
 Attn: Robert C. Farrell, Senior Real Property Agent
 700 Fifth Avenue, Suite 5200
 P.O. Box 94689
 Seattle, WA 98124-4689
 Phone: 206-684-7154
 Email: Robert.Farrell@Seattle.gov

Note: If delivering notice by hand pursuant to subsection (i) above, notice must be delivered to the City's street address; if sending notice by U.S. Mail pursuant to subsection (ii) above, notice must be sent to the City's P.O. Box; and if sending notice by overnight express mail service pursuant to subsection (iii) above, notice must be delivered to the City's street address.

With a copy to: The Seattle City Attorney's Office
 Attn: Rebecca Keith
 Seattle City Attorney's Office
 701 Fifth Ave., Suite 2050
 Seattle, WA 98104
 Phone: (206) 684-8239
 Email: Rebecca.Keith@seattle.gov

If to Purchaser: MPH PP Garage LLC
 c/o Madison Marquette
 670 Water Street SW
 Washington, DC 20024
 Attention: David Brainerd
 Phone: (202) 741-3811
 Email: david.brainerd@madisonmarquette.com

With mandatory copies to:

MPH PP Garage LLC
 c/o Madison Marquette
 909 Montgomery Street, Suite 200
 San Francisco, CA 94133
 Tel: 415-277-6800
 Attn: Chad Eisenbud, Director, Investments
 Email: chad.eisenbud@madisonmarquette.com

Sudow Kohlhaugen LLP
 670 Water Street SW
 Washington, DC 20024
 Attn: Tron S. Kohlhaugen, Esq.
 Phone: (202) 769-5786
 Email: tkohlhaugen@sklawpartners.com

If to Escrow Agent: Chicago Title Insurance Company
 Matthew S. Bliwise
 Vice President and Counsel
 Chicago Title Insurance Company
 711 Third Avenue
 New York, NY 10017
 Phone: 212-880-1210
 Email: matt.bliwise@ctt.com

12.3 Interpretation. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words of a similar number shall be held to include the plural and vice versa, unless the context requires otherwise.

12.4 Captions. The captions used in this Agreement are for convenience only and shall not be deemed to extend, limit or otherwise define or construe the meaning of the language of this Agreement.

12.5 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any Person, other than (a) the parties hereto and their respective successors and assigns and (b) indemnified Persons specifically referenced herein, any rights or remedies under or by reason of this Agreement.

12.6 Amendments. This Agreement may be amended only by a written instrument executed by Seller and Purchaser (or Purchaser's permitted assignee or permitted transferee).

12.7 Integration. This Agreement (including the schedules and exhibits) embodies the entire agreement between Seller and Purchaser with respect to the transactions contemplated in this Agreement. There are no understandings, covenants, agreements, representations or warranties between Seller and Purchaser with regard to the Property or the transactions contemplated by this Agreement other than those set forth herein.

12.8 Choice of Law; Venue. This Agreement shall be construed under and in accordance with the laws of the State of Washington without regard to otherwise applicable principles of conflicts of laws. Any action arising out of this Agreement must be commenced in King County Superior Court or the United States District Court for the Western District of Washington. Each party consents to the jurisdiction of those courts in any such action and the laying of venue in the State of Washington.

12.9 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be an original but such counterparts together shall constitute one and the same instrument notwithstanding that both Purchaser and Seller are not signatories to the same counterpart.

12.10 Exculpation for Liability. None of Purchaser's direct or indirect partners, shareholders, members, owners or affiliates, any officer, manager, director, employee or agent of the foregoing, or any affiliate or controlling Person thereof have any personal liability of any kind or nature, nor shall Seller have the right to receive any judgment or otherwise recover against the assets of the aforesaid, under or arising out of or in any way relating to this Agreement or the Property and the transactions contemplated under this Agreement, whether based on contract, common law, statute, equity or otherwise. Seller hereby waives for itself and anyone who may claim by, through or under Seller any and all rights to sue or recover on account of any such alleged personal liability or to receive any judgment or otherwise recover against the assets of any of Purchaser's direct or indirect partners, shareholders, members, owners or affiliates, any officer, manager, director, employee or agent of the foregoing, or any affiliate or controlling Person.

12.11 No Recording of Agreement. Neither party (nor any of their respective agents or representatives) shall record this Agreement (or any memorandum or short form of this Agreement) without the prior written consent of the other.

12.12 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest or permitted assigns.

12.13 Business Day. Unless otherwise expressly provided in this Agreement, all references to 'days' shall mean calendar days. In the event any date hereunder (including the Closing Date) falls on a Saturday, Sunday or any other day that is recognized as a holiday by the City of Seattle, the date applicable shall be the next Business Day. The term "Business Day" means a date that is not a Saturday, Sunday or any other day that is recognized as a holiday by the City of Seattle.

12.14 Time of the Essence. Time is of the essence of this Agreement.

12.15 Waiver of Jury Trial. Each party hereto, knowingly and voluntarily, and for their mutual benefit, waives any right to trial by jury in the event of litigation regarding the performance or enforcement of, or in any way related to, this Agreement.

12.16 Confidentiality.

(a) Purchaser recognizes that as part of the process of obtaining City Council approval of the Authorizing Ordinance, this Agreement and information relating to the material terms of the transaction contemplated herein will be made public. Additionally, Purchaser recognizes that Seller is a public entity and is obligated to make records available to the public in accordance with the Washington State Public Records Act, Chapter 42.56 RCW (the "Act"). If, as part of this transaction, Purchaser provides Seller with information reflected in documents, and/or records which Purchaser wishes to remain confidential or believes are exempt from disclosure under the Act, Purchaser shall identify the documents and records in writing as 'confidential' at the time of the disclosure to Seller ("Confidential Information"). Seller shall limit the use of the Confidential Information to internal City purposes and shall not voluntarily release Purchaser's Confidential Information to the general public.

(b) If (i) Seller receives any public disclosure request under the Act and Seller's response to such request will include documents, information and/or records identified by Purchaser in writing as Confidential Information, or (ii) Seller is otherwise required or compelled to disclose any Confidential Information under applicable law, rule or regulation, legal process, subpoena, court order, civil investigative demand, or request of other legal or regulatory authority, then Seller shall promptly provide Purchaser with written notice of such disclosure request or requirement, as applicable, and Seller shall not disclose the Confidential Information for fifteen (15) Business Days in order to permit Purchaser time to seek a protective order or injunction preventing the release and disclosure of the Confidential Information. If Purchaser obtains an injunction or other court-ordered protective order, then Seller shall not release or disclose any of the Confidential Information pursuant to such order. Purchaser acknowledges that Seller shall not assert an exemption or seek a protective order on Purchaser's behalf. Seller shall not oppose Purchaser's effort to seek any protective order or other restriction or limitation on the release or disclosure of the Confidential Information.

(c) Prior to issuing any official City press release related to the subject matter of this Agreement, Purchaser and FAS shall first provide written notice to and consult with each other concerning any such official statement. No press release related to the transaction described in this Agreement shall be released without the prior review and approval of both parties.

(d) The provisions of this Section 12.16 shall survive the expiration or earlier termination of this Agreement and, if the Closing occurs hereunder, the Closing.

ARTICLE 13 - Escrow Terms

13.1 Deposit - Duties of Escrow Agent. The Deposit shall be held by Escrow Agent, in trust, on the terms hereinafter set forth:

(a) Escrow Agent shall deposit the Deposit in an interest-bearing, federally insured commercial bank account.

(b) Escrow Agent shall deliver the Deposit to Seller or to Purchaser, as the case may be, under the following conditions:

(i) To Seller on the Closing Date, provided, Closing shall occur pursuant to this Agreement; or

(ii) To Seller upon receipt of written demand therefor given after expiration of the Inspection Period in accordance with this Agreement ("Seller's Demand for Deposit") stating (A) that Purchaser is in default hereunder, (B) the facts and circumstances underlying such default and (C) that Seller is entitled to receive the Deposit in accordance with the terms of this Agreement; provided, however, that Escrow Agent shall not honor such demand until more than ten (10) days after Purchaser's receipt from Escrow Agent of a copy of such demand in accordance with the provisions of Section 13.1(c) of this Agreement, nor thereafter if Escrow Agent shall have received a Notice of Objection (as defined in Section 13.1(c) of this Agreement) from Purchaser within such ten (10)-day period; or

(iii) To Purchaser promptly upon receipt of written demand therefor (with a copy to Seller) stating that this Agreement has terminated, or been deemed terminated, on or before the expiration of the Inspection Period in accordance with Section 5.3 hereof; or

(iv) To Purchaser upon receipt of written demand therefor ("Purchaser's Demand for Deposit") stating (A) that Seller is in default hereunder, (B) the facts and circumstances underlying such default and (C) that Purchaser is entitled to receive the Deposit in accordance with the terms of this Agreement; provided, however, that Escrow Agent shall not honor such demand until more than ten (10) days after Seller's receipt from Escrow Agent of a copy of such demand in accordance with the provisions of Section 13.1(c) of this Agreement, nor thereafter if Escrow Agent shall have received a Notice of Objection from Seller within such ten (10)-day period.

(c) Within two (2) Business Days of the receipt by Escrow Agent of a Seller's Demand for Deposit or a Purchaser's Demand for Deposit, Escrow Agent shall send a copy thereof to the other party by overnight mail via a recognized courier service such as Federal Express, with a signature required for delivery, and otherwise as provided in this Agreement. The other party shall have the right to object to the delivery of the Deposit by sending written notice (the "Notice of Objection") of such objection to Escrow Agent by overnight mail via a recognized courier service such as Federal Express, with a signature required for delivery, which Notice of Objection shall be deemed null and void and ineffective if such Notice of Objection is not received by Escrow Agent within the ten (10)-day period described in Section 13.1(b) of this Agreement. Such Notice of Objection shall set forth the basis for objecting to the delivery of the Deposit. Upon receipt of a Notice of Objection, Escrow Agent shall promptly send a copy thereto to the party who sent the written demand.

(d) In the event Escrow Agent shall have received the Notice of Objection within the ten (10)-day period described in Section 13.1(b) of this Agreement, Escrow Agent shall continue to hold the Deposit until (i) Escrow Agent receives a joint written notice from Seller and Purchaser directing the disbursement of the Deposit, in which case Escrow Agent shall then disburse the Deposit in accordance with such direction, or (ii) in the event of litigation between Seller and Purchaser, Escrow Agent shall deliver the Deposit to the clerk of the court in

which said litigation is pending, or (iii) Escrow Agent takes such affirmative steps as Escrow Agent may, at Escrow Agent's option, elect in order to terminate Escrow Agent's duties, including, but not limited to, depositing the Deposit into the registry of the King County Superior Court and bringing an action for interpleader, the costs thereof to be borne by whichever of Seller or Purchaser is not the substantially prevailing party therein.

(e) It is agreed the duties of Escrow Agent are only as herein specifically provided, and subject to the provisions of Sections 13.1(b), 13(c), 13(d), 13(f) and 13(g) hereof, are purely ministerial in nature, and Escrow Agent shall incur no liability whatever, except for willful misconduct, gross negligence or fraud of Escrow Agent.

(f) Escrow Agent shall execute this Agreement below to confirm that Escrow Agent will hold and disburse the Deposit in accordance with the provisions of this Agreement.

(g) Upon Closing, any interest earned on the Deposit shall be delivered to Seller and credited against the Purchase Price. Upon delivery of the Deposit to Seller under Section 13.1(b)(1) or (2), interest shall be delivered to Seller, and upon delivery of the Deposit to Purchaser under Section 13.1(b)(3) or (4), interest shall be delivered to Purchaser.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this instrument as of the Effective Date set forth above.

SELLER:

THE CITY OF SEATTLE, a first class charter city
of the State of Washington

By: *Fred Podesta*

Name: Fred Podesta

Title: Director, FAS

4/29/2016

PURCHASER:

MPH PP GARAGE LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have executed this instrument as of the Effective Date set forth above.

SELLER:

THE CITY OF SEATTLE, a first class charter city
of the State of Washington

By: _____

Name: _____

Title: _____

PURCHASER:

MPH PP GARAGE LLC,
a Delaware limited liability company

By: *Dana Brainerd*

Name: Dana Brainerd

Title: Vice President

ESCROW AGENT:

The undersigned acknowledges the terms described in Article 13 of this Agreement and agrees to proceed in strict accordance therewith.

By: 

Name: Matthew S. Blumise, Esq.
Vice President & Counsel

Title: _____

SCHEDULE A

Legal Description of Real Property

Garage Unit, Pacific Place, a condominium, according to the Declaration thereof recorded August 27, 1998 under recording No. 9808271807, and amendments thereto, said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at Pages 1 through 7. Recorder's File No. 9808271806, records of King County.

SCHEDULE B

Description of Personal Property and Intangible Property

Amano AMG-7800 Series Pay Station
 Amano AGP-5200 Series Phase IV Fee Computer
 Amano-AMG-4000 Series Lag Time Reader
 Amano-AMG-2000 Series Ticket Dispenser
 Amano-AMG-1800 Series Parking Gate
 iParc Professional Software [Licensed as Pacific Place Serial Number 7236]
 One (1) Taylor Dunn Golf Cart
 One (1) Freedom Golf Cart
 Thirty (30) Traffic Cones
 Two (2) Mop Buckets
 Two (2) Janitor Carts
 Four (4) – Misc. Ladders
 Four (4) Snow Shovels
 Twenty-two (22) Trash Cans
 Seven (7) Electric Car Stations
 All furniture in valet or parking garage offices (if any)
 All trademarks, trade names and similar rights associated with "Pacific Place Garage"
 All parking access cards, including, without limitation, the parking access cards issued pursuant to the Monthly Parking Agreements
 Server rack
 Video monitoring system
 Three (3) i-Pad valet handhelds

SCHEDULE 4.2(c)

List of Occupancy Agreements

None.

SCHEDULE 4.2(i)

List of Property Contracts

1. The Umbrella Agreement.
2. The Parking Covenants.
3. The Parking Agreement.
4. Blanket Contract dated November 15, 2013, by and between Seller and the Joel and Julie Diamond Multigenerational Trust dba Diamond Parking.
5. Software License Agreement and Limited Warranty with Amano McGann, Inc.
6. Collective Bargaining Agreement between Diamond Parking, Inc. and Teamsters Local Union No. 117 (April 1, 2013-March 31, 2016)
7. PSF Mechanical, Inc. - HVAC service
8. Botanical Designs - Interior Plant Proposal
9. Loomis Service Agreement
10. Cintas Standard Uniform Rental Service Agreement
11. Ricoh USA, Inc. (equipment lease)
12. Shred-USA LLC
13. Charge Northwest LLC

4.2(i) - 1

SCHEDULE 4.2(i) (continued)

List of Monthly Parking Agreements

Card	Last	First	Company
2	Hammond	Stephanie	Barnes & Noble
4	Gao	Chunlin	Individual
6	Griffin	Lindy Sue	Lindy Sue Griffin
7	Gossett	Natalie	Hunt Marketing
9	Bariquit	Teri	Nordstrom
10	Feinman	Evan	Nordstrom
12	Ryder	Danny	Nordstrom
13	Jackson Brown	Jennifer	Nordstrom
14	Wheeler	Jennifer	Nordstrom
15	Sato	Mike	Nordstrom
18	Witman	David	Nordstrom
19	Nordstrom	John	Individual
20	Moran	Corcy	Hunt Marketing
21	Robb	John	Individual
22	Roberts	Brian	Nordstrom
27	Vereen	Ossie	Individual
30	Janney	Laura	Nordstrom
31	Wong	Flora	Individual
32	Fitzpatrick	Johnathon	Barnes & Noble
33	Kutzke	Jason	Highland Capital
34	Green	Heather	Hunt Marketing
35	Thai Ginger	Tou	Thai Ginger
36	Little	Dan	Individual
38	Lopez	Carrie	Chico's
40	Lane	Andrew	Barnes & Noble
41	Wilder	Joseph	Barnes & Noble
42	Rule-Krinke	Nancy	Individual
43	Smith	Patrick	Nordstrom
44	Ross	Aaron	Gordon Biersch
45	Aughtry	Chester	Individual
46	Libby	Armeta	Individual
49	Bury	Bonnie	Individual
50	Rollins	Ellen	Individual
51	Junga	Franz	Il Fornaio
52	Pirwitz	Samantha	Barnes & Noble
53	Wiggins	Erin	Hunt Marketing
55	Leonard	Lorenzo	Madison Marquette
57	Scott	Pete	Barnes & Noble
59	Sornito	Joyce	Individual
61	Dennehy	Brian	Individual

4.2(i) - 2

SCHEDULE 4.2(i) (continued)

List of Monthly Parking Agreements

Card	Last	First	Company
62	Tamaki	Craig	Highland Capital
64	Rubens	Dave	Individual
66	Ilinz	Stacy	Individual
67	Doov	Senovilay	Thai Ginger
68	Vilayphanh	Poonpissamai	Thai Ginger
78	Simmons	Cris	Cris Simmons
80	Bradford Schmidt	Jo	Individual
81	Koppel	Mike	Individual
83	Firey-Oldroyd	Lynda	Individual
85	Buzzoni	Michelle	Nordstrom
86	Stankus	Marlaine	Nordstrom
87	Tritton	Mark	Nordstrom
88	Myers	Margaret	Nordstrom
90	Kretsinger	Kevin	Verizon
352	New Manager		Gordon Biersch
92	Godfrey	Red	Nordstrom
96	Rotz	Ariel	Francesca's
98	Snedeker	Corrine	Individual
99	Gaffney	Dennis	Individual
101	Ryan	Nicole	Individual
103	Greer	Jay	Individual
104	Serex	Teresa	Individual
120	Lantzy Lewis	Jane	Individual
121	Caplan	Seth	Verizon
122	Hunt	Matt	Hunt Marketing
123	Baxter	Joy	Hunt Marketing
130	Popejoy	Erika	Nordstrom
135	Martinez	Victor	Gordon Biersch
139	McNerney	Don	Il Fornaio
142	Setzer	Bryan	Individual
146	Tecca	Sean	Fedex
148	Gangon	Angie	Coach
149	Ediger	Katie	Coach
150	Nordstrom	Blake	Individual
151	Samuel	Karen	Individual
153	Smith	Tricia	Nordstrom
158	Gau	Ping Ping	Coach
160	Goesch	Winnie	Individual
162	Tran	Hang	Individual
163	Madison Swan	Kenady	Coach

SCHEDULE 4.2(i) (continued)

List of Monthly Parking Agreements

Card	Last	First	Company
164	Hilliker	Darin	North Highland
166	Blevins	Lindy	Individual
169	Kaczarsj	Natalia	Individual
171	Bermudez	Sergio	Mexico Cantina
172	Riccio	Susan	Il Fornaio
175	Joyner	Gerren	Verizon
178	Archer	Holly	Cris Simmons
179	Yang	Rita	Individual
181	Owen	Melanie	Nordstrom
182	Kim	Olivia	Nordstrom
187	Taylor	Mia	BCBG Max
192	Reeder	Lisa	Hunt Marketing
193	Delpesce	Adalberto	Il Fornaio
194	Nocco	Marco	Il Fornaio
199	Molloy	James	Individual
200	Woodman	Mike	Alliance for Education
207	Nelson	Troy	Individual
208	Morris	Sara	Alliance for Education
209	Young	Jennifer	Individual
211	Stanley	Matthew	Il Fornaio
215	Cruz	Edgar	Il Fornaio
218	Chen Huey	Phyllis	Individual
222	Copello	Corinne	Nordstrom
223	Zay	Mahtie	BCBG Max
224	Matiss	Maruta	Individual
231	Clarke	Sheena	Francesca's
234	Junge	Thomas	Individual
235	Hughes	Chelsea	Chico's
238	Glossip	Tory	Madison Marquette
246	Snyder	Tobi	Nordstrom
247	Spann	J'von	Chico's
248	Nguyen	Katherine	BCBG Max
249	Arosteguy	Elena	Madison Marquette
254	Hofto	Celeste	Individual
259	Anderson	Ellen	Individual
262	Bactol	Anne	Individual
263	Carney	Heather	Individual
266	True	Jennifer	Individual
267	Frossmo	Kristin	Nordstrom
268	Price-Duffy	Kerry	Nordstrom

SCHEDULE 4.2(i) (continued)

List of Monthly Parking Agreements

Card	Last	First	Company
269	Szeredy	Gary	Gordon Biersch
270	Green	Immanuel	Gordon Biersch
271	Brubaker	Annie	Gordon Biersch
272	Leal	Eddie	Gordon Biersch
275	Hackstedde	Stephenie	Kate Spade
278	Heiges	Tiffany	Individual
279	Lin	Kat	Individual
280	Ladd	Corbyn	Verizon
282	Alexander	CJ	Jimmy Johns
283	Riccio	Stanislao	Il Fornaio
284	Sanchez	Angelica	Il Fornaio
285	Deputy-Ott	Christine	Individual
286	Floater	Nakeisha	Verizon
290	Allen	Michelle	Madison Marquette
292	Tran	Bianca	Madison Marquette
295	Lim	Pearl	Individual
296	Chang	Karen	Individual
297	Seo	Sharon	Individual
298	Peacock	Stephanie	Individual
300	Tomlinson	Kimmy	Individual
302	Keng	Samuel	Individual
303	Payment	Julia	Individual
304	Mushel	Adam	Verizon
305	Aguilar	Yazmin	Verizon
306	Corbisier	Sharon	Individual
307	Leopold	Ashton	Individual
309	Doi	Sayuri	Individual
310	Alexander	Molly	Individual
311	Williams	Monica	Individual
312	Koppel	Jessica	Individual
313	Heick	Stephanie	Madison Marquette
315	Rogers	Racquel	Verizon
316	Nilsen	Brad	Verizon
319	Wingard	Dalynn	Madison Marquette
320	Cunningham	Aiko	Madison Marquette
321	Carton	Amy	Nordstrom
323	Than	Chea	Verizon
324	Boehm	Jason	Verizon
325	Summers	Ashley	Verizon
326	Robinson	John	Mexico Cantina

4.2(i) - 5

SCHEDULE 4.2(i) (continued)

List of Monthly Parking Agreements

Card	Last	First	Company
327	So	Kevin	Verizon
328	Davis	Bryce	Verizon
329	Nelson	Rachel	Madison Marquette
331	McFerris	Matthew	AT&T Mobility
332	Huff	Alex	AT&T Mobility
333	Schue	Richard	AT&T Mobility
334	Goettler	Dorian	AT&T Mobility
335	Naidu	Nick	AT&T Mobility
336	Barrera	Andy	AT&T Mobility
337	Burgoyne	Brian	AT&T Mobility
338	Leopold	Jared	AT&T Mobility
339	Davis	Vince	AT&T Mobility
340	Thompson-Wiley	Travonna	AT&T Mobility
341	To	Danny	AT&T Mobility
342	Johnson	Richard	AT&T Mobility
343	Kim	Ryan	AT&T Mobility
344	Nelson	Tyson	AT&T Mobility
345	Nguyen	Cardin	AT&T Mobility
346	Vo	Tommy	AT&T Mobility
347	Njoku	Nonye	AT&T Mobility
348	Alabaso	Christopher	AT&T Mobility
349	Barrett	Eva	AT&T Mobility
350	Nguyen	Kevin	AT&T Mobility
351	Chu	Dan	AT&T Mobility
0-A	Lew	Christina	Individual
0-B	Canceled	Canceled	Individual
0-C	Canceled	Canceled	Individual
0-E	Canceled	Canceled	Individual
0-F	Erlandson	Steven	Individual
0-G	Drewes	Daniel	Individual
0-H	Canceled	Canceled	Individual
0-I	Shivaprakash	Archit	Individual
0-J	Rogel	Mark	Individual
0-K	Canceled	Canceled	Individual
0-L	Cancelled	Cancelled	Individual
0-M	Cancelled	Cancelled	Individual
0-N	Oh	Daniel	Individual
0-O	Gunderson	Andrea	Individual
0-P	Shiner	Benjamin	Individual
0-Q	Thurman	David	Individual

4.2(i) - 6

SCHEDULE 4.2(i) (continued)

List of Monthly Parking Agreements

Card	Last	First	Company
0-R	Canceled	Canceled	Individual
0-S	Canceled	Canceled	Individual
0-T	Yung	Troy	Individual
0-U	Cancelled	Cancelled	Individual
0-V	Cancelled	Cancelled	Individual

4.2(i) - 7

SCHEDULE 4.2(k)

List of Environmental Reports

None.

4.2(k) - 1

SCHEDULE 4.2(dd)

Schedule of Hourly Parking Rates

Self Park		
0 - 30 Min	\$	4.00
30 Min - 1 Hr	\$	6.00
1 - 1.5 Hr	\$	8.00
1.5 - 2 Hrs	\$	9.00
2 - 2.5 Hrs	\$	10.00
2.5 - 3 Hrs	\$	11.00
3 - 3.5 Hrs	\$	12.00
3.5 - 4 Hrs	\$	14.00
4 - 5 Hrs	\$	16.00
5 - 6 Hrs	\$	19.00
6 - 7 Hrs	\$	22.00
7 - 8 Hrs	\$	25.00
8 - 24 Hrs	\$	28.00

4.2(dd) - 1

SCHEDULE 4.3(h)

Property Contracts to be Terminated by Seller and Assigned Contracts

(1) Property Contracts To Be Terminated by Seller:

1. The Umbrella Agreement.
2. Blanket Contract dated November 15, 2013, by and between Seller and the Joel and Julie Diamond Multigenerational Trust dba Diamond Parking.
3. PSF Mechanical, Inc. - HVAC service
4. Botanical Designs - Interior Plant Proposal
5. Loomis Service Agreement
6. Cintas Standard Uniform Rental Service Agreement
7. Shred-USA LLC
8. Charge Northwest LLC

(2) Assigned Contracts:

1. Monthly Long-Term Parking Contracts (as defined in the Parking Agreement), if any.
2. The Parking Covenants.
3. The Parking Agreement.
4. Software License Agreement and Limited Warranty with Amano McGann, Inc.
5. Ricoh USA, Inc. (equipment lease)

4.3(h) - 1

SCHEDULE 4.3(i)

Post-Closing Access Agreement

PACIFIC PLACE GARAGE POST-CLOSING ACCESS AGREEMENT

THIS PACIFIC PLACE GARAGE ACCESS AGREEMENT (this "Access Agreement") is by and between and MPH PP GARAGE LLC, a Delaware limited liability company ("Owner"), and the City of Seattle, acting by and through its Department of Finance and Administrative Services ("Licensee"), effective as of [_____] (the "Effective Date").

RECITALS

WHEREAS, Owner owns the Pacific Place Garage condominium unit located at 1612 Sixth Avenue in Seattle, Washington and legally described below (the "Property").

WHEREAS, on or about the date hereof, Licensee has sold the Property to Owner and certain equipment owned by Licensee described on Exhibit A attached hereto and made a part hereof (collectively, "Licensee's Server Equipment") remains on the Property.

WHEREAS, Licensee now desires to remove Licensee's Server Equipment and Owner agrees to permit Licensee to access the Property for the sole purpose of removing Licensee's Server Equipment, all on the terms and conditions herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants and the conditions herein, the parties hereto agree as follows:

1. Effective Date. This Access Agreement shall be effective on the Effective Date.
2. Description of the Property. The Property is legally described as follows:

Garage Unit, Pacific Place, a condominium, according to the Declaration thereof recorded August 27, 1998 under recording No. 9808271807, and amendments thereto, said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at Pages 1 through 7, Recorder's File No. 9808271806, records of King County.

3. Access. Subject to the terms and conditions of this Access Agreement, Owner grants Licensee and its agents, contractors, consultants, employees and representatives (collectively, "Permitted Invitees") permission to enter upon the Property during normal business hours for the following purposes: to remove Licensee's Server Equipment. Such entry and removal of Licensee's Server Equipment may be conducted commencing on the Effective Date and terminating on the date which is fifteen (15) days next following the Effective Date. Licensee shall provide not less than twenty-four (24) hours' advance notice of its intention, or the intention of any other Permitted Invitee, to enter the Property, which notice may be given by electronic mail at the address set forth in Section 9 below. Licensee shall be solely responsible for paying the cost of removing Licensee's Server Equipment pursuant to this Access Agreement. At Owner's option, Owner or its representative may accompany any Permitted

Invitee while on the Property. In conducting the removal of Licensee's Server Equipment at the Property, Licensee and all other Permitted Invitees shall not: (i) unreasonably disturb or interfere with Owner's use of the Property; (ii) unreasonably interfere with the operation and maintenance of the Property; (iii) damage any part of the Property or any personal property owned or held by Owner or any other real or personal property owned by a third-party; and (iv) injure or otherwise cause bodily harm to Owner, or its agents, guests, invitees, contractors or employees at the Property.

4. Intentionally Deleted.

5. Insurance. Prior to entry upon the Property by Licensee or any other Permitted Invitee, Licensee shall obtain commercial general liability insurance coverage in the amounts described below and provide to Owner a certificate of insurance issued by an insurance carrier having an AM Best rating of A-VII or better and evidencing the following coverage against any claims or damages arising from the presence of Licensee or any other Permitted Invitee on the Property pursuant to this Access Agreement: commercial general liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate and workers compensation insurance with minimum statutory limits and employers' liability insurance with minimum limits of not less than \$1,000,000. Licensee shall maintain the insurance coverage described in this section at all times as a condition of any entry onto the Property. Licensee shall cause its commercial general liability policy to be endorsed to name Owner, its property manager, parking operator and lenders as additional insureds thereunder, and Licensee shall provide reasonable evidence (in the form of an endorsement or Certificate of Insurance) of such insurance prior to any Permitted Invitee's entry upon the Property. By signature below, Licensee represents that it maintains a program of self-insurance ("SIR") for third party liability which complies with applicable law. Owner acknowledges and accepts Licensee's self-insurance program in lieu of the requirements in this Section, which shall only apply if Licensee discontinues the SIR at any time during this Access Agreement. Any SIR and/or deductible shall be treated the same as if it were valid and collectible insurance and shall be the responsibility of Licensee.

6. Damage; No liens. In exercising its access rights and removing Licensee's Server Equipment at the Property pursuant to this Access Agreement (collectively, the "Licensee Work"), Licensee shall (i) pay when due the costs of all Licensee Work; (ii) not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property; and (iii) with respect to any damage to the Property or any other real or personal property, fully repair such damage to the extent (a) caused by the Licensee Work and (b) necessary to restore the Property or other real or personal property to the condition in which the same were found immediately before the Licensee Work were undertaken. The provisions of this Section 6 shall survive the expiration or earlier termination of Licensee's rights under this Access Agreement.

7. Indemnity and Release. Licensee hereby agrees to indemnify, defend and hold Owner and all of its affiliates, Owner's property manager, Owner's parking operator and each of their respective managers, members, partners, directors, officers, employees and contractors, if any (each, an "Indemnified Party"), harmless from and against any and all liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) (collectively, "Liabilities") to the extent arising from (i) any Licensee Work or the presence of Licensee or any other Permitted Invitee upon the Property or (ii) Licensee's violation of the provisions of this Access Agreement or failure to perform any of its obligations hereunder; provided, however,

such indemnity obligation of Licensee shall not (a) apply to the extent any such Liabilities are caused by the willful misconduct or negligence of an Indemnified Party, (b) make Licensee liable to remediate any pre-existing conditions or liabilities discovered by Licensee or any other Permitted Invitee or (c) obligate Licensee to defend or indemnify any Indemnified Party for any Liabilities arising from such pre-existing conditions so long as any such conditions are not exacerbated by a Permitted Invitee; and, in the event of any such exacerbation, any related obligation or liability of Licensee hereunder shall be limited to the extent of such exacerbation. For the sole purpose of giving effect to Licensee's defense and indemnity obligations under this Section 7, to the maximum extent permitted by applicable law, Licensee hereby waives its industrial insurance immunity, if any, under Washington law for claims brought by its employees, but only with respect to and for the benefit of the Indemnified Parties. The foregoing waiver has been mutually negotiated between Owner and Licensee and is not intended to waive any immunity which Licensee may have for claims made directly against Licensee by its employees. All Permitted Invitees shall access the Property solely at their own risk and Owner shall have no responsibility for any (i) damage to the personal property of any Permitted Invitee, or (ii) personal injury suffered by any Permitted Invitee, and Licensee, on behalf of itself and all other Permitted Invitees, hereby releases Owner from any liability arising from such damage or injury, except to the extent caused by the willful misconduct or negligence of an Indemnified Party. The provisions of this Section 7 shall survive the expiration or earlier termination of Licensee's rights under this Access Agreement.

8. Assignments. Licensee may not assign its rights under this Access Agreement except with the prior written consent of Owner, which consent may be given or withheld in Owner's sole discretion.

9. Notice. Any notice required under this Access Agreement shall be made to the representative below or to such other person or representative as the parties may designate in writing:

Owner: MPH PP GARAGE LLC
 c/o Madison Marquette
 600 Pine Street, Suite 228
 Seattle, WA 98101
 Tel: (206) 322-1610
 Attention: []
 Email: []

With a copy to: MPH PP GARAGE LLC
 c/o Madison Marquette
 670 Water Street SW
 Washington, DC 20024
 Attention: David Brainerd
 Phone: (202) 741-3811
 Email: david.brainerd@madisonmarquette.com

Licensee: THE CITY OF SEATTLE
 Department of Finance and Administrative Services
 Attn: Director
 701 Fifth Avenue, Suite 5200
 Seattle, WA 98104
 PO Box 94689
 Seattle, WA 98124-4689
 Phone: (206) 386-0041
 Email: Robert.Farrell@seattle.gov

Note: If sending by U.S. Mail, address must include P.O. Box

With a copy to: The Seattle City Attorney's Office
 Attn: Rebecca Keith
 Seattle City Attorney's Office
 701 Fifth Ave., Suite 2050
 Seattle, WA 98104
 Phone: (206) 684-8239
 Email: Rebecca.Keith@seattle.gov

10. Governing Law and Venue. This Access Agreement shall be construed and governed according to the laws of the State of Washington. Venue for any action arising out of this Access Agreement or arising in any way from Licensee's activities on or adjacent to the Property shall be in Superior Court for King County in the State of Washington.

11. Successors and Assigns. The terms and provisions of this Access Agreement shall apply to and bind the permitted successors and assigns of the parties hereto.

12. Counterparts. This Access Agreement may be executed in several counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same agreement.

13. End of Access Rights. Licensee's access rights under this Access Agreement shall terminate on the date which is fifteen (15) days next following the Effective Date.

14. Changes in Terms. Any amendment or waiver of this Access Agreement must be in writing, executed by Owner and Licensee. Either party's delay in enforcing any provision of this Access Agreement or its rights hereunder will not constitute a waiver of such rights.

[SIGNATURE PAGES FOLLOW IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused this Access Agreement to be executed by each of its duly authorized officer or representative, as of the Effective Date.

OWNER:

MPH PP GARAGE LLC
a Delaware limited liability company

LICENSEE:

The City of Seattle

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A

Licensee's Server Equipment

[TO BE INSERTED]

SCHEDULE 4.3(j)

Nordstrom Estoppels

[Attached]

ESTOPPEL CERTIFICATE (PARKING COVENANTS)

THE CITY OF SEATTLE

Department of Finance and Administrative Services

Attn: Robert C. Farrell, Senior Real Property Agent

700 Fifth Avenue, Suite 5200 [Note: Use for delivery by hand or FedEx]

P.O. Box 94689 [Note: Use for delivery by U.S. Mail]

Seattle, WA 98124-4689

Email: Robert.Farrell@Seattle.gov

Re: Parking Covenants by and between Pine Street Development L.L.C. ("PSD"), Community Development Properties, King County II, Inc., and Nordstrom, Inc. ("Nordstrom"), dated April 1, 1996, first recorded under King County Recording No. 9605011064 and re-recorded under King County Recording No. 9701270429, as amended by that certain First Amendment to Parking Covenants dated as of November 16, 1998, recorded under King County Recording No. 9811171706 (as so amended, the "Parking Covenants").

Ladies and Gentlemen:

Capitalized terms not otherwise defined herein shall have their meanings as assigned to them in the Parking Covenants. Nordstrom hereby certifies to The City of Seattle, a first class charter city of the State of Washington (the "City"), MPH Pacific Place LLC ("MPH"), as successor in interest to PSD Pacific Place L.L.C. ("PSD Pacific"), Lender (as defined below), Purchaser (as defined below) and Chicago Title Insurance Company ("Chicago Title"), as of the date of this estoppel certificate, that:

- i) To Nordstrom's knowledge, there are no defaults under the Parking Covenants.
- ii) To Nordstrom's knowledge, other than the assignments from PSD to PSD Pacific and from PSD Pacific to MPH, the Parking Covenants has not been assigned, modified, or amended in any way except as noted above.
- iii) To Nordstrom's knowledge, the Parking Covenants is in full force and effect as of the date of this certificate.

The issuance of this estoppel certificate shall act to estop Nordstrom from asserting a claim or defense against: a) any lender ("Lender"), provided Lender is a bona fide encumbrancer, to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and Lender has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, b) Chicago Title to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and provided Chicago Title has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, c) the City to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and provided the City has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, d) MPH to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and provided MPH has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, and e) any purchaser of the Parking Garage (as defined in the Parking Covenants) ("Purchaser") to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate

which are contrary to the facts contained herein, and provided Purchaser has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary. The issuance of this estoppel certificate shall in no event subject Nordstrom to any liability for negligent or inadvertent failure to disclose correct and/or relevant information, nor shall such issuance be construed to waive any of Nordstrom's rights under the Parking Covenants.

Very truly yours,

Nordstrom, Inc., a Washington corporation

By: _____

Name: _____

Its: _____

Date: _____

ESTOPPEL CERTIFICATE (PARKING AGREEMENT)

THE CITY OF SEATTLE

Department of Finance and Administrative Services

Attn: Robert C. Farrell, Senior Real Property Agent

700 Fifth Avenue, Suite 5200 [Note: Use for delivery by hand or FedEx]

P.O. Box 94689 [Note: Use for delivery by U.S. Mail]

Seattle, WA 98124-4689

Email: Robert.Farrell@Seattle.gov

Re: Parking Agreement dated as of April 1, 1996, by and among Pine Street Development L.L.C. ("PSD"), Community Development Properties, King County II, Inc., The City of Seattle (the "City"), and Nordstrom, Inc. ("Nordstrom"), as amended by that certain First Amendment to Parking Agreement dated as of June 29, 1998, as further amended by that certain Second Amendment to Parking Agreement dated as of November 16, 1998 (collectively, the "Parking Agreement").

Ladies and Gentlemen:

Capitalized terms not otherwise defined herein shall have their meanings as assigned to them in the Parking Agreement. Nordstrom hereby certifies to the City, MPH Pacific Place L.L.C. ("MPH"), as successor in interest to PSD Pacific Place L.L.C. ("PSD Pacific"), Lender (as defined below), Purchaser (as defined below) and Chicago Title Insurance Company ("Chicago Title"), as of the date of this estoppel certificate, that:

- i) To Nordstrom's knowledge, there are no defaults under the Parking Agreement.
- ii) To Nordstrom's knowledge, other than the assignments from PSD to PSD Pacific and from PSD Pacific to MPH, the Parking Agreement has not been assigned, modified, or amended in any way except as noted above.
- iii) To Nordstrom's knowledge, the Parking Agreement is in full force and effect as of the date of this certificate.
- iv) Except for the Parking Agreement and the Parking Covenants (as defined in the Parking Agreement), Nordstrom has not entered into any contracts or other agreements, whether written or oral, relating to the Parking Garage (as defined in the Parking Agreement), including, but not limited to, Monthly Long-Term Parking Contracts, Special Use Long-Term Parking Contracts and Special Use Valet Parking Contracts (as each such term is defined in the Parking Agreement).
- v) Nordstrom agrees that, as of the date hereof, the hourly parking rate schedule attached hereto as Exhibit A complies with the terms, conditions and restrictions of the Parking Agreement and that such rates are permitted under Section 9.3.2 of the Parking Agreement.

The issuance of this estoppel certificate shall act to estop Nordstrom from asserting a claim or defense against: a) any lender ("Lender"), provided Lender is a bona fide encumbrancer, to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and Lender has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, b) Chicago Title to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and provided Chicago Title has acted in

reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, c) the City to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and provided the City has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, d) MPH to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and provided MPH has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary, and e) any purchaser of the Parking Garage ("Purchaser") to the extent that such claim or defense is based upon facts known to Nordstrom as of the date of this estoppel certificate which are contrary to the facts contained herein, and provided Purchaser has acted in reasonable reliance upon this estoppel certificate without knowledge of facts to the contrary. The issuance of this estoppel certificate shall in no event subject Nordstrom to any liability for negligent or inadvertent failure to disclose correct and/or relevant information, nor shall such issuance be construed to waive any of Nordstrom's rights under the Parking Agreement.

Very truly yours,

Nordstrom, Inc., a Washington corporation

By: _____
Name: _____
Its: _____
Date: _____

EXHIBIT A TO NORDSTROM ESTOPPEL (PARKING AGREEMENT)

CURRENT SCHEDULE OF PARKING RATES

Self Park	
0 - 30 Min	\$ 4.00
30 Min - 1 Hr	\$ 6.00
1 - 1.5 Hrs	\$ 8.00
1.5 - 2 Hrs	\$ 9.00
2 - 2.5 Hrs	\$ 10.00
2.5 - 3 Hrs	\$ 11.00
3 - 3.5 Hrs	\$ 12.00
3.5 - 4 Hrs	\$ 14.00
4 - 5 Hrs	\$ 16.00
5 - 6 Hrs	\$ 19.00
6 - 7 Hrs	\$ 22.00
7 - 8 Hrs	\$ 25.00
8 - 24 Hrs	\$ 28.00

SCHEDULE 5.2

DUE DILIGENCE CHECKLIST	
Property: Pacific Place Garage	
1.	Owner's finance and accounting records, books and records, Owner Financial Statement, including operating statements and capital expenditures, for the property for calendar years 2011 through 2014 and month by month detail for 2015 (See attached Example #1)
2.	Diamond Financial Statements - Combined, Self Park and Valet (See example 2A - 2F which is the self-park example)
3.	Monthly Parker Aging Report (See attached Example #3)
4.	Staffing Chart: Please send an updated staffing chart which shows each position, pay level, seniority and the days / hours for a typical week. (See attached Example #4)
5.	2016 operating budget and capital expenditures budget with line item detail, and any short or long term capital budgets/plans.
6.	Past two year and year-to-date General Ledger detail.
7.	As-built drawings, plans and specifications and floor drawings of the property (which shall include electrical and mechanical drawings).
8.	Any site plans
9.	All environmental reports and/or studies (including all available Phase I, Phase II and soil reports for the property) and all other physical condition reports.
10.	All soil reports or studies.
11.	All engineering, seismic or other building related reports or studies
12.	Most recent property survey
13.	Most recent title report and existing owner's title insurance policy, including copies of title exceptions
14.	Copies of all market rate surveys
15.	Copies of all reports re: vehicles and users, including, duration of stay, count totals, month parker (counts), early bird count and valet vs. self-park users
16.	Copies of all occupancy permits and any special use permits or variances granted to the property.
17.	Copies of all licenses required to operate the property
18.	Copies of all elevator permits and inspector reports.
19.	All service, maintenance, supply, management, or other contracts, subcontracts and agreements relating to the operation of the parking garage (even if those are terminable on one month's notice). Please include SBM contract, GE equipment lease as well as any others that are currently in-place
20.	Any information with respect to any notices of any violations of fire, building, historic preservation or other codes or law, including environmental.
21.	Any information relating to the current zoning of the property or any proposed changes of existing zoning classifications.
22.	Any information regarding proffers that may exist with respect to applicable municipality

DUE DILIGENCE CHECKLIST	
Property: Pacific Place Garage	
23.	Any information with respect to any litigation, pending or threatened, relating to the property and/or Owner.
24.	Copies of the last three years of recent real estate tax bills and assessments. Also, any information relating to pending or proposed assessments.
25.	Two years of utility bills and contracts, electric, water, gas.
26.	Reciprocal easement agreements, condominium documents and any other property documents.
27.	List of personal property to be acquired with the property.
28.	Insurance claims history.
29.	Recent estoppels and SNDAs
30.	Any municipality/utility company rights to terminate utility service
31.	Property management agreement
32.	Copies of all invoices received from property operators
33.	Statement of insurance coverages and premiums by policy type and copies of insurance policies for Owner
34.	Existing insurance certificates and policies for Owner, operator/manager, valet service provider, other service providers and, if applicable, contractors and subcontractors
35.	All construction contracts and related documents, including plans and specifications, relating to recently completed or existing construction projects on the property
36.	List of all warranties, guaranties, bonds, entitlements and development rights
37.	Equipment leases and warranties including roof
38.	All acquisition, replacement and maintenance records relating to the mechanical systems and elevators, including service contracts and annual inspection reports
39.	All occupancy and/or parking leases, lease guaranties, licenses, permits and all other oral or written arrangements in connection with parking services at the property (including, valet service, monthly permit holders, etc.) and/or parking spaces
40.	A list of all currently issued access cards and parking permits, including information re: all corresponding vehicles
41.	A list of all deposits held by Owner or paid by Owner in connection with the ownership and/or operation of the property.
42.	A list of all trademarks, trade names or symbols under which the property is owned and/or operated, including, without limitation, the name of "Pacific Place Garage" and other intellectual property, goodwill, rights and privileges related to or used in connection with the property
43.	Copies of all notices from any governmental agency or any insurer with respect to the property.
44.	Copies of all written notices delivered or received by Owner under the foregoing leases, licenses, contracts and agreements.
45.	As may be requested from time to time, additional documents, reports, analyses, materials and other information relating to the property under Owner's control or possession.
46.	All modifications, amendments and/or supplements to any of the foregoing that come into Owner's control or possession.

SCHEDULE 6.3

Excluded Personal Property

All of Licensee's Server Equipment, as described in the Post-Closing Access Agreement.

SCHEDULE 8.2(a)

Form of Deed

AFTER RECORDING RETURN TO:

Title of Document: Bargain and Sale Deed
Grantor: THE CITY OF SEATTLE, a first class charter city of the State of Washington
Grantee: _____
Abbreviated Legal Description: Garage Unit, Pacific Place, a Condo., Vol 151, P.1-7
Assessor's Property Tax Parcel Nos.: 660047-0020-02

BARGAIN AND SALE DEED

THE GRANTOR, THE CITY OF SEATTLE, a first class charter city of the State of Washington acting by and through its Department of Finance and Administrative Services, whose post office address is _____, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, bargains, sells and conveys to _____, a _____, whose post office address is _____, the real estate legally described on Exhibit A attached hereto and by this reference made a part hereof.

TOGETHER WITH all tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

SUBJECT TO those liens, charges and encumbrances of described on Exhibit B attached hereto and incorporated herein by this reference.

Dated this ____ day of _____, 20 ____.

GRANTOR:

THE CITY OF SEATTLE, a first class
charter city of the State of Washington

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of THE CITY OF SEATTLE, to be the free and voluntary act and deed of such party, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20 ____.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of
Washington.

My Appointment Expires: _____

Exhibit A

Legal Description of the Garage Unit

Garage Unit, Pacific Place, a condominium, according to the Declaration thereof recorded August 27, 1998 under recording No. 9808271807, and amendments thereto, said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at Pages 1 through 7, Recorder's File No. 9808271806, records of King County.

Exhibit B

Permitted Exceptions

[Exhibit to be completed prior to closing]

SCHEDULE 8.2(c)

Form of Bill of Sale

BILL OF SALE

This BILL OF SALE (this "Bill of Sale") is made and entered into as of the _____ day of _____, 2016 (the "Effective Date") by and between THE CITY OF SEATTLE, a first class charter city of the State of Washington acting by and through its Department of Finance and Administrative Services ("Seller"), and _____, a _____ ("Purchaser").

AGREEMENTS

1. For good and valuable consideration, the receipt of which is hereby acknowledged Seller does hereby sell, transfer, assign and convey to Purchaser the following (collectively, the "Personal Property"), if any, owned by Seller and used exclusively in connection with the operation of that certain real property commonly known as the Pacific Place Garage located in Seattle, Washington, and more particularly described in Exhibit A attached hereto (the "Property"):

a. That certain tangible personal property described in Exhibit B attached hereto, together with all equipment, fixtures, appliances, inventory, and other personal property of whatever kind or character owned by Seller and attached to or installed or located on or in the Property or the improvements located in the Property ("Improvements");

b. All of Seller's right, title, and interest in and to licenses, permits and bonds used in connection with the maintenance or operation of the Property or the Improvements (or any part thereof), but only to the extent that the foregoing are assignable by Seller without any necessary third-party consent or to the extent that all necessary third-party consents to the assignments have been obtained;

c. To the extent assignable at no cost to Seller (or to the extent that Purchaser has agreed to reimburse Seller for such costs), all of Seller's right, title and interest, if any, in and to all other intangible personal property related to the Property or the Improvements, including without limitation: all trademarks, trade names or symbols under which the Property or the Improvements (or any part thereof) is operated and other intellectual property, goodwill, rights and privileges owned by Seller related to or used in connection with the Property and the Improvements; the plans and specifications and other architectural and engineering drawings for the Improvements, if any; governmental permits, approvals, entitlements, variances, authorizations, consents, waivers and licenses, if any; and telephone exchange numbers, in each case, only to the extent that such items are assignable by Seller at no cost to Seller and without any necessary third-party consent, or to the extent that Purchaser has agreed to reimburse Seller for such costs and that all necessary third-party consents to the assignments have been obtained.

2. Seller covenants and warrants that it has good and marketable title to the Personal Property; that it owns the Personal Property free and clear of all liens, encumbrances and security

interests; and Seller will defend the sale of the Personal Property hereby against every person lawfully claiming interest in the same, or any part thereof.

3. Except as set forth in this Bill of Sale, or in that certain Purchase and Sale Agreement by and between Seller, as seller and Purchaser, as purchaser, dated as of _____ (the "Agreement"), or in the other Seller's Closing Documents (as defined in the Agreement), Purchaser acknowledges that the sale of the Personal Property is specifically made "as-is" and "where-is," without any representations or warranties express or implied, including, without limitation, implied warranties of fitness for any particular purpose or merchantability or any other warranties whatsoever.

4. This Bill of Sale may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

SELLER:

THE CITY OF SEATTLE, a first class charter city of the State of Washington

By: _____

Name: _____

Title: _____

PURCHASER:

_____, a _____

By: _____

Name: _____

Title: _____

Exhibit A

Legal Description of the Property

Garage Unit, Pacific Place, a condominium, according to the Declaration thereof recorded August 27, 1998 under recording No. 9808271807, and amendments thereto, said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at Pages 1 through 7, Recorder's File No. 9808271806, records of King County.

8.2(c) - 3

Exhibit B

Amano AMG-7800 Series Pay Station
Amano ACP-5200 Series Phase IV Fee Computer
Amano-AMG-4000 Series Lag Time Reader
Amano-AMG-2000 Series Ticket Dispenser
Amano-AMG-1800 Series Parking Gate
iParc Professional Software [Licensed as Pacific Place Serial Number 7236]
One (1) Taylor Dunn Golf Cart
One (1) Freedom Golf Cart
Thirty (30) Traffic Cones
Two (2) Mop Buckets
Two (2) Janitor Carts
Four (4) - Misc. Ladders
Four (4) Snow Shovels
Twenty-two (22) Trash Cans
Seven (7) Electric Car Stations
All furniture in valet or parking garage offices (if any)
All trademarks, trade names and similar rights associated with "Pacific Place Garage"
All parking access cards, including, without limitation, the parking access cards issued pursuant to the Monthly Parking Agreements
Server rack
Video monitoring system
Three (3) i-Pad valet handhelds

8.2(c) - 4

SCHEDULE 8.2(d)

Form of General Assignment

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND INTANGIBLE
PROPERTY

This ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND INTANGIBLE PROPERTY (the "Assignment") is made as of _____, 20____ (the "Effective Date") by and between THE CITY OF SEATTLE, a first class charter city of the State of Washington ("Assignor") acting by and through its Department of Finance and Administrative Services, and _____, a _____ ("Assignee"), with reference to the following recitals.

A. Assignor is a party to the contracts listed on Schedule 1 attached hereto (the "Contracts") in connection with certain real property commonly known as the Pacific Place Garage located in Seattle, Washington (the "Property"). The Property is legally described on Schedule 2 attached hereto and hereby incorporated by reference.

B. Assignor is the owner or licensee of certain intangible property associated with its ownership of the Property, including but not limited to any and all software licenses, warranties and guaranties (express or implied) made by or received from any third-party with respect to any building, building component, structure, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, any part of the Property (collectively, the "Intangibles").

C. Assignor desires to assign, transfer, sell, and convey to Assignee all of Assignor's right, title and interest in, to, and under the Contracts and the Intangibles, if any.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment of Contracts and Intangibles. Assignor hereby assigns, transfers, sells and conveys to Assignee all of Assignor's right, title, and interest in, to, and under the Contracts and the Intangibles.
2. Assumption of Contracts and Intangibles. By execution hereof, Assignee accepts the foregoing assignment and hereby assumes and agrees to perform all duties, obligations and responsibilities of Assignor under the Contracts and the Intangibles arising from and after the Effective Date.
3. Indemnification. Assignee agrees to defend, indemnify and hold Assignor harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) incurred or suffered by Assignor with respect to the duties, obligations and

responsibilities binding on Assignee under the Contracts or the Intangibles and which relate to the period after the Effective Date. Assignor agrees to defend, indemnify and hold Assignee harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) incurred or suffered by Assignee with respect to the duties, obligations and responsibilities binding on Assignor under the Contracts or the Intangibles and which relate to the period prior to the Effective Date.

4. Binding Effect. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Governing Law and Venue. This Assignment shall be construed, interpreted and enforced in accordance with the laws of the State of Washington, without regard to principles of conflict of laws. Venue for any action arising under this Assignment shall lie in the Superior Court in and for King County, Washington.

6. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which when assembled together shall constitute one and the same agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the Effective Date stated above.

ASSIGNOR:

THE CITY OF SEATTLE, a first class charter city
of the State of Washington

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that he/she signed this
instrument, on oath stated that he/she was authorized to execute the instrument and
acknowledged it as the _____ of THE CITY OF SEATTLE, to be the free
and voluntary act and deed of such party, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20__.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of
Washington.

My Appointment Expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

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

WITNESS my hand and official seal hereto affixed on _____, 20__.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of
Washington.

My Appointment Expires: _____

Schedule 1

Property Contracts

1. Monthly Long-Term Parking Contracts (as defined in the Parking Agreement), if any.
2. The Parking Covenants.
3. The Parking Agreement.
4. Software License Agreement and Limited Warranty with Amano McGann, Inc.
5. Ricoh USA, Inc. (equipment lease)
6. Monthly Parking Agreements

Schedule 2

Legal Description of the Property

Garage Unit, Pacific Place, a condominium, according to the Declaration thereof recorded August 27, 1998 under recording No. 9808271807, and amendments thereto, said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at Pages 1 through 7, Recorder's File No. 9808271806, records of King County.

SCHEDULE 8.2(e)

Form of Termination of Umbrella Agreement

After Recording Return to:

Attn: _____

TERMINATION OF
UMBRELLA AGREEMENT

Reference numbers of related documents: 9704101114, 9811171707, 19991018001747 and 20140714000587

Grantors: MPH PACIFIC PLACE LLC
THE CITY OF SEATTLE

Grantee: _____ [Title Company to advise re:
identification of Grantor and Grantee.]

Legal Description: Portions of Lots 1 through 12, Block 3, Vol. 1 of Plats, page 103,
King County, Washington
Complete legal description is attached as Exhibit A

Assessor's Tax Parcel No.: 660047-0010-04 & 660047-0020-02

TERMINATION OF UMBRELLA AGREEMENT

This Termination of Umbrella Agreement (this "Agreement") is made as of the _____ day of _____, 201____ (the "Effective Date") by and between MPH PACIFIC PLACE L.L.C. a Delaware limited liability company ("MPH"), and THE CITY OF SEATTLE, a first class charter city of the State of Washington ("City").

RECITALS

A. Pine Street Development L.L.C., a Washington limited liability company ("PSD"), Community Development Properties King County II, Inc., a Delaware non-profit corporation ("CDP") and the City entered into that certain unrecorded Umbrella Agreement dated as of April 1, 1996, a memorandum of which was recorded under recording number 9704101114. The Umbrella Agreement was (1) modified by that certain unrecorded Amendment of Umbrella Agreement dated as of December 2, 1996; (2) modified by that certain Second Amendment of Umbrella Agreement dated as of November 16, 1998, a memorandum of which was recorded as the First Amendment to Memorandum of Umbrella Agreement under recording number 9811171707; (3) assigned to and assumed by PSD Pacific Place L.L.C. pursuant to that certain Assignment and Assumption of Umbrella Agreement dated as of October 14, 1999 and recorded under recording number 19991018001747; and (4) assigned to and assumed by MPH pursuant to that certain Assignment and Assumption of Umbrella Agreement dated as of July 14, 2014 and recorded under recording number 20140714000587 (collectively, the "Umbrella Agreement").

B. The Umbrella Agreement encumbers the property legally described in Exhibit A, which consists of, inter alia, two (2) commercial condominium units known as the Garage Unit of Pacific Place Condominium, which is owned by the City, and the Retail Unit of Pacific Place Condominium, which is owned by MPH. The City is the current owner of the Parking Garage Unit (as defined in the Umbrella Agreement) and MPH is the current owner of the Systems Block Retail Unit (as defined in the Umbrella Agreement).

C. MPH and the City desire by mutual agreement to terminate all of their right, title and interest in the Umbrella Agreement in accordance with this Agreement. The Umbrella Agreement requires that MPH and the City execute and record this Termination Agreement as evidence of the parties' agreement to terminate the Umbrella Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MPH and the City hereby agree as follows:

1. Termination. As of the Effective Date, the Umbrella Agreement is hereby terminated and is of no further force and effect. Except with respect to those certain terms, covenants, conditions, agreements, rights, obligations, responsibilities, duties and liabilities (a) under the Umbrella Agreement which relate to the period prior to the Effective Date, (b) expressly survive termination of the Umbrella Agreement in accordance with its terms and/or (c) established pursuant to this Agreement (collectively, the "Surviving Rights and Obligations").

each of MPH and the City hereby waives, relinquishes, releases and terminates any claim against the other, respectively, with respect to the Umbrella Agreement.

2. Surviving Rights and Obligations. Each of MPH and the City hereby acknowledges, covenants and agrees that, from and after the Effective Date, (a) except for the Surviving Rights and Obligations, neither party to the Umbrella Agreement shall have any continuing covenants, rights, obligations, responsibilities, duties or liabilities with respect to the Umbrella Agreement, and (b) no successor owner of the Parking Garage Unit or the Systems Block Retail Unit shall have any covenants, obligations, responsibilities, duties or liabilities with respect to the Umbrella Agreement.

3. Indemnifications. MPH agrees to pay and perform all Surviving Rights and Obligations binding on MPH hereunder and binding on the "Owner" of the Systems Block Retail Unit under the Umbrella Agreement and MPH shall indemnify and hold the City, each successor owner of the Parking Garage Unit and each successor owner of the Systems Block Retail Unit harmless from and against any claims, costs, damages or liabilities incurred in connection with this Agreement and/or the Umbrella Agreement with respect to the Surviving Rights and Obligations binding on MPH hereunder and binding on the "Owner" of the Systems Block Retail Unit under the Umbrella Agreement. The City agrees to pay and perform all Surviving Rights and Obligations binding on the City hereunder and binding on the "Owner" of the Parking Garage Unit under the Umbrella Agreement and the City shall indemnify and hold MPH, each successor owner of the Parking Garage Unit and each successor owner of the Systems Block Retail Unit harmless from and against any claims, costs, damages or liabilities incurred in connection with this Agreement and/or the Umbrella Agreement with respect to the Surviving Rights and Obligations binding on the City hereunder and binding on the "Owner" of the Parking Garage Unit under the Umbrella Agreement.

4. Miscellaneous.

(a) Governing Law. This Agreement will be construed under and in accordance with the laws of the State of Washington without reference to or application of choice of law principles.

(b) Attorney's Fees. In any dispute to enforce the provisions of this Agreement, the prevailing party shall be entitled, in addition to any other relief that may be granted, to receive its fees, costs and expenses, including reasonable attorneys' fees, from the other party.

(c) Successors and Assigns. Subject to Section 2(b) above, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

(d) Counterparts. This Agreement may be signed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same instrument.

(e) Recordation. This Agreement shall be recorded in the official records of the Department of Records and elections of King County, Washington promptly following its execution, with all transfer and recordation taxes and costs to be paid by the City.

(f) Further Assurances. Following the Effective Date, and without any further consideration or other payment, each of MPH and the City shall execute and deliver such other instruments of conveyance, assignment, transfer and delivery and execute and deliver such other documents and take or cause to be taken such other actions as the other party reasonably may request in order to consummate, complete and carry out the transaction contemplated by this Agreement.

(g) No Prior Agreements. This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, representations, arrangements and understandings relating to the subject matter hereof.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement is executed as of the day and date first set forth above.

MPH PACIFIC PLACE LLC.
a Delaware limited liability company

By: _____

Name: _____

Title: _____

THE CITY OF SEATTLE

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 201____, before me, a Notary Public in and for the State of _____, I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of MPH Pacific Place LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20____.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of _____)

My Appointment Expires: _____

STATE OF WASHINGTON }
 } ss.
COUNTY OF KING }

On this ____ day of _____, 201____, before me, a Notary Public in and for the State of _____, I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of The City of Seattle, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20____.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of
Washington.
My Appointment Expires: _____)

Exhibit A
Legal Description

LOTS 1 THROUGH 12 IN BLOCK 3 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS THE HEIRS OF SARAH A. BELL'S ADDITION TO THE CITY OF SEATTLE), AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 103, RECORDS OF KING COUNTY;

EXCEPT THAT PORTION OF LOTS 1 AND 12 CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 57057 FOR THE WIDENING OF PINE STREET, AS PROVIDED BY CITY OF SEATTLE ORDINANCE NO. 14500;

TOGETHER WITH THE VACATED ALLEY LYING WITHIN SAID BLOCK, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NOS. 82259, 82351 AND 110092;

ALSO KNOWN AS PACIFIC PLACE, A CONDOMINIUM, ACCORDING TO THE DECLARATION THEREOF RECORDED AUGUST 27, 1998 UNDER RECORDING NO. 9808271807, AND AMENDMENTS THERETO, SAID UNIT IS LOCATED ON SURVEY MAP AND PLANS FILED IN VOLUME 151 OF CONDOMINIUMS, AT PAGES 1 THROUGH 7, RECORDER'S FILE NO. 9808271806, RECORDS OF KING COUNTY.

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

SCHEDULE 8.2(f)

ASSIGNMENT AND ASSUMPTION OF
PARKING COVENANTS AND PARKING AGREEMENTS

This ASSIGNMENT AND ASSUMPTION PARKING COVENANTS AND PARKING AGREEMENTS (this "Assumption Agreement") is made as of _____, 2016 (the "Effective Date") by and between THE CITY OF SEATTLE, a first class charter city of the State of Washington acting by and through its Department of Finance and Administrative Services (the "City"), and _____, a _____ ("Assignee").

A. City is the owner of the condominium unit legally described in Exhibit A hereto and commonly known as the Pacific Place Garage located in Seattle, King County, Washington (the "Property").

B. City is a party to certain agreements and covenants in connection with City's ownership of the Property, including the following:

i. Parking Covenants. Parking Covenants by and between Pine Street Development L.L.C. ("Pine Street"), Community Development Properties ("CDP"), King County II, Inc., and Nordstrom, Inc. ("Nordstrom"), dated April 1, 1996, first recorded under King County Recording No. 9605011064 and re-recorded under King County Recording No. 9701270429, as amended by that certain First Amendment to Parking Covenants dated as of November 16, 1998, recorded under King County Recording No. 9811171706 (as so amended, the "Parking Covenants").

ii. Parking Agreement. Parking Agreement, dated April 1, 1996, originally by and among Pine Street, CDP, Nordstrom and City, as amended by First Amendment to Parking Agreement, dated June 29, 1998 and Second Amendment to Parking Agreement dated November 16, 1998 (as so amended, the "Parking Agreement").

C. City and Assignee have entered into a Purchase and Sale Agreement dated _____ (the "Purchase and Sale Agreement") pursuant to which Assignee will purchase the Property from City.

D. In connection with Assignee's purchase of the Property, City desires to assign, transfer, sell, and convey to Assignee all of City's right, title and interest in, to, and under the Parking Covenants and the Parking Agreement and Assignee desires to accept such assignment and to assume all the rights, duties, and obligations, and be bound by all terms, conditions, covenants, and agreements of City under such agreements.

E. True, correct and complete copies of the Parking Covenants and the Parking Agreement are attached hereto as Exhibits B and C, respectively.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. City hereby assigns, transfers, sells and conveys to Assignee all of City's right, title and interest in, to, and under the Parking Covenants and the Parking Agreement.

2. Assumption. By execution hereof, Assignee hereby accepts City's assignment and assumes and agrees to perform all duties, obligations and responsibilities binding upon the owner of the Property arising from and after the Effective Date under the Parking Covenants and the Parking Agreement.

3. City's Representations and Warranties. City represents and warrants to Assignee that (i) attached hereto are true, correct and complete copies of the Parking Covenants and the Parking Agreement, all of which are in full force and effect and have not been modified, amended or supplemented except as described herein, (ii) City has full power and authority to enter into this Assumption Agreement and to fulfill its obligations hereunder and City has obtained all consents and approvals necessary to authorize its execution and delivery of this Assumption Agreement and its performance of its obligations hereunder, (iii) City has not previously assigned or transferred any of its rights or obligations under the Parking Covenants or the Parking Agreement, (iv) City has no knowledge of any uncured defaults under the Parking Covenants or the Parking Agreement by any party thereto and City has neither received nor delivered a notice of default under the Parking Covenants or the Parking Agreement, (v) the parking rate schedule attached hereto as Schedule 1 and hereby incorporated by reference is a true and correct schedule of the hourly parking rates being charged by the City at the Property as of the Effective Date (the "City's Existing Parking Rates") and (vi) City has received no notice from any Person that the City's Existing Parking Rates fail to comply with the terms, conditions and restrictions contained in the Parking Agreement and the Parking Covenants.

4. Parking Rates. Notwithstanding anything contained in the Purchase and Sale Agreement or the Parking Agreement to the contrary, Assignee covenants that during the period commencing on the Effective Date and terminating on December 31, 2016, Assignee will not increase the parking rates for the Property above the City's Existing Parking Rates. From and after January 1, 2017, this Section 4 shall no longer limit or apply to the parking rates for the Property or Assignee's adjustment thereof from time to time.

5. Indemnification. Assignee hereby agrees to defend, indemnify and hold City harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) asserted against or suffered by City with respect to the duties, obligations and responsibilities binding on Assignee under the Parking Covenants and the Parking Agreement and which relate to the period after the Effective Date. City hereby agrees to defend, indemnify and hold Assignee harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) asserted against or suffered by Assignee with respect to the duties,

IN WITNESS WHEREOF, this Agreement is executed as of the day and date first set forth above.

MPH PACIFIC PLACE LLC.
a Delaware limited liability company

By: _____

Name: _____

Title: _____

THE CITY OF SEATTLE

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 201____, before me, a Notary Public in and for the State of _____, I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of MPH Pacific Place LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20____.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of

My Appointment Expires: _____

STATE OF WASHINGTON }
 } ss.
COUNTY OF KING }

On this ____ day of _____, 201____, before me, a Notary Public in and for the State of _____, I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of The City of Seattle, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20____.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of
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Legal Description

LOTS 1 THROUGH 12 IN BLOCK 3 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS THE HEIRS OF SARAH A. BELL'S ADDITION TO THE CITY OF SEATTLE), AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 103, RECORDS OF KING COUNTY;

EXCEPT THAT PORTION OF LOTS 1 AND 12 CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 57057 FOR THE WIDENING OF PINE STREET, AS PROVIDED BY CITY OF SEATTLE ORDINANCE NO. 14500;

TOGETHER WITH THE VACATED ALLEY LYING WITHIN SAID BLOCK, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NOS. 82259, 82351 AND 110092;

ALSO KNOWN AS PACIFIC PLACE, A CONDOMINIUM, ACCORDING TO THE DECLARATION THEREOF RECORDED AUGUST 27, 1998 UNDER RECORDING NO. 9808271807, AND AMENDMENTS THERETO, SAID UNIT IS LOCATED ON SURVEY MAP AND PLANS FILED IN VOLUME 151 OF CONDOMINIUMS, AT PAGES 1 THROUGH 7, RECORDER'S FILE NO. 9808271806, RECORDS OF KING COUNTY.

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

SCHEDULE 8.2(f)

ASSIGNMENT AND ASSUMPTION OF
PARKING COVENANTS AND PARKING AGREEMENTS

This ASSIGNMENT AND ASSUMPTION PARKING COVENANTS AND PARKING AGREEMENTS (this "Assumption Agreement") is made as of _____, 2016 (the "Effective Date") by and between THE CITY OF SEATTLE, a first class charter city of the State of Washington acting by and through its Department of Finance and Administrative Services (the "City"), and _____, a _____ ("Assignee").

A. City is the owner of the condominium unit legally described in Exhibit A hereto and commonly known as the Pacific Place Garage located in Seattle, King County, Washington (the "Property").

B. City is a party to certain agreements and covenants in connection with City's ownership of the Property, including the following:

i. Parking Covenants. Parking Covenants by and between Pine Street Development L.L.C. ("Pine Street"), Community Development Properties ("CDP"), King County II, Inc., and Nordstrom, Inc. ("Nordstrom"), dated April 1, 1996, first recorded under King County Recording No. 9605011064 and re-recorded under King County Recording No. 9701270429, as amended by that certain First Amendment to Parking Covenants dated as of November 16, 1998, recorded under King County Recording No. 9811171706 (as so amended, the "Parking Covenants").

ii. Parking Agreement. Parking Agreement, dated April 1, 1996, originally by and among Pine Street, CDP, Nordstrom and City, as amended by First Amendment to Parking Agreement, dated June 29, 1998 and Second Amendment to Parking Agreement dated November 16, 1998 (as so amended, the "Parking Agreement").

C. City and Assignee have entered into a Purchase and Sale Agreement dated _____ (the "Purchase and Sale Agreement") pursuant to which Assignee will purchase the Property from City.

D. In connection with Assignee's purchase of the Property, City desires to assign, transfer, sell, and convey to Assignee all of City's right, title and interest in, to, and under the Parking Covenants and the Parking Agreement and Assignee desires to accept such assignment and to assume all the rights, duties, and obligations, and be bound by all terms, conditions, covenants, and agreements of City under such agreements.

E. True, correct and complete copies of the Parking Covenants and the Parking Agreement are attached hereto as Exhibits B and C, respectively.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. City hereby assigns, transfers, sells and conveys to Assignee all of City's right, title and interest in, to, and under the Parking Covenants and the Parking Agreement.

2. Assumption. By execution hereof, Assignee hereby accepts City's assignment and assumes and agrees to perform all duties, obligations and responsibilities binding upon the owner of the Property arising from and after the Effective Date under the Parking Covenants and the Parking Agreement.

3. City's Representations and Warranties. City represents and warrants to Assignee that (i) attached hereto are true, correct and complete copies of the Parking Covenants and the Parking Agreement, all of which are in full force and effect and have not been modified, amended or supplemented except as described herein, (ii) City has full power and authority to enter into this Assumption Agreement and to fulfill its obligations hereunder and City has obtained all consents and approvals necessary to authorize its execution and delivery of this Assumption Agreement and its performance of its obligations hereunder, (iii) City has not previously assigned or transferred any of its rights or obligations under the Parking Covenants or the Parking Agreement, (iv) City has no knowledge of any uncured defaults under the Parking Covenants or the Parking Agreement by any party thereto and City has neither received nor delivered a notice of default under the Parking Covenants or the Parking Agreement, (v) the parking rate schedule attached hereto as Schedule 1 and hereby incorporated by reference is a true and correct schedule of the hourly parking rates being charged by the City at the Property as of the Effective Date (the "City's Existing Parking Rates") and (vi) City has received no notice from any Person that the City's Existing Parking Rates fail to comply with the terms, conditions and restrictions contained in the Parking Agreement and the Parking Covenants.

4. Parking Rates. Notwithstanding anything contained in the Purchase and Sale Agreement or the Parking Agreement to the contrary, Assignee covenants that during the period commencing on the Effective Date and terminating on December 31, 2016, Assignee will not increase the parking rates for the Property above the City's Existing Parking Rates. From and after January 1, 2017, this Section 4 shall no longer limit or apply to the parking rates for the Property or Assignee's adjustment thereof from time to time.

5. Indemnification. Assignee hereby agrees to defend, indemnify and hold City harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) asserted against or suffered by City with respect to the duties, obligations and responsibilities binding on Assignee under the Parking Covenants and the Parking Agreement and which relate to the period after the Effective Date. City hereby agrees to defend, indemnify and hold Assignee harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) asserted against or suffered by Assignee with respect to the duties,

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IN WITNESS WHEREOF, this Agreement is executed as of the day and date first set forth above.

MPH PACIFIC PLACE LLC.
a Delaware limited liability company

By: _____

Name: _____

Title: _____

THE CITY OF SEATTLE

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 201____, before me, a Notary Public in and for the State of _____, I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of MPH Pacific Place LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20____.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of _____)

My Appointment Expires: _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.
}

On this ____ day of _____, 201____, before me, a Notary Public in and for the State of _____, I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of The City of Seattle, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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(Print or stamp name of Notary
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SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

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NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. City hereby assigns, transfers, sells and conveys to Assignee all of City's right, title and interest in, to, and under the Parking Covenants and the Parking Agreement.

2. Assumption. By execution hereof, Assignee hereby accepts City's assignment and assumes and agrees to perform all duties, obligations and responsibilities binding upon the owner of the Property arising from and after the Effective Date under the Parking Covenants and the Parking Agreement.

3. City's Representations and Warranties. City represents and warrants to Assignee that (i) attached hereto are true, correct and complete copies of the Parking Covenants and the Parking Agreement, all of which are in full force and effect and have not been modified, amended or supplemented except as described herein, (ii) City has full power and authority to enter into this Assumption Agreement and to fulfill its obligations hereunder and City has obtained all consents and approvals necessary to authorize its execution and delivery of this Assumption Agreement and its performance of its obligations hereunder, (iii) City has not previously assigned or transferred any of its rights or obligations under the Parking Covenants or the Parking Agreement, (iv) City has no knowledge of any uncured defaults under the Parking Covenants or the Parking Agreement by any party thereto and City has neither received nor delivered a notice of default under the Parking Covenants or the Parking Agreement, (v) the parking rate schedule attached hereto as Schedule 1 and hereby incorporated by reference is a true and correct schedule of the hourly parking rates being charged by the City at the Property as of the Effective Date (the "City's Existing Parking Rates") and (vi) City has received no notice from any Person that the City's Existing Parking Rates fail to comply with the terms, conditions and restrictions contained in the Parking Agreement and the Parking Covenants.

4. Parking Rates. Notwithstanding anything contained in the Purchase and Sale Agreement or the Parking Agreement to the contrary, Assignee covenants that during the period commencing on the Effective Date and terminating on December 31, 2016, Assignee will not increase the parking rates for the Property above the City's Existing Parking Rates. From and after January 1, 2017, this Section 4 shall no longer limit or apply to the parking rates for the Property or Assignee's adjustment thereof from time to time.

5. Indemnification. Assignee hereby agrees to defend, indemnify and hold City harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) asserted against or suffered by City with respect to the duties, obligations and responsibilities binding on Assignee under the Parking Covenants and the Parking Agreement and which relate to the period after the Effective Date. City hereby agrees to defend, indemnify and hold Assignee harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) asserted against or suffered by Assignee with respect to the duties,

SIGNATURE PAGE 2
TO

ASSIGNMENT AND ASSUMPTION OF
PARKING AGREEMENTS

ASSIGNEE:

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

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

Dated this _____ day of _____, 2016.

(print or type name)
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission expires: _____

[Seal or Stamp]

Schedule 1
Parking Rates as of the Effective Date

Self Park		
0 - 30 Min	\$	4.00
30 Min - 1 Hr	\$	6.00
1 - 1.5 Hr	\$	8.00
1.5 - 2 Hrs	\$	9.00
2 - 2.5 Hrs	\$	10.00
2.5 - 3 Hrs	\$	11.00
3 - 3.5 Hrs	\$	12.00
3.5 - 4 Hrs	\$	14.00
4 - 5 Hrs	\$	16.00
5 - 6 Hrs	\$	19.00
6 - 7 Hrs	\$	22.00
7 - 8 Hrs	\$	25.00
8 - 24 Hrs	\$	28.00

Exhibit A

Legal Description of Property

Garage Unit, Pacific Place, a condominium, according to the Declaration thereof recorded August 27, 1998 under recording No. 9808271807, and amendments thereto, said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at Pages 1 through 7. Recorder's File No. 9808271806, records of King County.

Exhibit B

Parking Covenants

72
KING COUNTY RECORDS & CLERK OF SUPERIOR COURT
1000 4TH AVENUE, SUITE 1000
SEATTLE, WA 98101
71.00

When Recorded Return to:
Fine Street Associates L.L.C.
520 Pike Street, Suite 2200
Seattle, Washington, 98101

THIS DOCUMENT IS BEING RE-RECORDED TO CORRECT
EXHIBIT B.

PARKING COVENANTS

by and between

FINE STREET DEVELOPMENT L.L.C.
a Washington limited liability company, co-tenant

and

COMMUNITY DEVELOPMENT PROPERTIES, KING COUNTY II, INC.
a Delaware non-profit corporation, co-tenant

and

NORDSTROM, INC.
a Washington corporation

Dated: As of April 1, 1996

**FINE STREET COMPLEX
SEATTLE, WASHINGTON**

FORWARD 12 1996 VERSION
LPRAT K WNDG HEADSAPART 000

864397/662934 (E)

9701270429

9701270429
KING COUNTY RECORDS & CLERK OF SUPERIOR COURT
1000 4TH AVENUE, SUITE 1000
SEATTLE, WA 98101
71.00

Recording requested by and
When recorded return to:
Lane Powell Spears Lubersky
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101-2338
Attn: David G. Johansen

PARKING COVENANTS

Reference Number of Document to Be Re-Recorded: 9605011064

Grantor:

1. Pine Street Development L.L.C.
2. Community Development Properties, King County II, Inc.
3. Nordstrom, Inc.

Grantee:

1. The City of Seattle, a first-class city of the State of Washington.

Legal Description:

PORTIONS OF BLOCKS 2 AND 3 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS THE HEIRS OF SARAH A. BELL'S ADDITION TO THE CITY OF SEATTLE), AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 103, RECORDS OF KING COUNTY, WASHINGTON.

Additional legal description is set forth on Exhibits A-1 and A-2 to the document.

Assessor's Property Tax Parcel Account Numbers: 065900-0070-09, 065900-0130-07, 065900-0150-02

LPS&L K WNDG HEADSAPART 000

9701270429

When Recorded Return to:
Pine Street Associates L.L.C.
520 Pike Street, Suite 2200
Seattle, Washington, 98101

PARKING COVENANTS

by and between

PINE STREET DEVELOPMENT L.L.C.
a Washington limited liability company, co-tenant

and

COMMUNITY DEVELOPMENT PROPERTIES, KING COUNTY II, INC.
a Delaware non-profit corporation, co-tenant

and

NORDSTROM, INC.,
a Washington corporation

Dated: As of April 1, 1996

**PINE STREET COMPLEX
SEATTLE, WASHINGTON**

FEBRUARY 12, 1996 VERSION
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PARKING COVENANTS

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PARKING COVENANTS

(Pine Street Complex)
(Seattle, Washington)

These Parking Covenants (hereinafter referred to as the "Parking Covenants") are made effective as of April 1, 1996, by and among PINE STREET DEVELOPMENT L.L.C., a Washington limited liability company ("PSD"), and COMMUNITY DEVELOPMENT PROPERTIES, KING COUNTY II, INC., a Delaware non-profit corporation ("CDP"), as tenants (PSD and CDP are hereinafter together referred to as "Developer"), and NORDSTROM, INC., a Washington corporation (hereinafter referred to as "Nordstrom").

RECITALS

1. Developer has entered into binding, non-contingent contracts to acquire the land and improvements commonly known as the Systems Parking Garage Block between Pine and Olive Streets and Sixth and Seventh Avenues, and which is described on Exhibit A-1 attached hereto (the "Systems Block"). Following execution of these Parking Covenants, Developer shall, on or before October 15, 1996, acquire fee simple title to the Systems Block at its sole cost and expense.

2. These Parking Covenants shall attach to and bind the Systems Block and Developer's interest therein immediately upon but not before the Developer's acquisition of title to the Systems Block. The Systems Block will be subjected to a plan of condominium ownership pursuant to which the ownership of the Parking Garage will be separated from the ownership of the Systems Block Retail (the "Condominium"). When the Condominium becomes effective upon filing of the Condominium Declaration (the "Declaration"), these Parking Covenants shall attach to and bind the Parking Garage Condominium unit and the Systems Block Retail Condominium unit with such rights and obligations as are described in these Parking Covenants.

3. Nordstrom owns the land and improvements commonly known as the Frederick & Nelson Building, located north of Pine Street between Fifth and Sixth Avenues, and which is described on Exhibit A-2 attached hereto (the "F&N Property").

4. PSD is the fee owner and lessee of the land and improvements commonly known as the Nordstrom Department Store (the "Old Nordstrom Store") and the Seaboard Building, located between Pike and Pine Streets and Fourth and Fifth Avenues (the "Seaboard Building") (collectively the Old Nordstrom Store and the Seaboard Building are referred to as the "Nordstrom Properties").

5. PSD has leased and subleased the Nordstrom Properties to Nordstrom to enable Nordstrom to remain in possession of the Nordstrom Properties while Nordstrom renovates the F&N Property (the "F&N Renovation") for use as a Nordstrom department store and Nordstrom corporate offices.

6. After the opening of the new Nordstrom department store in the F&N Property PSD will redevelop the Nordstrom Properties for use as retail stores, and an office building (the "Redevelopment").

7. Developer will raze the existing improvements on the Systems Block and construct a multi-level parking garage (the "Parking Garage") on the Systems Block which will provide automobile parking for at least 1,200 multi passenger motor vehicles (including valet parking for up to 240 vehicles), and will construct a five (5) level (at or above grade) retail and entertainment complex on a parcel above and adjacent to the Parking Garage (the "Systems Block Retail") which will be connected to the new Nordstrom store to be opened within the F&N Property by a skybridge (the "Skybridge") connecting the fourth level of the F&N Property with the third level of the Systems Block Retail.

8. Developer and Nordstrom have executed these Covenants and have placed these Covenants in escrow to be effective only upon the satisfaction of various conditions which include (a) the closing of the purchase of the F&N Property and the exchange between Nordstrom and PSD of the Nordstrom Properties for the F&N Property; (b) the execution and delivery of a Construction Operation and Reciprocal Easement Agreement entered into between Nordstrom and Developer pursuant to which Nordstrom has promised to Developer to redevelop the F&N Property and to operate a retail store of at least 200,000 square feet of floor area for twenty years, and PSD has promised to Nordstrom to redevelop the Nordstrom Properties, and CDP and PSD have agreed to construct a 1,200 car parking garage on the Systems Block, and PSD has promised to Nordstrom to develop at least 300,000 square feet of gross leasable floor area of retail space on the Systems Block Retail and to operate the retail space on the Systems Block and the Nordstrom Properties for twenty years, (c) the execution and delivery of the Parking Agreement by the Developer, The City of Seattle, a first-class city of the State of Washington (the "City") and Nordstrom, (d) the execution and delivery of the Umbrella Agreement between the City, CDP and PSD, (e) the execution and delivery of a Facade Easement burdening the F&N Property in a form approved by Nordstrom, and (f) the execution of a lease from PSD to Nordstrom of the Nordstrom Properties for the period of time from the closing of escrow until Nordstrom vacates the Nordstrom Properties after opening its new store on the F&N Property.

9. The execution and delivery of these Parking Covenants and the execution and delivery of the other documents referred to in Recital 8 above, as well as the approval by the City of the form of these Parking Covenants are conditions to the closing of the escrow of the documents for the transaction referred to above and to the redevelopment of the Systems Block, the F&N Property and the Nordstrom Properties.

10. CDP will, after causing the Parking Garage to be Operated for at least one year after the date the Parking Garage is first opened for business to the public, transfer the Parking Garage to the City or its designee pursuant to a lease purchase agreement pursuant to RCW 35.42.010 to 35.42.090 inclusive, or other appropriate instruments, subject to, among other things, the City's agreement to operate the Parking Garage in accordance with these Parking Covenants and the Parking Agreement attached hereto as Exhibit B as it may be amended in

accordance with its terms (the "Parking Agreement"), but PSD will retain ownership of the Systems Block Retail.

11. Developer and Nordstrom desire to enter into these Parking Covenants to induce the Developer to acquire and redevelop the Systems Block, to induce PSD to acquire and redevelop the Nordstrom Properties, to induce Nordstrom to acquire and redevelop the F&N Property, and to provide for covenants relating to the construction, operation and maintenance of the Parking Garage as part of a multi-use complex which includes the Nordstrom Store, the Redeveloped Nordstrom Properties and the Systems Block Improvements.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises, covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

As used in these Parking Covenants, the following terms have the following meanings:

Section 1.1 Common Area

"Common Area" means the Skybridge and all areas within the Systems Block Retail that are or are to be made available for the nonexclusive use, convenience and benefit of all Occupants and their respective Permittees.

Section 1.2 Complex

"Complex" means the redeveloped Nordstrom Properties, the Systems Block, and the F&N Property, together with all buildings and other improvements constructed at any time thereon.

Section 1.3 Floor Area

"Floor Area" means, from time to time, the aggregate of the actual number of square feet of floor space in any building located within the Complex, exclusively appropriated or designated for use by a Person pursuant to a lease, license or otherwise, whether or not actually occupied.

Floor Area includes:

- (a) basement space and subterranean areas;
- (b) balcony and mezzanine space; and
- (c) space occupied by columns, stairs, escalators, dumb-waiters, conveyors or other interior equipment within the building involved (except as excluded below);

Notwithstanding the foregoing provisions of this Section, Floor Area shall not include:

- (aa) the upper levels of any permanent or temporary multi-deck stock areas;
- (bb) areas used exclusively to house mechanical, electrical, telephone, telecommunication, computer, air-conditioning and similar equipment and spaces, and any garbage (or other waste) collecting area or waste bailing or compacting area;
- (cc) truck loading areas;
- (dd) any Common Area;
- (ee) parking stalls within the Parking Garage;

Floor Area shall be measured from the exterior faces of the exterior walls (including basement walls), except that where party and interior-common walls are involved, the Floor Area shall be measured from the center thereof instead of from the exterior faces thereof.

Section 1.4 Occupant

"Occupant" or "Occupants" means each of Nordstrom, the Retail Owner, the Garage Owner, and any other Person entitled by lease, license or otherwise to use and occupy Floor Area within the Complex, or one or more of them, as the context may require.

Section 1.5 Opening Date

"Opening Date" means the date the new Nordstrom Store actually opens for business to the public in the F&N Property.

Section 1.6 Operate, Operating, Operation

"Operate", or "Operating", or "Operation" means: (a) with respect to the Nordstrom Store, that the Nordstrom Store is open to the general public for business for retail purposes during its business hours except while it is not so open for business by reason of damage or destruction, the events described in Article 3, or while temporarily not so open for business by reason of repairs, remodeling or reconstruction (subject to the provisions of the REA) or by reason of such reasonable interruptions as may be incidental to the conduct of business; (b) with respect to the retail stores and entertainment facilities within the Systems Block, that retail stores and/or entertainment facilities therein are open to the general public for retail business during business hours which are normal for the Complex, except while any are not so open for business by reason of damage or destruction, the events described in Article 3, or while temporarily not so open for business by reason of repairs, remodeling or reconstruction (subject to the provisions of the REA), or by reason of such reasonable interruptions as may be incidental to the conduct of business; and (c) with respect to the Parking Garage, that the Parking Garage is available for the parking of vehicles and is being operated and maintained in accordance with the terms of these Parking Covenants and the Parking Agreement, except while it is not so open for business by reason of damage or destruction, the events described in Article 3, or while temporarily not so open for business by reason of repairs, remodeling or reconstruction (subject to the provisions of Section 2.10), or by reason of such reasonable interruptions as may be incidental to the

conduct of business. The terms of this Section are merely definitional, and shall not be deemed to create independent covenants for any of the Parties.

Section 1.7 Parcel

"Parcel", or "Parcels" means the Nordstrom Properties, the F&N Property, the Parking Garage and the Systems Block Retail, or any combination or portions thereof, as the context may require.

Section 1.8 Party

"Party" or "Parties" means (i) Developer and any successor Person(s) acquiring the interest of Developer in or to any portion of the Systems Block, and (ii) Nordstrom and any successor Person(s) acquiring the interest of Nordstrom in the F&N Property. The "Party" as to a Parcel shall not include a bond trustee or any other Person who has an interest in the Parcel solely as security for an obligation. If the ownership of a Parcel is held by a nominee, bond trustee, or trustee for security purposes, a sale-leaseback-lessor, or other party whose interest does not entitle such party to possession or use of the Parcel, such Person shall not be the Party as to that Parcel, and the Person who is entitled to the possession or use of the Parking Garage shall be considered to be the Party. For purposes of this definition, the tenants of space leases of a Party's Parcel shall not be considered to be the Party with respect to such Parcel, and the landlord of the space leases shall be the Party with respect to such Parcel. The Party with respect to the F&N Property is referred to in these Covenants as the "F&N Owner," the Party with respect to the Systems Block Retail is referred to in these Covenants as the "Retail Owner," and the Party with respect to the Parking Garage is referred to in these Covenants as the "Garage Owner." When the Condominium is formed, CDP shall then become the Garage Owner. Upon conveyance by a Party of its interest in its respective Parcel, the new Party with respect to such Parcel shall become bound by and entitled to the benefits of these Covenants, and the former owner shall be released from its unaccrued obligations hereunder subject to the terms of Section 2.6 of these Covenants.

Section 1.9 Permittees

"Permittees" means all Occupants and their respective officers, directors, employees, agents, partners, members, managers, contractors, customers, visitors, invitees, licensees and concessionaires.

Section 1.10 Person

"Person" or "Persons" means individuals, partnerships, associations, corporations, municipal corporations, municipalities and any other form of business organization, or one or more of them, as the context may require.

Section 1.11 Scheduled Opening Date

"Scheduled Opening Date," with respect to the Nordstrom Store on the F&N Property, means a date not later than April 1, 1998 and not earlier than February 1, 1998 designated by Nordstrom by written notice to Developer given at least twelve (12) months prior to the date so designated, as such date may be extended in accordance with Sections 6.2 or 6.3 of the REA. The Scheduled Opening Date for the Parking Garage, and the portion of the Common Area

providing pedestrian access from Sixth Avenue to the Parking Garage shall be on or before the Scheduled Opening Date for the Nordstrom Store. The REA establishes the Scheduled Opening Dates for the Skybridge, the Common Area on the Systems Block, the Retail Shops and for the Redeveloped improvements on the Nordstrom Properties.

Section 1.12: Nordstrom Store

From and after the Opening Date "Nordstrom Store" means Nordstrom's department or specialty store located within the F&N Property.

Section 1.13: Additional Terms

The following terms are defined on the pages of the Parking Covenants indicated below:

Approved Plans	8
As-Built Plans	12
CDP	1
City	2
Common Area	3
Complex	3
Condominium	1
Declaration	1
Developer	1
Expiration Date	17
F&N Owner	5
F&N Property	1
F&N Renovation	1
Final Plans	13
Floor Area	3
Fortieth Year	17
Fully Utilized	9
Garage Owner	5
Garage Plans	12
Interest Rate	19
Laws	14
Nordstrom	1
Nordstrom Properties	1

Nordstrom Store	6
Notice	15
Occupant	4
Old Nordstrom Store	1
Opening Date	4
Operate	4
Parcel	5
Parking Agreement	3
Parking Covenants	1
Parking Garage	2
Parties	5
Party	5
Permittees	5
Person	5
Persons	5
Prime Rate	19
PSD	1
REA	8
Redevelopment	2
Retail Owner	5
Scheduled Opening Date	5
Schematic Plans	12
Seaboard Building	1
Skybridge	2
Systems Block	1
Systems Block Retail	2
Taxes	14
Umbrella Agreement	8

ARTICLE 2 PARKING REQUIREMENTS

Section 2.1 Design of Parking Garage

Plans for the Parking Garage shall be prepared by Developer and shall be subject to approval of Nordstrom in accordance with the requirements of the Construction, Operation and Reciprocal Easement Agreement, dated as of _____, 1996 entered into between Nordstrom and the Developer (the "REA"), and by City in accordance with the requirements of the Umbrella Agreement between the Developer and the City dated as of _____, 1996 (the "Umbrella Agreement"), and shall conform to the design standards set forth in Exhibit C attached hereto. The final plans and specifications for the Parking Garage when approved by Nordstrom and the City as required above shall be referred to herein as the "Approved Plans."

Section 2.2 Construction of Parking Garage

Developer shall construct and open the Parking Garage for business to the general public on or before the Scheduled Opening Date for the Nordstrom Store as the Scheduled Opening Date may be extended pursuant to the REA and in accordance with the requirements of the REA.

Section 2.3 Access

The Retail Owner and Garage Owner shall each as to their respective Parcels, commencing on the date the Parking Garage and any Common Areas of the Systems Block Retail (or portions thereof) are completed and continuing throughout the term of this Agreement, (a) keep open to the public the means of access between the Parking Garage and the Common Areas of the Systems Block Retail at all times when the Common Areas of the Systems Block Retail (or any portion thereof) are open to the public, and (b) allow access between the Parking Garage and the Common Areas of the Systems Block Retail by persons authorized to enter the Common Areas of the Systems Block Retail after such Common Area is closed for business to the public by access card or other keyed entry system at all times. The Parties recognize that at times of low demand, the obligation of the Retail Owner and Garage Owner to provide access from the Common Area to the Parking Garage shall not require the Retail Owner or the Garage Owner, respectively, to operate more elevators than needed to meet the demand for elevator service. The Parties to these Parking Covenants shall also have the right of access to the Parking Garage for the purposes and to the extent allowed pursuant to the Parking Agreement.

The Garage Owner reserves the right to close off the Parking Garage for such reasonable periods of time as may be (i) legally necessary to prevent the acquisition of prescriptive rights by anyone or (ii) necessary to effect repairs, renovation and restoration required herein; provided, however, before closing off any material part of the Parking Garage as provided above, the Garage Owner must give Notice to the other Parties to these Parking Covenants of its intention to do so and must coordinate its closing with the other Parties so that no unreasonable interference with the Operation of the businesses of the other Parties occurs.

Section 2.4 Maintenance and Operation of Parking Garage

The Garage Owner shall, at all times prior to the Expiration Date, at its sole cost and expense cause the Parking Garage to be Operated and maintained (including routine repairs) by a professional parking garage operator as a parking garage for the public parking of at least 1,200 multi-passenger motor vehicles (of which up to 240 may be valet parked) (i) in accordance with the requirements of these Parking Covenants and the Parking Agreement, and (ii) in first-class order, condition and repair in accordance with practices prevailing in first-class urban regional shopping centers including multi-level parking garages. The obligations of the Garage Owner to cause the Parking Garage to be maintained in first-class condition (which are contained in these Parking Covenants and in the Parking Agreement) shall include the obligation to make capital improvements which are necessary to keep the Parking Garage a first-class parking garage, but shall not be interpreted to require the Garage Owner to make or cause to be made capital improvements to the Parking Garage which could not reasonably be expected to pay for themselves over the useful life of such improvements through enhancements in revenue and/or reductions of operating expenses expected to result from such improvements (when compared to the results which could be reasonably expected if the capital improvements were not made). Pursuant to the Parking Agreement, the Retail Owner and the Condominium Association shall have maintenance responsibilities with respect to the Parking Garage elevators, security, and the Concourse Level of the Systems Block Retail.

The obligations of the Garage Owner described in this Section shall be and remain in effect from the date the Parking Garage is first opened for business to the public (or the date it is required to be open if earlier) until the Expiration Date.

Section 2.5 Use Restrictions

The Parking Garage shall be used as a first-class parking garage for the parking of vehicles by members of the general public in accordance with the Parking Agreement and for no other purpose. The prior sentence shall not be interpreted to prohibit the operation of a first-class automobile detailing service in the Parking Garage in accordance with the Parking Agreement. Notwithstanding the provisions of this Section, if (i) the Garage Owner is the City, and (ii) the Parking Garage is "Fully Utilized" (as that term is defined below) ten (10) days or less during the preceding calendar year, then the City shall have the right to use the lowest floor of the Parking Garage for parking of City vehicles during the subsequent calendar year. The Parking Garage will be deemed to be "Fully Utilized" on any day that the peak parking usage within the Parking Garage is equal to or greater than the total number of parking spaces within the Parking Garage minus the number of parking spaces located on the lowest floor of the Parking Garage. Utilization of the Parking Garage shall be reviewed by the Garage Owner and the Parties on an annual basis to determine whether the Parking Garage has been Fully Utilized less than ten days during the preceding calendar year. If, however, in an ensuing year the Parking Garage is Fully Utilized on ten (10) days or more, the City's right to park its vehicles in the Parking Garage shall cease, until the criteria set forth above are again satisfied, and the entire Parking Garage shall again be devoted to parking of vehicles by members of the general public as soon as reasonably practicable after notice has been given to the Garage Owner which states (a) that the Parking Garage has been Fully Utilized on ten (10) days or more, (b) the dates

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upon which such events occurred, and (c) that the City's right to park its vehicles in the Garage has terminated.

So as not to interfere with efficient pedestrian traffic flow within the Parking Garage, and to the extent permitted by law, there shall be no sales conducted within the Parking Garage without the prior written consent of Nordstrom and the Retail Owner, and no kiosks, pushcarts or other merchandising units or obstructions shall be placed in the Parking Garage.

The restrictions described in this Section shall be and remain in effect from the date of these Parking Covenants until the Expiration Date.

Section 2.6 Transfer of Parking Garage

Upon the recording of the Condominium Declaration, the interests of the Developer in the Systems Block as co-tenants shall be partitioned-in-kind such that CDP shall become the Garage Owner and PSD shall become the Retail Owner. Notwithstanding the foregoing and the provisions of Section 1.8, as the co-tenant with CDP in the Systems Block, PSD covenants to the other Parties to these Covenants that in the event CDP fails to perform any obligations of CDP as Garage Owner, or sustain any representation or warranty made by CDP to the other Parties, as set forth in these Covenants, whether made by CDP alone or as a tenant in common with PSD, PSD shall cure or shall cause the cure of such failure and shall be liable therefor. After the first anniversary of the date the Parking Garage is first opened for business to the public, and in accordance with the Umbrella Agreement, the Garage Owner may transfer title and possession of the Parking Garage to the City or its designee pursuant to a lease purchase agreement, executed under the provisions of RCW 35.42.010 - .090 or other instruments. Upon transfer of the Parking Garage to the City, both PSD and CDP will be released from all unaccrued liabilities and obligations with respect to the Parking Garage. This Section is not intended to override the provisions of Article 13 of the REA with respect to the obligations and liability of PSD relating to the Systems Block Retail.

Section 2.7 Property Insurance

The Garage Owner shall carry (or cause to be carried, as provided in the Condominium documentation or otherwise) a policy of fire and extended coverage property insurance on the Parking Garage. Such insurance shall be carried commencing as of the date construction of the Parking Garage is commenced and continuing throughout the term of these Parking Covenants. At any time that any construction work is being performed upon the Parking Garage, the Garage Owner shall carry or cause to be carried builder's risk insurance upon the improvements under construction within the Parking Garage.

All policies carried under this Section:

- (1) shall be carried with financially responsible insurance companies;
- (2) shall be in an amount at least equal to ninety percent (90%) of the replacement cost (exclusive of cost of excavations, foundations and footings) of the Improvements being insured;

(3) shall insure against loss or damage from causes that are from time to time included as covered risks under standard insurance industry practices within the classification of broad form fire and extended coverage, and specifically against the following perils: fire, windstorm, hail, cyclone, tornado, riots, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, vehicle, smoke damage and sprinkler leakage and, earthquake and explosion; and

(4) shall contain a provision that the same may not be canceled without at least thirty (30) days' prior written notice being given by the insurer to the other Parties to the Parking Covenants.

Fire and extended coverage insurance proceeds paid to the Garage Owner by reason of damage to or destruction of the Parking Garage shall be used by such owner to restore the Parking Garage to the extent such restoration is required pursuant to these Parking Covenants. Nothing in this Agreement is intended to prohibit the City from self-insuring its personal property in accordance with the terms of the Umbrella Agreement.

Section 2.8 Duty to Carry Liability Insurance

The Garage Owner shall carry (or cause to be carried, as provided in the Condominium documentation or otherwise) throughout the term of these Parking Covenants, commercial general liability insurance covering the Parking Garage. Such insurance shall have combined single limits of not less than \$10,000,000 for personal injury, death or property damage. The insurance policies required pursuant to this section:

- (1) shall be carried with financially responsible insurance companies;
- (2) shall provide that the same may not be canceled or reduced in amount or coverage without at least thirty (30) days' prior written notice being given by the insurer to each of the other Party; and
- (3) shall name the Retail Owner, each Person who has a direct or indirect ownership interest in the Retail Owner, and the respective mortgagees of such persons, as additional insureds.
- (4) The minimum insurance coverage amounts set forth above shall be subject to review by the Parties on the fifth anniversary of the date the Parking Garage is first opened for business to the public, and on each subsequent fifth anniversary during the term of these Covenants in order to determine the adequacy of such amounts in light of the then existing circumstances.

Section 2.9 Certificate of Insurance

The Garage Owner shall, on the request of another Party, promptly furnish the requesting Party a certificate evidencing the owner's compliance with the insurance coverage requirements of this Article. The Garage Owner shall not be required during any given one hundred eighty

(180) day period to honor more than one such request for an insurance certificate from each Party.

Section 2.10 Restoration of Parking Garage

If all or any part of the Parking Garage is damaged or destroyed at any time when either the Systems Block Retail or the Nordstrom Store is being Operated, the Garage Owner shall promptly commence reconstruction of the Parking Garage and shall diligently prosecute such reconstruction to completion so as to restore such improvements to first-class condition and to substantially the same appearance, configuration and layout as existed immediately prior to such damage or destruction (subject to the effect of Section 2.4 of these Covenants), and so as to comply with the design standards set forth in Exhibit C attached hereto. Notwithstanding the foregoing, the obligations of the Garage Owner to restore the Parking Garage to a first-class condition shall be limited to the extent of the proceeds of insurance which was in fact carried with respect to the Parking Garage or which was required to be carried with respect to the Parking Garage, whichever is greater.

(1) The Plans for the restoration of the Parking Garage shall be subject to review and approval as provided in Section 2.12 of these Parking Covenants, provided, however, that Retail Owner and Nordstrom shall have no right of approval over the plans for the reconstruction of the Parking Garage if the Parking Garage is restored substantially in accordance with the as-built plans for the Parking Garage as originally constructed (the "As-Built Plans").

(2) The Garage Owner shall use diligent efforts to cause the reconstruction of the Parking Garage to be completed within sixteen (16) months after the receipt of insurance proceeds by such owner, subject to delays described in Article 3 hereof. The Garage Owner shall use diligent efforts to promptly obtain such insurance proceeds.

Section 2.11 Alterations to Parking Garage

The layout, configuration, lighting, graphics, structural support characteristics and locations of exits and entrances of the Parking Garage shall not be materially altered from the As-Built Plans without the prior written approval of the Parties.

Section 2.12. Parking Garage Plans

Except to the extent that no plan approval is required pursuant to Section 2.12 (2) of these Parking Covenants, the provisions of this Section apply to any material reconstruction, alteration, renovation or addition affecting the Parking Garage.

(1) There shall be two (2) levels of "Garage Plans": Schematic Plans and Final Plans.

a. Schematic Plans. The "Schematic Plans" shall be conceptual in nature and include the following: building and improvement locations; layout and height outline specifications; architectural floor plans and elevations; perspectives and renderings of exterior design concepts and interior design concepts, including descriptions and actual samples of all colors and materials, layout of the Parking Garage, vertical transportation,

and security features. The Garage Owner shall also provide to the other Parties, the approximate dates and schedule and its proposed phasing plans for construction, reconstruction or renovation of the Parking Garage, and shall update such information if such schedule or phasing plans change. The Parties shall have the right to approve or disapprove the Schematic Plans in their reasonable discretion.

b. Final Plans. The "Final Plans" may be prepared in phases and shall be developed from and substantially conform to the approved Schematic Plans and shall provide the precise plans and specifications for construction of the Parking Garage and shall include the information required by the Parking Agreement. Any changes from the approved Schematic Plans shall be clearly highlighted to indicate the changes.

(2) Each Party's approval or disapproval of Schematic Plans and/or Final Plans shall be given within fifteen (15) days of the receipt thereof by such Party; provided, however that Nordstrom and the Retail Owner shall approve plans that substantially conform to the As-Built Plans. If either Nordstrom or Retail Owner do not disapprove such plans within such fifteen (15) day period, the plans shall be deemed to have been approved by the Party who failed to disapprove such plans.

(3) Notwithstanding any Party's approval of any plans, such Party shall have no liability by reason of such plans failing to comply with applicable laws, or otherwise being defective.

(4) In the event that the Garage Owner shall desire to make any material change in any aspect of the Final Plans which was subject to the approval of the Parties as set forth above, such changes shall first be submitted to the Parties (accompanied by a statement from the architect for the Garage Owner, delineating the nature and extent of the changes) for their review and approval, which approval or disapproval shall be made within seven (7) days from the date of receipt. Notwithstanding the foregoing "immaterial changes" may be made by the Garage Owner without securing the approval of the Parties. A change to the Parking Garage shall be deemed to be "immaterial" if (a) such change does not affect the location of pedestrian or vehicular entrances or access to and from the Parking Garage to the Systems Block Retail and adjacent public streets, the layout of the Parking Garage, the structural support characteristics, the internal pedestrian or vehicular traffic patterns, or directional graphics within the Parking Garage, (b) the cost of such change is less than \$100,000 individually, and less than \$150,000 in the aggregate, and (c) such change does not involve a substantial or material change in appearance or diminution in quality of the Parking Garage. The extent of the Parties' approval rights with respect to any such material change shall be the same as would have applied to their approval of the Final Plans. If the Parties shall fail to disapprove such material change within seven (7) days from the date of receipt of such change, such change shall be deemed to have been approved.

Section 2.13 Parking Garage Signage and Graphics

Except as provided in the Parking Agreement, no signs, banners or temporary signs shall be placed within the Parking Garage without the prior approval of the Parties to this Agreement.

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Attachment A to ordinance authorizing the sale of the Pacific Place Garage

Purchase and Sale Agreement by and between the City of Seattle and MPH PP Garage LLC

Notwithstanding the foregoing, Retail Owner shall have the right to place directory and informational signs in the elevators which serve the Parking Garage identifying Occupants of the Complex. Such directory and informational signs shall not contain advertising, but may provide a listing of Occupants of the Complex and maps and directions to their businesses. Paper signs and/or stickers utilized as signs, and signs of a temporary nature (other than normal precautionary signs used in connection with maintenance), of whatever composition or material, are not permitted within the Parking Garage after the Opening Date.

Section 2.14 Real Estate Taxes

The Garage Owner shall pay (or cause to be paid) before delinquency all real estate taxes and assessments (herein collectively called "Taxes") levied and due with respect to the Parking Garage.

Section 2.15 Conformity to Law

The Garage Owner, at its sole expense, shall promptly comply or cause compliance with all laws and governmental orders, regulations or requirements (hereinafter called "Laws") which may at any time be applicable to the Parking Garage, including the Americans With Disabilities Act, subject to the right, after prior Notice to the other Parties, to contest by appropriate legal or administrative proceedings diligently conducted in good faith, in its name, the validity or application of any of the above and may delay compliance therewith until a final decision has been rendered in such proceedings and appeal therefrom is no longer possible, provided that such delay shall not render the Complex or any part thereof liable to forfeiture, involuntary sale or loss, result in involuntary closing of any business conducted within the Complex (including the Parking Garage or any business of an Occupant) or subject any of the other Parties to criminal liability.

ARTICLE 3 EXCUSES FOR NONPERFORMANCE

Notwithstanding anything contained in these Parking Covenants, each Party shall be excused from performing any obligation under these Parking Covenants, and any delay in the performance of any obligation under these Parking Covenants shall be excused, if and so long as the performance of the obligation is prevented, delayed or otherwise hindered by acts of God, fire, earthquake, floods, explosion, actions of the elements, war, riots, mob violence, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, court orders, operation of law, orders of governmental or military authorities, or any other cause, whether similar or dissimilar to the foregoing, not within the control of such Party (other than lack of or inability to procure monies to fulfill its commitments and obligations under these Parking Covenants).

ARTICLE 4 NOTICES AND APPROVAL

Section 4.1 Notice to Parties

Each notice, demand, request, consent, approval, disapproval, designation or other communication (all of the foregoing are herein referred to as a "Notice") that a Party gives to any other Party shall be in writing and shall be given or made or communicated by (i) United States Mail registered or certified mail, postage prepaid, return receipt requested, (ii) any nationally recognized overnight carrier or express mail service (such as Airborne, Federal Express, or DHL) which provides receipts to indicate delivery, or (iii) by facsimile transmission followed by hard copy or by overnight courier service in all cases addressed as follows:

addressed to PSD at:

Pine Street Development L.L.C.
520 Pike Tower, Suite 2200
Seattle, Washington 98101
Attention: Matt Griffin and Jeffrey Rhodes
Fax: 206-340-9201

with a copy to:

Kanten Muchin & Zavis
525 W. Monroe Street, Suite 1600
Chicago, Illinois 60661-3693
Attention: Nina Matis, Esq.
Fax: 312-902-1061

with a copy to:

Preston Gates & Ellis
5000 Columbia Center
701 Fifth Avenue
Seattle, Washington 98104-7078
Attention: B. Gerald Johnson
Fax: 206-623-7022

with a copy to:

Kennedy Associates Real Estate Counsel, Inc.
1215 Fourth Avenue, Suite 2400
Seattle, Washington 98161
Attention: John Parker
Fax: 206 682-4769

with a copy to:

McNaul Ebel Nawrot Helgren & Vance
27th Floor, One Union Square
600 University Street
Seattle, Washington 98101-3143
Attn: Louis F. Nawrot, Jr.
Fax: 206-624-5128

addressed to CDP at:

Community Development Properties, King County II, Inc.
1932 1st Avenue, Suite 800
Seattle, Washington 98101
Attn: John Finke, Director
Fax: 206-448-5246

with a copy to:

Hillis, Clark, Martin & Peterson
1221 Second Avenue, Suite 500
Seattle, Washington 98101-2925
Attn: Michael F. Schurnacher
Fax: 206-623-7789

addressed to Nordstrom at:

Nordstrom, Inc.
1501 Fifth Avenue
Seattle, Washington 98101
Attention: Real Estate Notices
Fax: 206-223-1776

subject to the right of a Party to designate a different address by Notice similarly given at least ten (10) days in advance. Unless specifically stated to the contrary elsewhere in these Parking Covenants, any Notice shall be deemed to have been given, made or communicated as the case may be, on the date the same was delivered or delivery was attempted.

Section 4.2 Form and Effect of Notice

Every Notice given to a Party or other Person must state (or be accompanied by a cover letter that states):

- (1) Notice is given;

- (2) the period of time within which the recipient of the Notice must respond thereto, or if no response is required, a statement to that effect; and

- (3) if applicable, that the failure to object to the Notice within a stated period of time will be deemed to be the equivalent of the recipient's approval of or consent to the subject matter of the Notice.

In no event shall a recipient's approval of or consent to the subject matter of a Notice be deemed to have been given by its failure to object thereto if such Notice (or the accompanying cover letter) did not fully comply with the requirements of Subparagraph 4.2(3) immediately preceding.

ARTICLE 5 AMENDMENT

These Parking Covenants may be amended or otherwise modified only in writing, signed and acknowledged by the Parties. The Parties acknowledge that the Developer has agreed pursuant to the Umbrella Agreement not to amend these Parking Covenants without the consent of the City so long as the City has a right to acquire the Parking Garage. No amendment or other modification of these Parking Covenants shall require any consent or approval on the part of any Person other than a Party.

ARTICLE 6 EXPIRATION DATE

6.1. Expiration Date. These Parking Covenants shall remain in full force until the "Expiration Date," which shall be the earlier of (i) the ninety ninth (99th) anniversary of the Opening Date or (ii) the date when the retail department store or specialty store containing at least 200,000 square feet of Floor Area on the F&N Property has ceased to be Operated and the Systems Block Retail has ceased to be Operated.

6.2. Termination If Garage Not Needed. If during the fortieth year after the date that the Parking Garage is first opened for business to the public (the "Fortieth Year"), less than an average of one hundred and twenty (120) vehicles per day use the Parking Garage (unless such low level of use is caused by an event described in Article 3 of this Agreement) and if the Garage Owner is the City, then the Garage Owner shall have the right to cease to Operate the Parking Garage as a Parking Garage in accordance with the terms of these Covenants and the Parking Agreement. Such right may be exercised by written notice to the other Parties to these Covenants, given within one hundred and eighty (180) days after the end of the Fortieth Year.

ARTICLE 7
MISCELLANEOUS

Section 7.1 Exhibits

Each reference herein to an Exhibit refers to the applicable Exhibit that is attached to these Parking Covenants, which Exhibit may be amended by the Parties from time to time in accordance with the provisions of Article 5. All such Exhibits constitute a part of these Parking Covenants and by this Section are expressly made a part hereof.

Section 7.2 References to Articles, Sections, Subsections

All references herein to a given Article, Section, Subsection, Paragraph or Subparagraph refer to the Article, Section, Subsection, Paragraph or Subparagraph of these Parking Covenants (unless otherwise specified).

Section 7.3 Table of Contents and Captions

The table of contents and captions of these Parking Covenants are inserted only as a matter of convenience and for reference. They do not define, limit or describe the scope of intent of these Parking Covenants, and they shall not affect the interpretation hereof.

Section 7.4 Locative Adverbs

The locative adverbs "herein", "hereunder", "hereto", "hereby", "hereinafter", and like words wherever the same appear herein, mean and refer to these Parking Covenants in its entirety and not to any specific Article, Section, Subsection, Paragraph or Subparagraph hereof.

Section 7.5 Parking Covenants for Exclusive Benefit of Parties

Except as specifically set forth herein, the provisions of these Parking Covenants are for the exclusive benefit of the Parties (as defined in Section 1.8), and not for the benefit of any third Person. These Parking Covenants shall not be deemed to have conferred any rights upon any third Person.

Section 7.6 Waiver of Default

A waiver of any default by a Party must be in writing and no such waiver shall be implied from any omission by a Party to take any action in respect of such default. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any provision of these Parking Covenants shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other term or provision contained herein. The consent or approval by a Party to, or of any act or request by, another Party requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts or requests. The rights and remedies given to a Party by these Parking Covenants shall be deemed to be cumulative and no one of such rights or remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity which a Party might otherwise have by virtue of a default under these Parking Covenants, and the exercise of one such right or remedy by a Party shall not impair such Party's standing to exercise any other right or remedy.

Section 7.7 Payment on Default and Lien

If under these Parking Covenants a Party is compelled or elects to pay any sum of money or do any acts that require the payment of money by reason of another Party's failure or inability to perform any of the provisions of these Parking Covenants to be performed by such other Party, the defaulting Party shall promptly upon demand reimburse the paying Party for such sums, and all such sums shall bear interest at the rate (the "Interest Rate") of one percent (1%) per annum over the then existing "Prime Rate" from time to time published in The Wall Street Journal (the "Prime Rate") (but in no event exceeding the maximum rate per annum permitted by Washington law) from the date of expenditure until the date of such reimbursement. Any other sums payable by any Party to any other Party under these Parking Covenants that shall not be paid when due shall bear interest at the rate of one percent (1%) per annum over the then existing Prime Rate (but in no event exceeding said maximum annual rate) from the due date of payment thereof.

Section 7.8 No Partnership, Joint Venture or Principal-Agent Relationship

Neither anything in these Parking Covenants nor any acts of the Parties shall be deemed by the Parties, or by any third Person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between the Parties, and no provisions of these Parking Covenants are intended to create or constitute any Person a third-party beneficiary hereof.

Section 7.9 Successors

These Parking Covenants shall be binding upon and inure to the benefit the Parties (as defined in Section 1.8) and the successors to the interests the Parties in their respective Parcels, except as set forth in Section 1.8.

Section 7.10 Severability

If any provision of these Parking Covenants shall to any extent be invalid or unenforceable, the remainder of these Parking Covenants (or the application of such provision to Persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of these Parking Covenants, unless specifically conditioned upon such invalid or unenforceable provision, shall be valid and enforceable to the fullest extent permitted by law.

Section 7.11 Governing Law and Venue

These Parking Covenants shall be construed and governed in accordance with Washington law. Venue shall be in the Superior Court of the State of Washington, in and for King County.

Section 7.12 Estoppel Certificate

Each Party hereby severally covenants that upon written request of any other Party, it will issue to such other Party, or to any mortgagee, or any other Person specified by such requesting Party, an estoppel certificate stating: (i) whether the Party to whom the request has been directed knows of any default under the Parking Covenants, and if there are known defaults, specifying the nature thereof; (ii) whether to its knowledge the Parking Covenants have been assigned, modified or amended in any way (and if it has, then stating the nature thereof);

and (iii) that to the Party's knowledge the Parking Covenants as of that date are in full force and effect. A Party delivering such certificate shall not have any liability to any other Person arising out of any inaccuracy or omission of information in or from such certificate, but such party shall be estopped from taking a position against the Person to whom such certificate was delivered which is inconsistent with the statement made in the certificate.

Section 7.13 Covenants Run with the Land

These Parking Covenants shall attach to and bind the Systems Block and Developer's interest therein immediately upon but not before the Developer's acquisition of title to the Systems Block. It is intended that the covenants, agreements, promises and duties of each Party as set forth in these Parking Covenants shall be construed as covenants and not as conditions, and that, to the fullest extent legally possible, all such covenants shall run with the land or constitute equitable servitudes as between the Parcel of the respective covenantor, as the servient tenement, and the Parcel of the respective covenantee, as the dominant tenement.

Unless the context indicates otherwise, every covenant, agreement and promise of each Party as set forth in these Parking Covenants shall be deemed a covenant, agreement and promise made for the benefit of each of the other Parties; and every duty of each Party as set forth in these Parking Covenants shall be deemed to run to and for the joint and several benefit of the other Parties.

Section 7.14 Default Shall Not Permit Termination of Parking Covenants; Grace Periods

No default under these Parking Covenants shall entitle any Party to cancel or otherwise rescind these Parking Covenants; provided, however, that this limitation shall not affect any other rights or remedies that the Parties may have by reason of any default under these Parking Covenants.

Section 7.15 Right to Enjoin

In the event of any violation or threatened violation of any of the provisions of these Parking Covenants by a Party or Occupant, any other Party shall have the right to apply to a court of competent jurisdiction for an injunction against such violation or threatened violation.

Section 7.16 Rights and Privileges with Respect to Liens

These Parking Covenants and the rights and privileges of the Parties with respect to each other Party and all Parcels in the Complex shall in all events be superior and senior to any lien placed upon any Parcel, including the lien of any Mortgage. Any amendments or modification hereof, whenever made, shall be deemed superior and senior to any and all liens, including the lien of Mortgages, the same as if the same had been executed concurrently herewith.

If a Party has a Mortgage which requires the Mortgagee's consent to any amendment of these Parking Covenants and such Mortgagee has given notice of the existence of such Mortgage to all of the other Parties to these Parking Covenants in accordance with Article 4 hereof, the consent, in writing, of such Mortgagee to any proposed amendment, which consent shall not be unreasonably withheld, must be obtained in order for such amendment to be enforceable against or binding upon such Mortgagee. Nothing herein contained shall constitute an agreement by any

Party that the Parking Covenants cannot be amended without the prior approval of another Party's Mortgagee.

Section 7.17 Counterparts

These Parking Covenants may be signed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same instrument.

The signature of a Party to any counterpart may be removed and attached to any other counterpart. Any counterpart to which is attached the signatures of all Parties shall constitute an original of these Parking Covenants.

Section 7.18 Time Periods

Whenever a time period is specified in this Agreement for the performance of some action or requirement or for the giving of a notice, by stating that such action is to be taken within a specified period of time after, from, following, or of some other event or date, such action, requirement or notice may be performed or given at any time within such time period up to and including the last day of the time period specified. For example, if an action must be taken "within thirty (30) days after" a specified event, such action may be taken at any time up to and including thirty days after the specified event. All periods of time referred to herein shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day, which is not a Saturday, Sunday or state or national holiday.

Section 7.19 Integration

These Parking Covenants set forth the entire agreement between the Parties with respect to the construction and operation of the Parking Garage and there are no covenants, promises, agreements, conditions or understandings, either oral or written between them other than as set forth herein (including all exhibits hereto), in the Parking Agreement, the Umbrella Agreement or the condominium declaration.

Section 7.20 Interpretation. Each Party to this Agreement and its counsel have reviewed and revised this Agreement. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any amendments to this Agreement.

IN WITNESS WHEREOF, each of the Parties have caused its duly authorized officers to sign these Parking Covenants as of the date set forth in the first paragraph.

PINE STREET DEVELOPMENT L.L.C.,
a Washington limited liability company

By: RGHK SEATTLE L.L.C., a
Washington, limited liability company,
Manager

By: m j duff
Title: CO-MANAGER

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 28th day of March, 1996, before me personally appeared
M. J. Griffin, to me known to be the
CO-MANAGER of the corporation that executed the foregoing
instrument and acknowledged said instrument to be the free and voluntary act and deed of
said corporation, for the uses and purposes therein mentioned, and on oath stated that he was
authorized to execute said instrument and that the seal affixed is the corporate seal of said
corporation.

DATED: March 28, 1996 Elaine M. Nuzum

Print Name: Elaine M. Nuzum
NOTARY PUBLIC for the State of
Washington, residing
at Seattle

My appointment expires: April 19, 1996

[Attached to and made part of
Parking Covenants
for Pine Street Complex]

COMMUNITY DEVELOPMENT
PROPERTIES, KING COUNTY II, INC.,
a Delaware non-profit corporation

By: John Finke
Title: PRESIDENT

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 28 day of March, 1996, before me personally appeared
John Finke, to me known to be the PRESIDENT of COMMUNITY
DEVELOPMENT PROPERTIES, KING COUNTY II, INC. the corporation that executed
the foregoing instrument and acknowledged said instrument to be the free and voluntary act
and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated
that he was authorized to execute said instrument on behalf of said corporation.

DATED: March 28, 1996 John Finke

NOTARY PUBLIC for the State of
Washington, residing
at Seattle, WA

My appointment expires:
5/21/97

[Attached to and made part of
Parking Covenants
for Pine Street Complex]

NORDSTROM, INC., a Washington
corporation

By David L. Mackie
David L. Mackie
Vice President - Real Estate

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 26th day of March, 1996, before me personally appeared David L. Mackie, to me known to be the Vice President Real Estate of Nordstrom, Inc. the corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of said corporation.

DATED: 3-26-96

David G. Johansen
David G. Johansen
NOTARY PUBLIC for the State of
Washington, residing
at Seattle

My appointment expires:
3-1-97

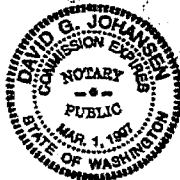


EXHIBIT A-1

LEGAL DESCRIPTION OF SYSTEMS BLOCK

LOTS 1 THROUGH 12 IN BLOCK 3 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS THE HEIRS OF SARAH A. BELL'S ADDITION TO THE CITY OF SEATTLE), AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 103, RECORDS OF KING COUNTY;

EXCEPT THAT PORTION OF LOTS 1 AND 12 CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 57057 FOR THE WIDENING OF PINE STREET, AS PROVIDED BY CITY OF SEATTLE ORDINANCE NO. 14500;

TOGETHER WITH THE VACATED ALLEY LYING WITHIN SAID BLOCK, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NOS. 82259, 82351, AND 110092;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

EXHIBIT A - 2

LEGAL DESCRIPTION OF FORMER FREDERICK AND NELSON BUILDING

LOTS 1, 2, 3, 4, 9, 10, 11 AND 12, AND THE SOUTHERLY 20 FEET OF LOTS 5 AND 8 IN BLOCK 2 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S ADDITION TO THE CITY OF SEATTLE), AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 103, RECORDS OF KING COUNTY;

AND THE VACATED ALLEY BETWEEN SAID LOTS 1 AND 12, 2 AND 11, 3 AND 10, AND 4 AND 9, AND BETWEEN SAID SOUTHERLY 20 FEET OF LOT 5 AND THE SAID SOUTHERLY 20 FEET OF LOT 8 IN SAID BLOCK;

AND THE VACATED ALLEY BETWEEN SAID LOTS 2 AND 3, THE SAME FORMERLY HAVING BEEN THE NORTHERLY 16 FEET OF SAID LOT 2; ALL AS VACATED BY SEATTLE ORDINANCE NO. 5981;

EXCEPT THE SOUTHERLY 7 FEET OF SAID LOTS 1 AND 12 AND SAID VACATED ALLEY HERETOFORE CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 57857 FOR THE WIDENING OF PINE STREET, AS PROVIDED BY ORDINANCE NO. 14500 OF THE CITY OF SEATTLE;

TOGETHER WITH THOSE CERTAIN EASEMENT RIGHTS DELINEATED IN PARKING COVENANTS DATED April 1, 1996, ENTERED INTO BY AND AMONG COMMUNITY DEVELOPMENT PROPERTIES, KING COUNTY II, INC., PINE STREET DEVELOPMENT L.L.C. AND NORDSTROM INC., A WASHINGTON CORPORATION, RECORDED (TO BE DETERMINED), 1996, UNDER RECORDING NO. (TO BE DETERMINED);

AND TOGETHER WITH THOSE CERTAIN EASEMENT RIGHTS DELINEATED IN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT BETWEEN PINE STREET DEVELOPMENT L.L.C. AND NORDSTROM INC., DATED (TO BE DETERMINED), RECORDED (TO BE DETERMINED), RECORDED (TO BE DETERMINED)

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

EXHIBIT B

PARKING AGREEMENT

This PARKING AGREEMENT (this "Agreement") is made and entered into as of this 1st day of April, 1996 by and among PINE STREET DEVELOPMENT L.L.C., a Washington limited liability company ("PSD") and COMMUNITY DEVELOPMENT PROPERTIES, King County II, Inc., a Delaware non-profit corporation ("CDP"), as co-tenants (PSD and CDP as co-tenants are referred to collectively as the "Developer"), THE CITY OF SEATTLE, a first-class city of the State of Washington (the "City"), and NORDSTROM, INC., a Washington corporation ("Nordstrom").

RECITALS

1. This Agreement describes the operation and management of a parking garage (the "Parking Garage") to be constructed by Developer on the Systems Block in downtown Seattle, Washington. The Parking Garage is to be constructed by Developer in accordance with the terms and provisions of: (a) this Agreement, (b) the Parking Covenants, and (c) the Umbrella Agreement.

2. Developer has entered into binding, non-contingent contracts to acquire the land and improvements commonly known as the Systems Parking Garage Block between Pine and Olive Streets and Sixth and Seventh Avenues (the "Systems Block"). Following execution of this Agreement, Developer shall, on or before October 15, 1996, acquire fee simple title to the Systems Block at its sole cost and expense.

3. The Parties to this Agreement have executed this Agreement and have placed it in escrow to be effective only upon the satisfaction of various conditions which include (a) the closing of the purchase of the F&N Property and the exchange between Nordstrom and PSD of the Nordstrom Properties for the F&N Property; (b) the execution and delivery of a Construction, Operation and Reciprocal Easement Agreement entered into between Nordstrom and Developer pursuant to which Nordstrom has promised to Developer to redevelop the F&N Property and to operate a retail store of at least 200,000 square feet of floor area for twenty years, and PSD has promised to Nordstrom to redevelop the Nordstrom Properties, and Developer has promised to Nordstrom to construct a 1,200 vehicle parking garage on the Systems Block, and develop at least 300,000 square feet of gross leasable floor area of retail space on the Systems Block and PSD has promised to Nordstrom to operate the retail space on the Systems Block and the Nordstrom Properties for twenty years, (c) the execution and delivery of the Parking Covenants by the Developer and Nordstrom, (d) the execution and delivery of the Umbrella Agreement between the City and the Developer, (e) the execution and delivery of a Facade Easement burdening the F&N Property in a form approved by Nordstrom and the City, (f) the execution of a lease from PSD to Nordstrom of the Nordstrom Properties for the period of time from the closing of escrow until Nordstrom vacates the Nordstrom Properties after opening its new store on the F&N Property, and (g) the acquisition by the Developer of the Systems Block.

4. The execution and delivery of this Parking Agreement and the execution and delivery of the other documents referred to in Recital 3 above, as well as the approval by the

City of the form of the Parking Covenants, are conditions to the closing of the escrow of the documents for the transaction referred to above and to the redevelopment of the Systems Block, the F&N Property and the Nordstrom Properties.

5. Nordstrom will, after the closing of the escrow referred to in Recital 3 above, own the land and improvements commonly known as the Frederick & Nelson Building, located north of Pine Street between Fifth and Sixth Avenues (the "F&N Property").

6. PSD will be, after the closing of the escrow referred to in Recital 3 above, the fee owner and lessee of the land and improvements commonly known as the Nordstrom Department Store and the Seaboard Building, located between Pike and Pine Streets and Fourth and Fifth Avenues (collectively the Old Nordstrom Store and the Seaboard Building are referred to as the "Nordstrom Properties").

7. Developer will construct or cause to be constructed the Parking Garage and the Systems Block Retail on the Systems Block in accordance with the requirements of the REA, the Parking Covenants and the Umbrella Agreement.

8. The Systems Block will be subjected to a plan of condominium ownership pursuant to which the ownership of the Parking Garage will be separated from the ownership of the Systems Block Retail. When the Condominium is formed, the Parking Covenants and this Agreement will bind the Parking Garage Condominium Unit and the Systems Block Retail Condominium Unit. After the Condominium is formed CDP will become the Garage Owner and PSD will become the Retail Owner.

9. CDP will, after operating or causing to be operated the Parking Garage for at least one year after the date the Parking Garage is first opened for business to the public, transfer the Parking Garage to the City or its designee pursuant to a lease purchase agreement pursuant to RCW 35.42.010 to 35.42.090 inclusive, or other appropriate instruments, subject to, among other things, the City's agreement to operate the Parking Garage in accordance with the Parking Covenants and this Parking Agreement.

10. Developer, Nordstrom and the City desire to enter into this Parking Agreement to induce PSD to acquire and redevelop the Systems Block and the Nordstrom Properties, to induce Nordstrom to acquire and redevelop the F&N Property, and to provide for the effective and successful operation and maintenance of the Parking Garage, which will encourage short-term parking in the downtown retail core thereby alleviating traffic congestion, and will also contribute to the revitalization of the downtown Seattle retail core.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I

INTRODUCTION AND TERM

1.1. Defined Terms. All capitalized terms which are used herein but which are not otherwise defined herein shall have the meanings ascribed to such term in Annex 1 attached hereto and made a part hereof.

1.2. Introduction. The Parking Garage is to be operated in accordance with this Agreement. The primary intent of this Agreement is to describe the general methods of operation of and standards of maintenance for the Parking Garage, which methods of operation are intended to, among other things, (a) provide safe, accessible parking for customers of the Complex and the retail core; (b) ensure simple ingress, egress, and location identification, including directional signage within the Parking Garage indicating the way to the Occupants; and (c) maximize the availability of short-term, public parking within the Parking Garage. Except for the portions of the Parking Garage used for valet parking and/or Required Long-Term Parking as hereinafter provided for in this Agreement, the Parking Garage shall be operated as a self-park, public parking garage.

1.3. Term. This Agreement shall become effective upon the acquisition of the Systems Block by the Developer or its successors and assigns. The Parking Garage shall be Operated in accordance with the terms of this Agreement from and after the date that the Parking Garage is first opened for business to the public, and shall remain in effect for an "Initial Term" of forty (40) years from the Leasing Date. The term of this Agreement shall be automatically renewed for additional terms of ten (10) years unless the Garage Owner (if the Garage Owner is the City) elects, by written notice of the Garage Owner's election to terminate this Agreement, given to the other Parties to this Agreement not more than five (5) years prior to the end of the Initial Term or the extension period then in effect and not less than four years and one half (4 1/2) years prior to the end of the Initial Term or the extension period then in effect. Such election to terminate the term of this Agreement may only be made if the Garage Owner is the City. If the Garage Owner elects, in the manner described above, to terminate this Agreement, the termination shall be effective upon the last day of the Initial Term or the extension period then in effect. The term of this Agreement shall automatically expire, unless earlier terminated pursuant to this Section 1.3, upon the termination or expiration of the Parking Covenants.

1.4. Termination If Garage Not Needed. If during the twelve month period immediately preceding the end of the Initial Term, less than an average of one hundred and twenty (120) vehicles per day use the Parking Garage (unless such low level of use is caused by an event described in Section 13.3 of this Agreement) and if the Garage Owner is the City, then the Garage Owner shall have the right to cease to Operate the Parking Garage as a Parking Garage in accordance with the terms of this Agreement. Such right may be exercised by written notice to the other Parties to this Agreement, given within one hundred and eighty (180) days after the end of the Initial Term.

ARTICLE 2

PARKING OVERSIGHT COMMITTEE

2.1 Formation of Parking Oversight Committee. A Parking Oversight Committee ("Committee") shall be formed no later than sixty (60) days before the opening of the Parking Garage, and shall be maintained throughout the term of this Agreement. The Committee will consist of the F&N Owner, the Garage Owner, the Retail Owner (or their respective designees) and one other Occupant from the Complex selected by the Retail Owner from time to time. Upon a termination of the Parking Covenants the F&N Owner shall no longer be a member of the Committee. If the Garage Owner is also the Retail Owner (or an Affiliate of the Retail Owner) or the F&N Owner (or an Affiliate of the F&N Owner), said Party shall be represented by only one member on the Committee. The Committee shall meet at least quarterly or as otherwise determined by the Committee.

2.2 Purpose of Committee. The purpose of the Committee is solely to provide guidance and advice to the Garage Owner on matters related to Parking Garage operation. Except as provided in this Agreement or in the Parking Covenants, the Garage Owner shall make operational decisions relating to the Parking Garage subject only to the provisions of this Agreement, the Parking Covenants and applicable law. If the Committee gives advice to the Garage Owner, the Garage Owner shall consider the advice of the Committee before taking action on the subject about which such advice was given.

ARTICLE 3

PARKING GARAGE SIGNAGE AND GRAPHICS

Before the Parking Garage is first opened to the public, the Garage Owner shall install directional signage in the Parking Garage and the Retail Owner shall install directional signage in the Concourse level of the Systems Block Retail which indicates directions to the Occupants of the F&N Property and the Systems Block Retail, and which has been approved by the F&N Owner. The Garage Owner shall not alter or remove (other than for purposes of maintenance) any signage indicating the way to the F&N Property or the Systems Block Retail, without first obtaining the written consent of the F&N Owner or the Retail Owner respectively. The designation or denomination of the Parking Garage shall not be made or changed without the approval of all of the Parties to this Agreement.

ARTICLE 4

SPECIAL USE AND MONTHLY PARKING

4.1 Required Long-Term Parking Requirements. Pursuant to the Master Use Permit approved by the City for the Systems Block project ("MUP"), the Garage Owner shall provide 136 regular and 35 carpool spaces, each of which will be rented for use by the same owner or motor vehicle for six hours or more and generally shall be used by a person who commutes to work by private motor vehicle ("Required Long-Term Parking"). Contracts between the

Garage Owner and members of the general public (who may be Occupants or individuals who work for Occupants) for Required Long-Term Parking for a term of thirty days or less are referred to herein as "Monthly Long-Term Parking Contracts." The contracts between the Garage Owner and Occupants and the contracts between the Garage Owner and members of the general public designated by the Retail Owner for Required Long-Term Parking for a term of more than thirty (30) days, are referred to herein as the "Special Use Long-Term Parking Contracts." The definition of Required Long-Term Parking may be changed in the future, provided such change is consistent with the City's Land Use Code, is agreed to by the Parties to this Agreement, and is approved by the Department of Construction and Land Use of the City.

From the date the Parking Garage is first opened for business to the public (the "Garage Opening Date") to the Leasing Date, the Garage Owner shall rent 171 spaces in the Parking Garage for Required Long-Term Parking in accordance with the requirements of the City's Land Use Code and with the MUP. Such rentals may be to members of the general public, Occupants or to the Retail Owner pursuant to Monthly Long-Term Parking Contracts or the Special Use Long-Term Parking Contracts. On the Leasing Date, the Garage Owner shall assign to the City all then existing Monthly Long-Term Parking Contracts and, if entered into, the Special Use Long-Term Parking Contracts. The City shall assume such contracts in accordance with their terms; provided that (a) the City has previously approved the form of such contracts and (b) the contracts are neither in default nor entered into in violation of the terms of this Agreement. The City expects Monthly Long-Term Parking Contracts (up to a maximum of 171 parking spaces) to be available on a first-come, first-served basis. The Monthly Long-Term Parking Contracts shall reserve to the Garage Owner the right to terminate or change the terms of such contracts on not less than thirty (30) days prior notice. Except as provided in Section 4.4, only the Retail Owner shall have the right to modify or terminate the Special Use Long-Term Parking Contracts.

4.2 Special Use Parking. Notwithstanding any other provision of this Agreement to the contrary, for so long as there are outstanding tax-exempt obligations, the proceeds of which financed the transfer to the City or its designee of the Parking Garage, the total number of parking spaces under Special Use Valet Parking Contracts and Special Use Long-Term Parking Contracts shall not exceed 108 parking stalls. In addition to entering into the Special Use Long-Term Parking Contracts, prior to the Leasing Date the Garage Owner may enter into one or more contracts for a term of more than thirty (30) days with Occupants of the Complex for short term valet parking to be operated by a valet parking operator selected by the F&N Owner and/or Retail Owner, respectively (each, a "Special Use Valet Parking Contract"). The total number of spaces leased under Special Use Valet Parking Contracts shall not exceed 60 spaces. On the Leasing Date, the Garage Owner shall assign and the City shall assume all Special Use Valet Parking Contracts; provided that (a) the City has previously approved such contracts and (b) the contracts are neither in default nor entered into in violation of the terms of this Agreement.

4.3 Contract Approval. The City shall have no obligation to assume any Monthly Long-Term Parking Contract, Special Use Long-Term Parking Contract or Special Use Valet Parking Contract on the Leasing Date unless the form and substance of such contract has been approved by the City. The City shall not unreasonably withhold or delay its consent to such

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contracts, and if any such contract is submitted to the City for its approval, and the City fails to disapprove such contract within fifteen (15) days after such contract is submitted to the City for its approval, such contract shall be deemed to have been approved by the City.

4.4 Tax-Exempt Status. The City shall have the right to modify this Agreement, the Monthly Long-Term Parking Contracts, the Special Use Long-Term Parking Contracts and the Special Use Valet Parking Contracts, if, in the reasonable opinion of the City's bond counsel, such modification or amendment is necessary to permit or preserve the tax-exempt status of interest payable on or with respect to any outstanding Certificates of Participation to be executed and delivered or other tax-exempt obligations to be issued by the City in connection with the transfer of the Parking Garage to the City, or with respect to any such debt instruments that are outstanding, but only if and to the minimum extent required to permit or preserve such tax-exempt status. If, at any time after the Leasing Date, the Retail Owner receives written notice from the City that its bond counsel reasonably requires that the Long-Term Monthly Parking Contracts be modified in order to permit or preserve the tax-exempt status of debt issued or to be issued to finance the City's acquisition of the Garage, then the City shall enter into Special Use Long-Term Parking Contracts with Occupants identified by the Retail Owner, that grants the Occupants designated the right to convert, at the Retail Owner's discretion, any Long-Term Monthly Parking Contracts to Special Use Long-Term Parking Contracts, provided that after such conversion the total number of Special Use Long-Term Parking Contracts, including Special Use Valet Parking Contracts, does not exceed 108 parking spaces.

ARTICLE 5

SECURITY

5.1 Security. Retail Owner shall provide (and, upon the formation of the Condominium Association, Developer shall cause the Condominium Association to provide) security for the Parking Garage at a level consistent with the practice prevailing in the operation of similar first-class urban multi-use complexes and at a level consistent with the level and quality of security which the Retail Owner provides within the Systems Block Retail. The security described in the preceding sentence shall be furnished by: (a) foot and/or vehicular patrols by uniformed security personnel; (b) monitored closed-circuit television; and (c) a monitored audio system installed at elevators and other critical locations. Assistance call boxes shall be located on each level of the Parking Garage and shall be monitored by security. Security monitoring shall be on a twenty-four (24) hour a day basis. Stairwell towers shall be alarmed and secured, for use by the public only in emergencies.

ARTICLE 6

OPERATOR SELECTION

6.1 Parking Garage Operator Selection. The selection and performance of the Parking Garage Operator is critical to the successful execution of this Agreement. The Parking Garage Operator shall be selected by Garage Owner and shall be: (a) any entity which is a nationally recognized manager of parking garages with substantial experience operating multi-level parking

garages in first-class urban regional shopping centers and which meets the selection and performance criteria set forth below; or (b) any entity which has continuously operated as a manager, for not less than five years before the date of determination, at least three garages similar in size, character, scope and quality to the Parking Garage, and whose uses are substantially the same as uses currently in effect for the Parking Garage with substantial experience operating multi-level parking garages in first-class urban regional shopping centers and which meets the selection and performance criteria set forth below; or (c) a local affiliate of any of the foregoing which meets the selection and performance criteria set forth below. The Parking Garage Operator shall demonstrate that it has consistently met the following standards in the operation of similar parking structures in first-class urban regional shopping centers (and, in the case of a renewal of the Parking Garage Operator's contract, in the operation of the Parking Garage):

(i) Customer Satisfaction. The Parking Garage Operator shall demonstrate the Operator's operations capability to provide customer service consistent with similar first-class urban regional shopping centers;

(ii) Staffing and Training. The Parking Garage Operator shall demonstrate the ability to monitor and perform staffing of cashier booths in order to meet demand and keep typical customer waiting times to less than one (1) minute at the cashier booth or as close to one (1) minute as practicable given the construction and design of the cashier booths and pay stations, and the ability to use revenue control system equipment and software in use in the Parking Garage;

(iii) Employee Appearance and Attitude. The Parking Garage Operator shall demonstrate that it employs a high energy staff which is professional, courteous, tidy in appearance, friendly and helpful;

(iv) Financial Stability. The Parking Garage Operator shall not have had any prior bankruptcies, and must have at least One Million Dollars (\$1,000,000) in annual income, and net worth of at least Three Million Dollars (\$3,000,000) (all of such amounts are expressed in 1996 Dollars);

(v) Revenue Capture. The Parking Garage Operator shall demonstrate through audit reports of all parking garages operated by the Parking Garage Operator that its revenue capture rate meets the highest standards in the industry;

(vi) Reports. The Parking Garage Operator shall demonstrate that its reports have been prepared and delivered in a timely manner, are accurate and are easy to comprehend;

(vii) Maintenance and Graphics. The Parking Garage Operator shall demonstrate that garages that it maintains and all signage therein are kept clean and neat and in first-class condition, appearance and repair, including cleaning and repainting of the Parking Garage as required;

(viii) Adequacy of Budget. The proposed budget of the Parking Garage Operator shall be clearly adequate, and the Parking Garage Operator shall demonstrate that, in its prior operations of similar multi-level parking garages in urban regional shopping centers, such Parking Garage Operator's budgets have been consistent with its actual operating results;

(ix) Customer Complaints. The Parking Garage Operator shall agree to make customer feedback cards designed by the Committee readily available at all cashier booths and APS stations for a period of five (5) days, including one weekend once during each calendar quarter. The Parking Garage Operator shall agree to make the results of the survey available to the Committee promptly after the completion of the survey, and shall agree to promptly correct any deficiencies noted in the customer feedback cards. The Parking Garage Operator shall agree to operate the Parking Garage in a manner that will result in at least eighty five percent (85%) of customer comments rated above "poor" or "fair."

(x) Liability Insurance. The Parking Garage Operator shall demonstrate its ability to secure liability insurance meeting the standards set forth in Section 2.8 of the Parking Covenants and Exhibit F to the Umbrella Agreement.

(xi) Renewals of Operator Contract. In considering a Parking Garage Operator's proposal to renew its contract as the Parking Garage Operator, the Garage Owner's adherence to the standards set forth in this Section, and to the requirements of this Agreement and the Parking Covenants during its operation of the Parking Garage shall be an additional selection criteria.

The Parking Garage Operator's contract shall have a term of not more than three (3) years, shall incorporate the performance and selection criteria and other terms of this Agreement and the Parking Covenants which are applicable to the Operation and maintenance of the Parking Garage as requirements of the Garage Operator, and shall provide for the Garage Owner to have the right to correct deficiencies in management or terminate the Garage Operator's contract in the event that the Garage Operator fails to operate the Parking Garage in accordance with the requirements of the Parking Garage Operator's contract. If at any time the Parking Garage Operator fails to meet the performance and selection criteria set forth in this Agreement, and such failures are not cured within the grace periods set forth in Article 12 of this Agreement, the Garage Owner shall enforce its rights in the Parking Garage Operator's contract to require the failures to be corrected or shall terminate the Parking Garage Operator and select a new Parking Garage Operator which meets the standards set forth in this Agreement.

All Garage Owners shall select Parking Garage Operators in compliance with the selection criteria set forth above and applicable requirements of Washington State, City and federal law (which shall include the requirements of RCW 35.86A.120, so long as the Garage Owner is the City). In the event of any conflict between the selection criteria set forth above and applicable law, the provisions of applicable law shall prevail to the extent of such conflict.

6.2 Owner Valet Operator Selection. The selection and performance of the valet operator (the "Owner Valet Operator") operating the Owner Valet Service (as hereinafter

defined) is critical to the successful execution of this Agreement. The Owner Valet Operator shall be selected by Garage Owner and shall be: (a) any entity that is a nationally recognized valet parking manager with substantial experience operating valet parking services in multi-level parking garages in first-class urban regional shopping centers and which meets the selection and performance criteria set forth below; (b) an entity that specializes in valet parking services and has continuously operated as a valet parking manager, for not less than five years before the date of determination, at least three separate valet services similar in size, character, scope and quality to the valet service in the Parking Garage and whose uses are substantially the same as uses currently in effect for the Parking Garage and which meets the selection and performance criteria set forth below; or (c) a local affiliate of the foregoing which meets the selection and performance criteria set forth below. The Owner Valet Operator shall demonstrate that it has consistently met the following standards in the operation of similar valet parking services in first-class urban regional shopping centers (and, in the case of a renewal of the Owner Valet Operator's contract, in the operation of the Owner Valet Service):

(i) Customer Satisfaction. The Owner Valet Operator shall demonstrate the Operator's operations capability to provide customer service consistent with a first-class urban regional shopping center;

(ii) Staffing and Training. The Owner Valet Operator shall demonstrate the ability to monitor and perform staffing of valet drop off and pick up locations in order to meet demand and keep typical customer waiting times to less than two (2) minutes at the valet pick up and drop off point in the Concourse, and to less than four (4) minutes at valet pick up and drop off points on the block immediately to the west of the Parking Garage, and the Owner Valet Operator shall demonstrate its staff's ability to use revenue control system equipment and software;

(iii) Employee Appearance and Attitude. The Owner Valet Operator shall demonstrate that it employs a high energy staff which is professional, courteous, tidy in appearance, friendly and helpful;

(iv) Financial Stability. The Owner Valet Operator shall not have had any prior bankruptcies, and must have at least Seven Hundred Fifty Thousand Dollars (\$750,000) in annual income, and net worth of at least One Million Dollars (\$1,000,000) (all of such amounts are expressed in 1996 Dollars);

(v) Revenue Capture. The Owner Valet Operator shall demonstrate through audit reports of all valet services operated by the Owner Valet Operator that its revenue capture rate meets the highest standards in the industry;

(vi) Reports. The Owner Valet Operator shall demonstrate that its reports have been prepared and delivered in a timely manner, are accurate and are easy to comprehend;

(vii) Adequacy of Budget. The proposed budget of the Owner Valet Operator shall be clearly adequate, and the proposed Owner Valet Operator shall demonstrate that, in its prior valet operations in similar multi-level parking garages in urban regional shopping

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centers, such proposed Owner Valet Operator's budgets have been consistent with its actual operating results:

(ix) Customer Complaints. The Owner Valet Operator shall agree to make customer feedback cards designed by the Committee readily available at all valet pick-up and drop-off locations for a period of five (5) days, including one weekend once during each calendar quarter. The Owner Valet Operator shall agree to make the results of the survey available to the Committee promptly after the completion of the survey, and shall agree to promptly correct any deficiencies noted in the customer feedback cards. The Owner Valet Operator shall agree to operate the Owner Valet Service in a manner that will result in at least eighty five percent (85%) of customer comments rated above "poor" or "fair."

(x) Liability Insurance. The Owner Valet Operator shall demonstrate its ability to secure liability insurance meeting the standards set forth in Section 10.3.5 and Exhibit F to the Umbrella Agreement.

(xi) Renewals of Operator Contract. In considering an Owner Valet Operator's proposal to renew its contract as the Owner Valet Operator, the Garage Owner's adherence to the standards set forth in this Section, and to the requirements of this Agreement and the Parking Covenants during its operation of the Parking Garage shall be an additional selection criteria.

The Owner Valet Operator's contract shall have a term of not more than three (3) years, and shall incorporate the performance and selection criteria and other terms of this Agreement and the Parking Covenants which are applicable to the Operation and maintenance of the Parking Garage as requirements of the Owner Valet Operator, and shall provide for the Garage Owner to have the right to correct deficiencies in management or terminate the Owner Valet Operator's contract in the event that the Owner Valet Operator fails to operate the Parking Garage in accordance with the requirements of the Owner Valet Operator's contract. If at any time the Owner Valet Operator fails to meet the performance and selection criteria set forth in this Agreement, and such failures are not cured within the grace periods set forth in Article 12 of this Agreement, the Garage Owner shall enforce its rights in the Owner Valet Operator's contract to require the failures to be corrected or shall terminate the Owner Valet Operator and select a new Owner Valet Operator which meets the standards set forth in this Agreement.

All Garage Owners shall select Owner Valet Operators in compliance with the selection criteria set forth above and applicable requirements of Washington State, City and federal law and, (which shall include the requirements of RCW 35.86A.120, so long as the Garage Owner is the City). In the event of any conflict between the selection criteria set forth above and applicable law, the provisions of applicable law shall prevail to the extent of such conflict.

6.3 Compliance With Federal Tax Guidelines. After the Leasing Date, and for so long as there are outstanding tax-exempt obligations, the proceeds of which have financed the Garage Owner's acquisition of the Parking Garage, contracts with the Parking Garage Operator and the

Owner Valet Operator shall also comply with IRS management contract rules pertaining to facilities financed with the proceeds of tax exempt obligations.

ARTICLE 7

MAINTENANCE AND OPERATION

7.1 Maintenance and Operation by Garage Owner. Except as provided in this Agreement, the Garage Owner shall cause the Parking Garage Operator to Operate the Parking Garage solely as a first-class parking garage for the parking of motor vehicles by members of the general public (including Required Long-Term Parking required by the Land Use Code of the City and valet parking) in accordance with the standards of this Agreement, the Parking Covenants, the Umbrella Agreement and the Condominium Declaration. The Garage Owner shall maintain the Parking Garage in a first-class condition and state of repair in accordance with industry standards for the operation and maintenance of multi-level parking garages located in first-class urban regional shopping centers, and including, but not limited to the items of maintenance, upkeep and operation described below. By way of example, Annex 2 contains a maintenance schedule which is consistent with industry standards for the operation of a multi-level parking garage in first-class urban regional shopping centers as of the date of this Agreement. The operation of a first-class automobile detailing service in the Parking Garage shall be permitted so long as such service is operated in a manner which is consistent with the other provisions of this Agreement and does not reduce the capacity of the Parking Garage below 1,200 motor vehicles.

7.1.1 The Parking Garage shall be operated and open for public parking on each day at least forty-five minutes (3/4 hour) before the opening of the earlier to open of the F&N Owner (or any portion thereof) or any Occupant of a portion of the Complex (or any portion thereof), and shall remain open at least until one and one half (1.5) hours after the later to close of the F&N Owner (or any portion thereof) or any Occupant of the Complex (or any portion thereof). The Garage Owner may extend the operating hours of the Parking Garage beyond the minimum hours listed above. Vehicles with Monthly Long-Term Parking Contracts or Special Use Long-Term Parking Contracts, or subcontracts under the Special Use Long-Term Parking Contracts shall have access to the Parking Garage on a 24-hour-a-day basis.

7.1.2 All sidewalks, walkways, stairways, elevators, roadways and parking surfaces inside the Parking Garage, including its entrances and exits, shall be kept and maintained in a good, safe and clean condition.

7.1.3 Snow, ice, surface water and debris shall be promptly removed if inside the Parking Garage, or its entrances and exits.

7.1.4 All graphics, traffic and directional signs and pavement and striping shall be kept clean, distinct and legible, and replaced as necessary, including restriping of parking lot markings at least once per year.

7.1.5 All public rest rooms, if any, and any other common use facilities shall be maintained and kept in a first-class and sanitary condition.

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7.1.6 Adequate lighting is one of the most important safety features of the Parking Garage, and a strong maintenance program is necessary to preserve the lighting levels in the Parking Garage. Parking Garage lighting shall be repaired, replaced and renewed as may be necessary, including prompt replacement of burned out or defective bulbs or tubes with a color index of at least 63 and the implementation of a group-relamping program in accordance with the manufacturer's recommendation. Illumination levels inside the Parking Garage shall be maintained, as required by the Parking Covenants.

7.1.7 The Parking Garage shall be spot painted as necessary and fully repainted at least once each seven years.

7.1.8 Ventilation equipment, traffic control equipment, lighting systems, electrical systems, sprinkler and life-safety systems and mechanical systems of the Parking Garage shall be repaired and replaced as necessary to keep them in first-class condition.

7.1.9 Signs and light fixtures shall be mechanically swept, washed with high pressure washing equipment, and routinely cleaned as necessary to keep them in first-class condition.

7.1.10 Structural maintenance, treatment of concrete as required, and repair and replacement of expansion joints shall be performed as required.

7.1.11 All areas of the Parking Garage shall be kept clean and free from graffiti, and any graffiti shall be promptly removed and the surface restored to its condition prior to the application of the graffiti.

7.1.12 Oil and other fluids shall be removed from the surfaces of the Parking Garage, including its entrances and exits on a periodic basis as reasonably necessary, and the floor of the Parking Garage shall be washed with high pressure water at least semi-annually.

7.1.13 The Parking Garage shall be operated in a manner that will minimize delays by users of the Parking Garage who are attempting to exit. Garage Owner shall utilize a "Pay-on-Foot" system, requiring customers to pay their parking fees before returning to their cars. The Pay-on-Foot cashier station shall be staffed by up to four (4) cashiers at one time (as needed to accommodate demand from users of the Parking Garage) and will be constructed and equipped by Developer in an area near the Parking Garage elevators on the Concourse level of the Systems Block Retail, as shown on the Approved Plans and Specifications. Two (2) automated pay stations ("APS Stations") will be constructed and installed by the Developer in an area located near or around the cashier booth as shown on the Approved Plans and Specifications, allowing Parking Garage users an automated payment option. The APS Stations to be constructed by the Developer shall include bill changers and accept credit cards. The cashier or APS Stations return the "paid" parking ticket to the customer encoded with a grace period with sufficient time to return to the car and exit the garage. Upon reaching the gate, the customer inserts the encoded "paid" ticket into a machine opening the gate. The average time at the gate under normal operation is expected to be less than fifteen seconds.

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7.1.14 The Garage Owner shall adequately staff, or cause to be adequately staffed, cashier booth(s) during the hours of operation of the Parking Garage in order to ensure users a minimum of delay in exiting. During normal week-day operation, staffing levels should be established such that customers do not typically wait more than one (1) minute in queue to pay a cashier.

7.1.15 APS Stations shall be maintained in first-class condition, including the bill-changing and credit card options integrated into the machines. The APS Stations shall be maintained on a contract to provide for same-day repair of any breakdowns or malfunctions.

7.1.16 When the Parking Garage is first opened for business to the public, and thereafter during the first year of operation of the Parking Garage, the Parking Garage Owner shall provide a marketing and education program aimed at familiarizing the users of the Garage with the "Pay-on-Foot" payment system.

7.1.17 Public attitudes towards the Parking Garage operations are important to the success of its operation. The Garage Owner (at the Garage Owner's sole cost and expense) shall, during the first year the Parking Garage is opened to the public and every year thereafter, employ a qualified independent parking consultant to conduct a customer-satisfaction survey of users and potential users of the Parking Garage. The survey shall query patrons of the Parking Garage on such areas as hours of operation, security, wait-times to pay, convenience of the valet parking service, parking rates, ingress and egress, personnel friendliness and professionalism, maintenance, etc. The results of the surveys shall be provided to the Committee.

7.2 Maintenance by Retail Owner. The Retail Owner shall provide (and, upon formation of the Condominium Association, the Developer shall cause the Condominium Association to provide) the maintenance described below in accordance with industry standards for the operation and maintenance of multi-level parking garages located in first-class urban regional shopping centers.

7.2.1 Sidewalks and other Condominium Common Area pedestrian walk areas accessing the Parking Garage shall be cleaned by hand and small machine.

7.2.2 Elevators in the Parking Garage shall be maintained in first-class condition including (1) checking elevators daily, and (2) contracting with a licensed elevator maintenance firm to maintain the elevators in first-class condition. To minimize inconvenience to users of the Parking Garage and Occupants where practicable, maintenance to the elevators within the Parking Garage, other than emergency repairs, shall be performed during hours when the F&N Owner and the Occupants of the Systems Block Retail are not open. The Retail Owner shall provide (or cause to be provided by the Condominium Association) elevator maintenance for the Parking Garage elevators, including the elevator pressurization systems and shall enter into a comprehensive preventative elevator maintenance contract with a reputable, qualified elevator maintenance company. The Retail Owner shall maintain or cause the Condominium Association to maintain the elevators in the Systems Block Retail to at least the same standards as are set forth in this section with respect to the maintenance of the elevators serving the Parking Garage. The cost of the maintenance of the elevators serving the Parking Garage shall be allocated to the

Garage Owner and the cost of maintenance of the elevators serving the Systems Block Retail shall be allocated to the Retail Owner.

7.2.3 The Retail Owner shall maintain (or cause to be maintained by the Condominium Association) the Concourse level, where the Parking Garage and the Systems Block Retail share Condominium Common Area as established in the Condominium Declaration, including the drop-off and pick-up area, in first-class condition, order and repair, and in accordance with industry standards for the operation and maintenance of multi-level parking garages located in first-class urban regional shopping centers.

7.3 First-Class Maintenance. The obligations of the Garage Owner to maintain the Parking Garage in first-class condition (which are contained in the Parking Covenants and in this Parking Agreement) shall include the obligation to make capital improvements which are necessary to keep the Parking Garage a first-class parking garage, but shall not be interpreted to require the Garage Owner to make capital improvements to the Parking Garage which could not reasonably be expected to pay for themselves over the useful life of such improvements through enhancements in revenue and/or reductions of operating expenses reasonably expected to result from such improvements (when compared to the results which could be reasonably expected if the capital improvements were not made). The parties to this Agreement agree that the Garage Owner may set aside reasonable reserves for such capital improvements.

ARTICLE 8

SHOPPER'S PARKING INCENTIVE AND VALIDATION PROGRAMS

8.1 Overview. The Parties to this Agreement recognize that participation in a shopper's incentive and/or parking validation program ("Parking Validation Program") will help to relieve traffic congestion and improve traffic circulation in downtown Seattle and will help to revitalize downtown Seattle. Consistent with its intention to encourage short-term downtown retail parking, while recognizing the City's responsibility to repay its debt obligations issued to finance the acquisition of the Parking Garage, the City is committed to participation in a Parking Validation Program for the Parking Garage.

8.2 Validation Conditions. The Developer and Retail Owner shall use reasonable and diligent efforts to encourage Occupants of the Systems Block Retail and retail and entertainment Occupants of the Nordstrom Properties to participate in the Parking Validation Program operated by the Downtown Seattle Association (the "DSA") or other downtown merchants' associations that might replace the DSA. The City shall determine whether the Merchant Validation Conditions Precedent have been satisfied on the first day of the first full month which occurs on or after the first anniversary of the Leasing Date (the "Test Date"). The City shall notify the Committee whether the Merchant Validation Conditions were satisfied on the Test Date within fifteen (15) days after the Test Date, and shall provide the Committee with information supporting such determination. If the Merchant Validation Conditions Precedent have been satisfied as of the Test Date, the City hereby agrees so long as the City is the Garage Owner and so long as the Merchant Validation Conditions Precedent (as hereinafter defined) are satisfied on each successive Test Date, that the City shall match, dollar for dollar, contributions to the

Parking Validation Program made by Occupants, commencing as of a date which is no sooner than fifteen (15) days and no later than forty five (45) days after the Test Date. For example, if a customer receives a parking token, voucher, or coupon from a participating Complex merchant worth \$1.00, the City agrees to match the value of the token, coupon or voucher, by deducting an additional dollar from the published parking rate in the Parking Garage. As used herein the term "Merchant Validation Conditions Precedent" shall mean: (a) that the Occupant of the retail store on the F&N Property participates in the Parking Validation Program; (b) Occupants (including the Occupant of the retail store on the F&N Property) occupying at least sixty percent (60%) of the then open and operating retail and entertainment square footage in the Complex are participating in the Parking Validation Program; and (c) the Parking Garage Net Revenue exceeds Parking Garage Debt Service for the twelve (12) month period ending on the day prior to the Test Date. The determination of whether or not the Merchant Validation Conditions Precedent have been satisfied shall be made as of the anniversary of the Test Date. If such determination indicates that any change in the Parking Validation Program is necessary, the City shall provide thirty (30) days notice of such change to the Committee, and the change shall be implemented by the City as of the date which is forty-five (45) days after such anniversary. The Retail Owner shall obtain from the F&N Owner and the Occupants of the Nordstrom Properties the information required pursuant to Section 8.2(b) above and shall provide such information to the City within five (5) days after each Test Date.

ARTICLE 9

PARKING RATES

9.1 Introduction. One of the primary reasons for the City's involvement in the Parking Garage is to provide additional, convenient, short-term parking in downtown Seattle. The City is committed to operating the Parking Garage, including the setting of parking rates, so as to encourage short-term parking downtown, consistent with the City's financial responsibilities to meet all costs associated with the Parking Garage. In addition, the City also recognizes the importance of activity in downtown Seattle during evenings and on weekends for public safety and other public purposes, and is committed to encouraging evening and week-end parking to stimulate public activity in the downtown area. Parking rates shall be established pursuant to this Article 9 in a manner which is consistent with the goal of encouraging short-term parking in downtown Seattle. The provisions of Sections 9.1.1 through 9.1.5 are applicable to all of this Article 9.

9.1.1 Implementation Date. Several of the restrictions on Parking Rates outlined in Section 9.3 are based on the financial performance of the Garage in the prior year. The Parties recognize that a period of time will be required to determine the actual financial performance of the Garage for the prior year. In these cases, rate changes will be implemented by the Garage Owner no sooner than thirty (30) days following the completion of final unaudited financial statements showing the Parking Garage's Net Revenue after Debt Service for the previous operating year, and such rate changes shall remain in effect until further changed pursuant to this Article 9. The Garage Owner shall provide the Committee with thirty (30) days notice, together with supporting financial information relating to any rate change, prior to

implementing any rate changes that are related to the prior year's financial performance of the Parking Garage.

9.1.2 Notice Period for Other Rate Changes. Except as provided for in Section 9.1.1, the Garage Owner shall provide the Committee with sixty (60) days notice prior to any other rate increase imposed by the Garage Owner, together with supporting financial information relating to such rate change.

9.1.3 Rate Reductions. Nothing in this Agreement shall limit the ability of the Garage Owner to reduce parking rates at any time.

9.1.4 Rate Roundoffs. Notwithstanding any limitations in this Agreement, the Garage Owner may round off rates to the nearest Twenty-Five Cents (\$0.25) in order to simplify collection.

9.1.5 Rate Uniformity. All parking rates for the Parking Garage shall be uniform and generally applicable within the same category of customers.

9.2 Parking Rates Prior to Leasing Date. Before the Leasing Date, the Garage Owner shall set parking rates and charges for the Parking Garage to encourage short-term parking. Unless the Parking Garage is at Daytime Full Capacity or Evening Full Capacity, such rates shall not exceed those rates attached as Schedule A to this Agreement. If the Parking Garage is at Daytime Full Capacity, the Garage Owner may raise daytime parking rates at its discretion. If the Parking Garage is at Evening Full Capacity, the Garage Owner may raise evening parking rates at its discretion.

9.3 Parking Rates After the Leasing Date. After the Leasing Date, the Garage Owner shall have full authority to set parking rates subject only to the limitations expressly identified in this Agreement. In general, the Garage Owner shall set parking rates for the Parking Garage in the absence of other factors, so as to encourage short-term parking and use of the Parking Garage. The Garage Owner shall not raise parking rates if it appears probable that such an increase would result in lower revenue and significantly fewer cars parking in the Parking Garage. Rates for daytime, evening, weekend and Owner Valet Parking will be established in compliance with the requirements of Sections 9.3.1 and 9.3.2. Rates for Required Long-Term Parking will be established in compliance with the requirements of Section 9.3.3. Wholesale Valet charges for Special Use Valet parking will be established in compliance with the requirements of Section 9.3.4. As used in this Section 9.3, the term "First Lease Year" shall mean the period commencing on the Leasing Date and ending on the date twelve (12) full calendar months thereafter, the term "Second Lease Year" shall mean the period commencing on the first day following the last day of the First Lease Year and ending on the day that is twelve (12) full calendar months thereafter and the term "Third Lease Year" shall mean the period commencing the first day following the last day of the Second Lease Year and ending on the day that is twelve (12) full calendar months thereafter.

9.3.1 Parking Rates if Parking Garage not Full. Unless the Parking Garage is at Daytime Full Capacity or Evening Full Capacity, daytime, evening, weekend, and Owner

Valet parking rates shall be established as follows and shall be implemented as described in Section 9.1.1.

9.3.1.1 Parking Rates for the First Lease Year. For the First Lease Year rates shall not exceed those shown on Schedule B plus an adjustment to reflect changes in the Index between the Beginning Index and the Index published most recently prior to the earlier to occur of the Leasing Date or the date that the City locks-in the rate of interest that will be charged on the financing of the acquisition of the Parking Garage by the City.

9.3.1.2 Parking Rates for the Second Lease Year. For the Second Lease Year, parking rates will depend on the financial performance of the Parking Garage during the First Lease Year. If the Parking Garage Net Revenue after Debt Service for the First Lease Year shows a loss of One Hundred Thousand Dollars (\$100,000) or more, the Garage Owner may set parking rates at its discretion. Except as provided in Section 9.3.2 hereof, if the Parking Garage Net Revenue after Debt Service for the First Lease Year shows a profit or shows a loss of less than One Hundred Thousand Dollars (\$100,000), the Garage Owner shall set rates such that daytime (daily and weekend) parking charges do not exceed eighty percent (80%) of market rates, evening parking charges do not exceed fifty percent (50%) of market rates, and Owner Valet charges do not exceed one hundred percent (100%) of market rates. Notwithstanding the foregoing, in no case will Garage Owner be required to reduce rates below those actually charged during the First Lease Year.

9.3.1.3 Parking Rates for the Third Lease Year. For the Third Lease Year, parking rates will depend on the financial performance of the Parking Garage during the Second Lease Year. If the Parking Garage Net Revenue after Debt Service for the Second Lease Year shows a loss of Three Hundred Eighty-Five Thousand Dollars (\$385,000) or more, the Garage Owner may set parking rates at its discretion. Except as provided in Section 9.3.2 hereof, if the Parking Garage Net Revenue after Debt Service for the Second Lease Year shows a profit or shows a loss of less than Three Hundred Eighty-Five Thousand Dollars (\$385,000), the Garage Owner shall set rates such that daytime (daily and weekend) parking charges do not exceed eighty percent (80%) of market rates, evening parking charges do not exceed fifty percent (50%) of market rates, and Owner Valet charges do not exceed one hundred percent (100%) of market rates. Notwithstanding the foregoing, in no case will the Garage Owner be required to reduce rates below the rates actually charged during the First Lease Year.

9.3.1.4 Parking Rates For Subsequent Years. For each year following the Third Lease Year, parking rates will depend on the financial performance of the Parking Garage during the previous Lease Year. If the Parking Garage Net Revenue after Debt Service for the previous year is zero or is a loss of any amount, the Garage Owner may set parking rates at its discretion, consistent with a commitment to encourage short-term parking in and use of the Parking Garage. Except as provided in Section 9.3.2 hereof, if the Parking Garage Net Revenue after Debt Service for the previous year shows a profit, the Garage Owner shall set rates such that daytime (daily and weekend) parking charges do not exceed eighty percent (80%) of market rates, evening parking charges do not exceed eighty (80%) of market rates, and Owner Valet charges do not exceed one hundred percent (100%) of market rates. Notwithstanding the foregoing, in no case will Owner be required to reduce rates below those

charged during the First Lease Year. If the City ceases to be the Garage Owner, and subject to Section 9.3.2, daytime (daily and weekend) parking charges shall not exceed eighty percent (80%) of market rates, evening parking charges shall not exceed eighty (80%) of market rates, and Owner Valet charges shall not exceed one hundred percent (100%) of market rates.

9.3.2 Parking Rates if the Parking Garage is Full. Notwithstanding any other provision of this Agreement to the contrary, if during any year after the Leasing Date, the Parking Garage is operating at Daytime Full Capacity, the Garage Owner may henceforth set daytime (daily and weekend) rates and Owner Valet parking rates at any level, provided that the Garage Owner reasonably expects that the new rates will not cause the Parking Garage to operate more than seven percent (7%) below Daytime Full Capacity during the subsequent twelve (12) months. If during any year after the Leasing Date, the Parking Garage is operating at Evening Full Capacity, the Garage Owner may henceforth set evening parking rates at any level, provided that the Garage Owner reasonably expects that the new rates will not cause the Parking Garage to operate more than seven percent (7%) below Evening Full Capacity during the following twelve (12) months.

9.3.3 Required Long-Term Parking Rates. The Garage Owner shall set rates for Required Long-Term Parking, including Monthly Long-Term Parking Contracts and Special Use Long-Term Parking Contracts. These rates shall not exceed one hundred percent (100%) of average market rates for similar parking in the Seattle downtown core.

9.3.4 Special Use Valet Rates. The Garage Owner shall set charges for providing the Special Use Valet Parking spaces called for in this Agreement, which shall be known as "Wholesale Valet Charges." Wholesale Valet Charges shall be expressed as a cost per stall per day. The Garage Owner may raise Wholesale Valet Charges from time to time, to a rate per stall per day which shall not exceed to the sum of (i) the annual debt service on the Parking Garage plus (ii) the other fixed costs of maintaining and operating the Parking Garage, divided by the product of (a) 1,200 times (b) (365) (but in setting such Wholesale Valet Charges, the Garage Owner shall consider, among other factors, the impact that such charges will have upon the use of the Parking Garage). The actual fixed costs of maintaining and operating the Parking Garage for the prior twelve month period, shall be used for purposes of establishing the fixed costs of maintaining and operating the Parking Garage. Prior to the Leasing Date, Wholesale Valet Charges shall not exceed market rates for wholesale valet parking stalls in downtown Seattle.

ARTICLE 10

VALET PARKING

10.1 Introduction. The Garage Owner shall provide space to valet park 240 cars in the Parking Garage in the areas designated on the Approved Plans and Specifications. All designated valet sections located in the highest elevation of the Parking Garage shall be used before valet sections in lower elevations of the Parking Garage.

10.2 Owner Valet Service. The Garage Owner shall offer valet parking on a first-come first-served basis to the general public (the "Owner Valet Service") through the Owner Valet Operator selected by the Garage Owner pursuant to the selection criteria set forth in Section 6.2. Such valet service shall be located at the Concourse valet drop-off and pick-up locations designated on the Approved Plans and Specifications, and on the block immediately to the west of the Parking Garage. The incremental cost of providing the more than one valet location on the block to the West of the Parking Garage shall be charged solely to the F&N Owner. The Garage Owner shall accept towards payment of the valet parking charge, parking validation tokens, coupons, vouchers or other credits being offered through the Parking Validation Program. Valet parking demand relating to the Owner Valet Service shall be monitored by the Owner Valet Operator such that designated Owner Valet Service valet spaces not in use by valet customers shall, where practicable, be released for short-term, self-parking customers.

10.3 Special Use Valet Parking. Notwithstanding anything to the contrary in this Agreement and subject to the "special use" restrictions listed in Article 4 hereof, the Garage Owner shall, upon the request of either Retail Owner or the F&N Owner, lease to the Retail Owner and/or the F&N Owner for operation by a valet parking operator selected by the Retail Owner and/or the F&N Owner (as the case may be) a portion of the valet areas designated on the Approved Plans and Specifications to be used by or on behalf of the Retail Owner and/or the F&N Owner for valet parking for their respective customers ("Special Use Valet Parking"). Such valet parking services, shall comply with the following conditions:

10.3.1 Number of Spaces Allocated to Special Use Valet Parking. The total number of spaces to be available to or on behalf of Retail Owner and/or the F&N Owner for Special Use Valet Parking shall not exceed 60 and shall in any case be subject to the restriction set forth in Section 4.2 above.

10.3.2 Location of Special Use Valet Parking. Retail Owner and/or the Occupant of the F&N Building shall agree in advance to lease specific valet blocks by section or partial section where a logical break occurs. Valet blocks located in the highest elevation in the Parking Garage shall be rented before blocks in lower elevations. In addition, the location of the Special Use Valet Parking pick-up areas which are to be located within the Systems Block and the location and size of the areas within the Parking Garage to be used for such valet parking services shall be limited to the specific locations therefor as shown on the Approved Plans and Specifications.

10.3.3 Term of Special Use Valet Parking Leases. Special Use Valet Parking spaces shall be rented for a term of thirty (30) days or more with the right to renew such monthly lease on five days written notice to the Garage Owner.

10.3.4 Valet Parking Rates. Valet parking rates charged to valet parking patrons by Occupants of the Complex who utilize the Special Use Valet Parking Spaces, may be set at the discretion of the Retail Owner or the F&N Owner (as the case may be) utilizing the Special Use Valet Parking Spaces, except that such rates shall not be lower than the valet parking rates charged by the Owner Valet Operator.

10.3.5 Indemnification and Insurance. The operator operating the Special Use Valet Parking (the "Special Use Valet Parking Operator") shall (i) defend, indemnify and hold harmless the Garage Owner from and against all claims and all costs, expenses and liabilities (including reasonable attorneys' fees) incurred in connection with the operation of the Special Use Valet Parking, (ii) carry contractual liability insurance in an amount at least equal to Ten Million Dollars (\$10,000,000.00) covering its obligations pursuant to subsection (i) above naming the Garage Owner as an additional insured, and (iii) carry comprehensive general liability insurance, including an automobile liability endorsement in an amount of at least equal to Ten Million Dollars (\$10,000,000.00) naming the Garage Owner as an additional insured. The minimum insurance coverage amounts set forth above shall be subject to review by the Parties on the fifth anniversary of the Garage Opening Date, and on each subsequent fifth anniversary during the term of this Agreement in order to determine the adequacy of such amounts in light of the then existing circumstances.

ARTICLE 11

REPORTS

11.1 Reports. The Garage Owner shall, within forty-five (45) days after each anniversary of the Leasing Date, deliver to the Committee annual financial reports with respect to the Parking Garage, in such detail as is reasonably required to provide the Parties to this Agreement information necessary to determine Gross Receipts, Net Revenue, Operating Expenses, Parking Garage Debt Service and the profit or loss earned or incurred by the Garage Owner from the operation of the Parking Garage during the preceding twelve month period and to establish the fixed and variable costs of operating the Parking Garage. Such report shall be certified by the chief financial officer of the Garage Owner. In addition, the Garage Owner shall deliver to the Committee all reports received by the Garage Owner from the Parking Garage Operator and the Owner Valet Operator promptly following their receipt by the Garage Owner.

ARTICLE 12

DEFAULTS AND REMEDIES

12.1 Failure of Performance - Cure by Condominium Association.

(a) If any Party to this Agreement or the Parking Garage Operator shall fail or neglect to perform any act or thing herein required to be performed by it hereunder pursuant to Article 3 or Sections 7.1.2 through 7.1.12, Section 7.1.15, Section 7.2, Annex 2, or other failures by such Person to perform physical maintenance of the Parking Garage in accordance with Section 7.1, and such failure shall continue for a period of thirty (30) days following notice from a Party to this Agreement or the Condominium Association specifying the act or thing to be performed and the Party is not in good faith diligently working to cure any such default, then the Condominium Association may (but shall not be required to) perform or pay the same, and the defaulting Party on demand, shall reimburse the Condominium Association for the cost thereof within forty-five (45) days after written demand therefor.

(b) If the Condominium Association or its representatives shall reasonably deem that an emergency is occurring or has occurred so that a failure to perform an obligation hereunder requires immediate curing, then only such notice as is hereinafter provided shall be required, and the Condominium Association may act promptly and take such action as is necessary to cure the alleged default. In performing any action pursuant to this Section, the Condominium Association shall act with reasonable promptness, shall make a reasonable attempt to notify the defaulting Party or its representative as soon as reasonably possible, and shall give notice to all other Parties of such cure of the alleged default. Such notice, notwithstanding any other provision of this Agreement, need not be in writing if the giving of a written notice would not be reasonably possible under the circumstances, so long as such notice is given to a responsible official of each of the other Parties. Telephonic notice shall be followed by written confirmation as soon as reasonably possible.

(c) If the Condominium Association commences to cure an alleged default, it shall prosecute any work performed by it under this Section diligently to completion.

(d) Garage Owner and Retail Owner shall cause the Condominium Declaration to provide for the right of the Condominium Association to exercise the remedies described in this Section 12.1, and such provisions of the Condominium Declaration shall not be amended without the prior written consent of the Parties to this Agreement.

12.2 Remedies. Each of the Parties shall have the right, in the event of an uncured failure or neglect by another Party to this Agreement to perform such Party's covenants and obligations under this Agreement, subject to the expiration of all cure rights provided for in Section 12.1, to exercise any or all rights and remedies available to it in law or equity including, without limitation, a suit for damages or the institution of proceedings for specific performance, and an injunction to compel such Party to observe or perform its covenants and obligations hereunder.

ARTICLE 13

MISCELLANEOUS

13.1 Amendments. This Agreement is the operating guide for the Parking Garage. As the project matures and as conditions change in and around the Complex, this Agreement may be modified or amended by written amendment signed by the Garage Owner, the Retail Owner, the F&N Owner, and, prior to the Leasing Date, the City.

13.2 Notices. Each notice, demand, request, consent, approval, disapproval, designation or other communication (all of the foregoing are herein referred to as a "Notice") that a Party gives to any other Party shall be in writing and shall be given or made or communicated by (i) United States Mail registered or certified mail, postage prepaid, return receipt requested; (ii) any nationally recognized overnight carrier or express mail service (such as Airborne, Federal Express, or DHL) which provides receipts to indicate delivery, or (iii) by facsimile transmission followed by hard copy or by overnight courier service in all cases addressed as follows:

addressed to PSD at:

Pine Street Development L.L.C.
520 Pike Tower, Suite 2200
Seattle, Washington 98101
Attention: Matt Griffin
Fax: 206 340-9201

with a copy to:

Preston Gates & Ellis
5000 Columbia Center
701 Fifth Avenue
Seattle, Washington 98104-7078
Attention: B. Gerald Johnson
Fax: 206 623-7022

with a copy to:

Kennedy Associates Real Estate Counsel, Inc.
1215 Fourth Avenue, Suite 2400
Seattle, Washington 98161
Attention: John Parker
Fax: 206 682-4769

with a copy to:

McNaul Ebel Nawrot Helgren & Vance
27th Floor, One Union Square
600 University Street
Seattle, Washington 98101-3143
Attn: Louis F. Nawrot, Jr.
Fax: 206 624-5128

addressed to CDP at:

Community Development Properties, King County II, Inc.
1932 1st Avenue, Suite 800
Seattle, Washington 98101
Attn: John Finke, Director
Fax: 206 448-5246

with a copy to:

Hillis, Clark, Martin & Peterson
1221 Second Avenue, Suite 500
Seattle, Washington 98101-2925
Attn: Michael F. Schumacher
Fax: 206 623-7789

addressed to Nordstrom at:

Nordstrom, Inc.
1501 Fifth Avenue
Seattle, Washington 98101
Attention: Real Estate Notices
Fax: 206 223-1776

addressed to the City at:

The City of Seattle
600 Fourth Avenue, Suite 102
Seattle, Washington 98104
Attention: Director of Finance
Fax: 206 684-8286

with a copy to:

Office of the City Attorney
600 Fourth Avenue, 10th Floor
Seattle, Washington 98104
Attention: Arlene Ragozin
Fax: 206 684 8284

subject to the right of a Party to designate a different address by Notice similarly given at least ten (10) days in advance. Unless specifically stated to the contrary elsewhere in this Agreement, any Notice shall be deemed to have been given, made or communicated as the case may be, on the date the same was delivered or delivery was attempted.

13.3 Excuses for Nonperformance. Notwithstanding anything contained in this Agreement, any delay in the performance of any obligation under this Agreement shall be excused, if and so long as the performance of the obligation is prevented, delayed or otherwise hindered by acts of God, fire, earthquake, floods, explosion, actions of the elements, war, riots, mob violence, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, court orders, operation of law, orders of governmental or military authorities, or any other cause, whether similar or dissimilar to the foregoing, not within the control of such Party (other than

lack of or inability to procure monies to fulfill its commitments and obligations under this Agreement).

13.4 References to Articles, Sections, Subsections. All references herein to a given Article, Section, Subsection, Paragraph or Subparagraph refer to the Article, Section, Subsection, Paragraph or Subparagraph of this Agreement.

13.5 Captions. The captions of this Agreement are inserted only as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of this Agreement, and they shall not affect the interpretation hereof.

13.6 Locative Adverbs. The locative adverbs "herein", "hereunder", "hereto", "hereby", "hereinafter", and like words wherever the same appear herein, mean and refer to this Agreement in its entirety and not to any specific Article, Section, Subsection, Paragraph or Subparagraph hereof.

13.7 Agreement for Exclusive Benefit of Parties. Except as specifically set forth herein, the provisions of this Agreement are for the exclusive benefit of the Garage Owner, the Retail Owner, the F&N Owner, and, until the Leasing Date, the City and not for the benefit of any third Person. This Agreement shall not be deemed to have conferred any rights upon any third Person.

13.8 Waiver of Default. A waiver of any default by a Party must be in writing and no such waiver shall be implied from any omission by a Party to take any action in respect of such default. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any provision of this Agreement shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other term or provision contained herein. The consent or approval by a Party to, or of any act or request by, another Party requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts or requests.

13.9 No Partnership, Joint Venture or Principal-Agent Relationship. Neither anything in this Agreement nor any acts of the Parties shall be deemed by the Parties, or by any third Person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between the Parties, and no provisions of this Agreement are intended to create or constitute any Person a third party beneficiary hereof.

13.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Garage Owner, the Retail Owner, the F&N Owner, and, until the Leasing Date, the City, and not for the benefit of any third Person. Upon conveyance by a Party of its interest in its respective Parcel, the new Party with respect to such Parcel shall become bound by and entitled to the benefits of these Covenants, and the former owner shall be released from its unaccrued obligations hereunder. Notwithstanding the foregoing, as the co-tenant with CDP in the Systems Block, PSD covenants to the other Parties to this Agreement that in the event CDP fails to

perform any obligations of CDP as Garage Owner, or sustain any representation or warranty made by CDP to the other Parties, as set forth in this Agreement, whether made by CDP alone or as a tenant in common with PSD, PSD shall cure or shall cause the cure of such failure and shall be liable therefor. Upon transfer of the Parking Garage to the City, both PSD and CDP will be released from their unaccrued liabilities and obligations with respect to the Parking Garage. This section is not intended to override the provisions of Article 13 of the REA with respect to the obligations and liabilities of PSD relating to the Systems Block Retail.

13.11 Severability. If any provision of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement (or the application of such provision to Persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of this Agreement, unless specifically conditioned upon such invalid or unenforceable provision, shall be valid and enforceable to the fullest extent permitted by law.

13.12 Governing Law and Venue. This Agreement shall be construed and governed in accordance with Washington law. Venue shall be in the Superior Court of the State of Washington, in and for King County.

13.13 Counterparts. This Agreement may be signed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same instrument. The signature of a Party to any counterpart may be removed and attached to any other counterpart. Any counterpart to which is attached the signatures of all Parties shall constitute an original of this Agreement.

13.14 Time Periods. Whenever a time period is specified in this Agreement for the performance of some action or requirement or for the giving of a notice, by stating that such action is to be taken within a specified period of time after, from, following, or of some other event or date, such action, requirement or notice may be performed or given at any time within such time period up to and including the last day of the time period specified. For example, if an action must be taken "within thirty (30) days after" a specified event, such action may be taken at any time up to and including thirty days after the specified event. All periods of time referred to herein shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day, which is not a Saturday, Sunday or state or national holiday.

13.15 Reasonableness. Whenever the members of the Committee or any other Party to this Agreement is requested to consent to any matter with respect to which its consent is required by this Agreement, such consent shall be given in writing, and shall not (except as otherwise provided in this Agreement) be unreasonably withheld.

13.16 Integration. This Agreement set forth the entire agreement among the Parties and there are no covenants, promises, agreements, conditions or understandings, either oral or written between them relating to the subject matter of this Agreement other than as set forth

herein, in the Parking Covenants, the REA, the Condominium Declaration or in the Umbrella Agreement.

13.16 **Interpretation.** This Agreement contains specific language regarding standards of performance as well as general language which is intended to aid in the interpretation of the specific language in situations in which the specific language may not clearly apply or in which there is doubt as to the interpretation of the specific language. The specific language of this Agreement shall prevail over the general language except where the interpretation of the specific language is in question or where specific language does not obviously apply to a particular situation.

13.17 **1996 Dollars.** Dollar amounts which are expressed in this Agreement as being in 1996 Dollars shall be subject to being increased by the percentage of increase, if any, in the Adjustment Index over the Beginning Index. The "Index" is the United States, Bureau of Labor Statistics Consumer Price Index for All Items - All Urban Consumers, Seattle-Everett (base year 1982-84 = 100). The Index published nearest to June 30, 1996 shall be the "Beginning Index." The Index published nearest to January 1 in the year in which the indexed dollar amount is being calculated shall be the "Adjustment Index." If the Index has changed so that the base year differs from that used in this Section, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, to the 1982-84 base. If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

"DEVELOPER"
PINE STREET DEVELOPMENT L.L.C.,
a Washington limited liability
company

By: RGHK SEATTLE L.L.C., a Washington
limited liability company, Manager

By: Matthew J. Green
Name: Matthew J. Green
Title: Co-Manager

COMMUNITY DEVELOPMENT PROPERTIES,
KING COUNTY II, INC.,
a Delaware non-profit corporation

By: John F. Davis
Name: John F. Davis
Title: PRESIDENT

"NORDSTROM"

NORDSTROM, INC., a Washington
corporation

By: David L. Mackie
Name: David L. Mackie
Title: Vice President, Real Estate

"CITY"

THE CITY OF SEATTLE, a first class city of
the State of Washington

By: Norman B. Rice
Name: Norman B. Rice
Title: Mayor

SCHEDULE A

Developer Parking Rates Pro Forma

Initial rates for parking shall not exceed the following:

Before 5:00 PM, Weekdays

0 to 1 hour	\$2.00
1 to 2 hours	\$3.50
2 to 3 hours	\$4.50
3 to 4 hours	\$6.00

Each hour after 4 hours: \$2.00

After 5:00 PM daily (up to 4 hours): \$1.00

Saturday/Sunday daytime Maximum (up to 4 hours): \$3.00

Each additional hour after four hours on evenings and weekends: \$2.00

Daily Valet Rates: \$7.50 for first 4 hours

Evening Valet Rates: \$5.50 for first 4 hours

Each additional valet hour: \$2.00

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SCHEDULE B

Parking rates shall not exceed the following, except that rates below will be subject to increases in the Index as described in Section 9.3.1.1:

Before 5:00 PM, Monday through Saturday

0 to 1 hour	\$2.25
1 to 2 hours	\$4.00
2 to 3 hours	\$5.00
3 to 4 hours	\$6.50

Each hour after 4 hours: \$2.00

After 5:00 PM daily (up to 4 hours): \$2.00

Sunday daytime rate (up to 4 hours): \$4.00

Each additional hour after four hours on evenings and Sundays: \$2.00

Daily Valet Rates: \$8.00 for first 4 hours

Evening Valet Rates: \$6.00 for first 4 hours

Each additional valet hour: \$2.00

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ANNEX 1

DEFINITIONS

Affiliate means any Person that directly or indirectly controls, or is under common control with or is controlled by, another Person. As used in this definition, "control", "controlled by" and "under common control with" shall mean the possession, directly or indirectly, of power to direct or cause the direction or the management or policies of a Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). Notwithstanding the foregoing definition of "Affiliate" shall not encompass any individual solely by reason of his or her being a director, member or employee of a Person or any individual having a membership interest in another Person.

Americans With Disabilities Act means the Americans With Disabilities Act of 1990, 42 U.S.C. Section 12101, *et seq.*, as amended from time to time.

Approved Plans and Specifications means the final plans, drawings and specifications for the Parking Garage prepared by the Architect and approved by the City in accordance with the Umbrella Agreement and by Nordstrom in accordance with the REA.

APS Stations means one or more automated pay stations to be constructed by the Developer in an area located near or around the cashier booth as shown on the Approved Plans and Specifications, allowing Parking Garage users an automated payment option.

Architect means NBBJ, Inc. and Elkus Manfredi, Inc. in connection with construction of the Condominium, including the Parking Garage.

City means The City of Seattle, a first-class city of the State of Washington.

Complex means a three block redevelopment project in downtown Seattle consisting of the redeveloped Nordstrom Properties, the Systems Block Property and the F&N Property together with all buildings and other improvements constructed at any time thereon.

Complex Properties means the F&N Property, the Systems Block Property and the Nordstrom Properties.

Concourse means the floor in the Systems Block Retail labeled as the concourse level on the Approved Plans and Specification.

Condominium means a condominium to be created under the Declaration and the Survey Map and Plans.

Condominium Common Area means all portions of the Condominium other than Units and the Limited Common Elements as will be set forth in the Declaration.

Daytime Full Capacity means that 98% of the self-park spaces in the Parking Garage are occupied for more than one hour between the hours of 9:00 a.m. and 5:00 p.m. on seven days during any thirty (30) day period other than (i) the period from Thanksgiving through the end of December, or (ii) during regularly scheduled event sales for the F&N Owner, presently known as the Men's Half-Yearly Sale, Women and Children's Half-Yearly Sale and Anniversary Sale, or (iii) during up to three (3) additional special events of not more than one week duration each in the Complex, or (iv) during special events for which the City closes Pine Street between Fourth and Fifth Avenues.

Declaration means the declaration of the Condominium of the Systems Block to be formed which will divide the Systems Block into the Systems Block Retail and the Parking Garage.

Developer means Pine Street Development, L.L.C., a Washington limited liability company and Community Development Properties, King County II, Inc., a Delaware non-profit corporation ("CDP"), as co-tenants, and their successors and assigns.

DSA means the Downtown Seattle Association, or other downtown Seattle merchants' association that may exist from time to time.

Evening Full Capacity means that 98% of the self-park spaces in the Parking Garage are occupied for more than one hour between the hours of 5:00 p.m. and 11:00 p.m. on seven days during any thirty (30) day period other than (i) the period from Thanksgiving through the end of December, or (ii) during regularly scheduled event sales for the F&N Owner, presently known as the Men's Half-Yearly Sale, Women and Children's Half-Yearly Sale and Anniversary Sale, or (iii) during up to three (3) additional special events of not more than one week duration each in the Complex, or (iv) during special events for which the City closes Pine Street between Fourth and Fifth Avenues.

F&N Owner means the owner of the F&N Property. If the ownership of the F&N Property is held by a nominee, or trustee for security purposes, a sale-leaseback lessor, or other Person whose interest does not entitle such Person to possession or use of the F&N Property, such Person shall not be the F&N Owner, and the Person who is entitled to the possession or use of the F&N Property shall be considered to be the F&N Owner. For purposes of this definition, the tenants of space leases in the F&N Property shall not be considered to be the F&N Owner, and the landlord of the space leases shall be the F&N Owner.

F&N Property means land and improvements commonly known as the Frederick & Nelson Building located west of Pine Street between Fifth and Sixth Avenues in downtown Seattle.

Garage or Parking Garage means a parking garage containing five levels of structured below-grade parking with a minimum capacity of twelve hundred (1200) multi-passenger motor vehicles, including 240 of which may be valet-parked. The Parking Garage will be one of the two Units in the Condominium and is also referred to in this Agreement as the Parking Garage Unit.

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Garage Owner means the owner of the Parking Garage or the Parking Garage Unit of the Condominium, whether such owner is Developer, an Affiliate of the Developer, CDP, the City, or any other Person who owns the Parking Garage, but does not include a bond trustee or any other Person who has an interest in the Parking Garage solely as security for an obligation. When the Condominium is formed, CDP shall then become the Garage Owner, but until CDP conveys the Parking Garage to the City, CDP and PSD shall remain liable for the obligations of the Garage Owner and the Developer under this Agreement. If the ownership of the Parking Garage is held by a nominee, or trustee for security purposes, a sale-leaseback lessor, or other party whose interest does not entitle such party to possession or use of the Parking Garage, such Person shall not be the Garage Owner, and the Person who is entitled to the possession or use of the Parking Garage shall be considered to be the Garage Owner.

Gross Receipts means, for the period of time in question, the entire gross receipts of City from operation of the Parking Garage (exclusive of retail sales and other taxes, if any, related to the parking of vehicles and collected by City for which City is directly accountable to the taxing authorities) from parking fees and all services, including, but not limited to valet parking, rendered in or from the Parking Garage. All cash sales, validated ticket sales for customers of the Complex, credit card sales and insurance receipts from claims which have been previously paid shall be included in Gross Receipts in the month of payment, validation, sale or receipt, as applicable.

Index means the United States, Bureau of Labor Statistics Consumer Price Index for All Items - All Urban Consumers, Seattle-Everett (base year 1982-84 = 100). The Index published nearest to June 30, 1996 shall be the "Beginning Index." The Index published nearest to January 1 in the year in which the indexed dollar amount is being calculated shall be the "Adjustment Index." If the Index has changed so that the base year differs from that used in this Section, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, to the 1982-84 base. If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

Initial Term means a term commencing upon the date the Developer or its successors or assigns purchases the Systems Block and continuing until forty (40) years after the Leasing Date.

Lease means that certain Lease Purchase Agreement entered into by and among CDP as the initial landlord, a bond trustee as successor landlord and City as tenant pursuant to the provisions of Sections 5, 8, 11, 13 and 14 of the Umbrella Agreement.

Leasing Date means the date on which CDP transfers ownership of the Parking Garage to the City or its designee pursuant to the provisions of the Umbrella Agreement.

Limited Common Element means a portion of the Condominium referred to in the Declaration other than the Units or the Condominium Common Area which is made available for the exclusive use of one but less than both Units.

Market Rates means the average of all published hourly parking fees charged by operators of retail garages in the downtown Seattle retail core.

Master Use Permit means the master use permit issued by the City of Seattle December 21, 1995 in connection with application number 9405828, as amended from time to time.

Merchant Validation Conditions Precedent shall mean: (a) that the Occupant of the retail store on the F&N Property participates in the Parking Validation Program, (b) Occupants (including the Occupant of the retail store on the F&N Property) occupying at least sixty percent (60%) of the then open and operating retail and entertainment square footage in the Complex are participating in the Parking Validation Program; and (c) the Parking Garage Net Revenue exceeds Parking Garage Debt Service for the twelve (12) month period ending on the day prior to the Test Date.

Monthly Long-Term Parking Contracts means contracts between the Garage Owner and members of the general public (who may be Occupants or individuals who work for Occupants) for Required Long-Term Parking for a term of thirty days or less.

Net Revenue means for any period of time Gross Receipts less Operating Expenses.

Nordstrom means Nordstrom, Inc., a Washington corporation or its successors or assigns under the REA.

Nordstrom Properties means Nordstrom's fee and leasehold interests in the buildings comprising the present Nordstrom Store in downtown Seattle and the Seaboard Building which are located between Pike and Pine Streets and Fourth and Fifth Avenue in downtown Seattle.

Notice means each notice, demand, request, consent, approval, disapproval, designation or other communication that a Party gives to any other Party in accordance with Section 13.2.

Occupant means the F&N Owner, the Garage Owner, the Retail Owner and any other Person entitled by lease, license or otherwise to use and occupy any portion of the Complex, including the Parking Garage (but not including users of the Parking Garage), or one or more of them, or their officers or employees as the context may require.

Owner Valet Service refers to the valet parking service offered by the Garage Owner on a first-come first-served basis to the general public through the Owner Valet Operator selected by the Garage Owner pursuant to the selection criteria set forth in Section 6.2. Such valet service shall be located at the Concourse valet drop-off and pick-up locations designated on the Approved Plans and Specifications, and on the block immediately to the west of the Parking Garage.

"Operate", or "Operating", or "Operation" means: (a) with respect to the store of the F&N Owner, that such is open to the general public for business for retail purposes during its business hours except while it is not so open for business by reason of damage or destruction, the events described in Section 13.3, or while temporarily not so open for business by reason

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of repairs, remodeling or reconstruction (subject to the provisions of the REA) or by reason of such reasonable interruptions as may be incidental to the conduct of business; (b) with respect to the retail stores and entertainment facilities within the Systems Block, that retail stores and/or entertainment facilities therein are open to the general public for retail business during business hours which are normal for the Complex, except while any are not so open for business by reason of damage or destruction, the events described in Section 13.3, or while temporarily not so open for business by reason of repairs, remodeling or reconstruction (subject to the provisions of the REA), or by reason of such reasonable interruptions as may be incidental to the conduct of business; and (c) with respect to the Parking Garage, that the Parking Garage is available for the parking of vehicles and is being operated and maintained in accordance with the terms of the Parking Covenants and this Agreement, except while it is not so open for business by reason of damage or destruction, the events described in Section 13.3, or while temporarily not so open for business by reason of repairs, remodeling or reconstruction (subject to the provisions of Section 2.11 of the Parking Covenants), or by reason of such reasonable interruptions as may be incidental to the conduct of business. The terms of this Section are merely definitional, and shall not be deemed to create independent covenants for any of the Parties.

Operating Expenses means all costs, fees and expenses paid or incurred by City and directly related to the City's interest in, and operation and maintenance of, the Parking Garage whether such expenses are paid directly by City or are the responsibility of City under the Lease, including, without limitation:

- (a) all utilities;
- (b) all reasonable and necessary expenses of maintaining or repairing the Parking Garage in or to the condition required under this Agreement, plus reasonable reserves, including depreciation or amortization of capital expenditures made subsequent to the Leasing Date either required by governmental ordinances, laws or regulations for continued operation of the Parking Garage for parking or those which are designed with a reasonable probability of improving the operating efficiency of the Parking Garage, provided that such amortization costs shall not exceed expected increased Gross Receipts resulting from such capital improvements;
- (c) management fees paid to the parking operator selected by the Garage Owner in accordance with this Agreement;
- (d) all insurance premiums;
- (e) real estate taxes and assessments, if any, paid by Garage Owner; and
- (f) license fees, permit fees or other fees or charges which may be imposed from time to time on the use or possession of the Parking Garage.
- (g) reasonable replacement reserves set aside for capital expenditures and maintenance.

Parking Garage Debt Service or Debt Service means the lesser of principal and interest payments required to be paid each year on either: (a) the certificates of participation or other debt that was issued by the City on the Leasing Date; or (b) any debt then outstanding which refinanced such certificates of participation or other debt.

Parking Garage Operator means an operator selected in accordance with the provisions of this Agreement to operate the Parking Garage.

Parking Validation Program means any shopper's incentive, parking validation or other program that encourages short term parking by customers of downtown merchants in downtown Seattle through the use of token, vouchers, discounts, subsidies or other credit systems.

Parking Covenants means the Parking Covenants entered into among Nordstrom and Developer dated as of April 1, 1996 which set forth certain covenants relating to the construction and operation of the Parking Garage.

Party or Parties means the Garage Owner, the Retail Owner, the F&N Owner, and, until the Leasing Date, the City.

Person means a natural person, corporation, trust, partnership, limited partnership, limited liability company, government subdivision or agency, municipal corporation, city or other legal entity.

REA means that certain Construction, Operation and Reciprocal Easement Agreement entered into by and between Developer and Nordstrom setting forth certain construction, operation, reciprocal easements and other agreements by and between Developer and Nordstrom.

Retail Owner means the owner of the Systems Block Retail. If the ownership of the Systems Block Retail is held by a nominee, or trustee for security purposes, a sale-leaseback lessor, or other Person whose interest does not entitle such Person to possession or use of the Systems Block Retail, such Person shall not be the Retail Owner, and the Person who is entitled to the possession or use of the Systems Block Retail shall be considered to be the Retail Owner. For purposes of this definition, the tenants of space leases in the Systems Block Retail shall not be considered to be the Retail Owner, and the landlord of the space leases shall be the Retail Owner.

Required Long-Term Parking means the 136 long term parking spaces and the 35 car pool spaces which are required under applicable provisions of the City of Seattle's Land Use Code. Long term parking spaces is defined under Seattle Municipal Code 23.84.030P as a parking space which will be occupied by the same motor vehicle for six hours or more and generally used by persons who commute to work by private motor vehicle.

Special Use Long-Term Parking Contracts means the contract(s) between the Garage Owner and Occupants and the contracts between the Garage Owner and members of the general public designated by the Retail Owner for Required Long-Term Parking for a term of thirty (30) days or more, which may be subcontracted or assigned by Retail Owner to Occupants.

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Special Use Valet Parking means a portion of the valet areas designated on the Approved Plans and Specifications to be operated by a valet parking operator selected by the Retail Owner and/or the F&N Owner for valet parking for their respective customers.

Special Use Valet Parking Contract refers to one or more contracts for a term of more than thirty (30) days with Occupants of the Complex for short term valet parking to be operated by a valet parking operator selected by the F&N Owner and/or Retail Owner as the case may be, respectively.

Survey Map and Plans means the survey map and plans filed simultaneously with the recording of the Declaration and any amendments, corrections and addenda thereto subsequently filed.

Systems Block Project means a mixed-used commercial condominium consisting of the Parking Garage and Systems Block Retail constructed on the Systems Block Property.

Systems Block or **Systems Block Property** means certain real property commonly known as the Systems Block located between Pine and Olive Streets and Sixth and Seventh Avenue in downtown Seattle.

Systems Block Retail means a commercial building containing a minimum of 300,000 square feet of gross leasable area on the concourse level and up to five additional levels, which is structurally integrated with, and constructed on top of the Parking Garage Unit, and which will be designated as the Systems Block Retail Unit in the Declaration; the boundaries of which will be as shown on the Survey Map and Plans.

Test Date means the first day of the first full month which occurs on or after the first anniversary of the Leasing Date and the anniversary of such date each year thereafter during the term of this Agreement.

Umbrella Agreement means that certain Umbrella Agreement dated as of April 1, 1996 by and between the City and the Developer.

Unit means a physical portion of the Condominium designated for separate ownership, the boundaries of which will be described in the Declaration and shown on the Survey Map and Plans. The Condominium consists of two Units, both of which are restricted to nonresidential use: the Parking Garage or Parking Garage Unit and the Systems Block Retail or Systems Block Retail Unit.

Wholesale Valet Charges refers to the charges for providing the Special Use Valet Parking spaces called for in this Agreement, which shall be determined in accordance with Section 9.3.4.

Appendix 2

Maintenance Schedule

		Minimum Frequency					
		Each Day	Each Week	Each Month	Semi-Annual	Annual	Every 7-Yrs
Stairwells	Check and remove debris						
	Sweep stairwells						
	Check lighting						
	Mop and disinfect						
	Clean railings						
	Remove graffiti						
Signage	Wash and dust as needed						
	Repair and replace as needed						
	Remove graffiti						
Equipment	Wash golf cart						
	Wash sweeper/scrubber						
	Wipe gates and splitters						
Floor Area	Sweep by hand or machine						
	Re-stripe stalls						
	Empty trash barrels as needed						
	Check for burned-out lights						
	Check "stairwells" signs						
	Check and remove debris						
	Power-wash						
Island Areas	Spot-Wash with floor scrubber						
	Remove graffiti						
	Maintain painted curbing						
Miscellaneous	Maintain (stands (hose down)						
	Remove graffiti						
	Degrease entrance/exit lanes						
Paint Garage	Squeegee standing water						
	Wipe down piping in garage						
	Wipe light casings for overhead lighting						
	Wash overhead entrance signs						
	Maintain bollards at entrance/exits (paint)						
	Maintain traffic control devices (cones, barricades, curbing)						
	Touch-up damaged fire-proofing and/or touch-up paint throughout						
	Repaint lobbies, ceilings, fire-proofing columns and walls throughout						

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following light intensity during the hours the Systems Block Retail or the F&N Owner is open for business and for at least forty-five (45) minutes before and one and a half (1.5) hours after such hours and at any other time that patrons of the Parking Garage have access to the Garage:

(a) Traffic Lanes - a minimum maintained intensity approved by Nordstrom as part of its approval of the Approved Plans measured thirty (30) inches above finished floor with a uniformity ratio of three to one (3:1) average to minimum; (b) Parking Stalls - a minimum maintained intensity approved by Nordstrom as part of its approval of the Approved Plans measured thirty (30) inches above finished floor with a uniformity ratio of three to one (3:1) average to minimum; (c) Vehicular Entrances - a minimum maintained intensity of thirty (30) foot candles measured thirty (30) inches above finished floor with a uniformity ratio of three to one (3:1) average to minimum, and (d) Stairways open to the public, Vestibules, Corridors and Lobbies - a minimum maintained intensity of twenty-five (25) foot candles measured thirty (30) inches above finished floor with a uniformity ratio of three to one (3:1) average to minimum. The ceilings shall be painted white and all vertical surfaces of the Parking Garage shall be painted white, where practicable.

6. **Parking Spaces:** Parking shall be available for a minimum of 1,200 automobiles with 240 valet-parked. The perpendicular width between center lines of adjacent stall striping shall meet minimum City code requirements as defined for standard and compact parking stalls. Compact parking stalls shall not be less than seven feet six inches (7'6") wide, and valet parking stalls shall not be less than eight feet zero inches (8'0") wide. There shall be at least 800 parking stalls in the Parking Garage which are at least 8'4" wide. Space shall be provided to comply with Americans with Disabilities Act parking requirements as well as City code bicycle requirements. Any stall re-configuration shall be subject to approval by the Parties to these Covenants.

7. **Parking Module:** The width of an aisle plus the depth of a parking stall in each side, measured perpendicular to the aisle, shall be as shown on the Approved Plans, and be a minimum of:

- (a) Forty-two (42) feet for ninety (90) degree parking;
 - (b) Fifty-two and a half (52.5) feet for fifty-seven (57) degree parking.
- one-way aisles.

8. **Stall Striping:** Stalls shall be separated by single four (4) inch paint or therma-plastic stripe. Painted striping shall be two (2) coats of paint, alkyd base synthetic resin, Fed. Spec. TTP-115 Type I, in a color of white or handicapped blue or yellow if metal halide lighting is used. If seal coat is used, it shall be compatible with striping paint compound.

9. **Security Devices:** The plans for the Parking Garage shall specify security devices to be installed, including closed circuit T.V. monitors and cameras, assistance call boxes installed on each level at elevators and other critical locations, audio monitoring devices and their locations.

10. **Parking Delays:** The Parking Garage shall be designed and constructed as a "pay on foot" garage with at least four cashiers at one time and two automated pay stations. The Pay-on-Foot cashier locations shall accommodate up to four (4) cashiers at one time and shall be located in an area approved by the Parties near the Parking Garage elevators on the Concourse level of the Systems Block Retail. The Pay-on-Foot cashier stations and equipment shall be designed, constructed and installed such that, with staffing levels set to accommodate demand from users, average wait times for paying for parking will be under one minute. Two automated pay stations ("APS Stations") shall be located near or around the cashier booth, allowing customers an automated payment option. The APS Stations shall include bill changers and accept credit cards. The cashier or APS Stations shall return the "paid" parking ticket to the customer encoded with a grace period with sufficient time to return to the car and exit the garage. Upon reaching the gate, the customer inserts the encoded "paid" ticket into a machine opening the gate. The average time at the gate under normal operation is expected to be less than fifteen seconds.

11. **Ventilation:** The Parking Garage shall be designed to include a separate ventilation system for the Parking Garage which shall vent motor vehicle exhaust fumes to the outside and ensure that unsafe levels of carbon monoxide, noxious fumes and other pollutants do not remain in the Parking Garage or enter the Systems Block Retail.

Arlene Ragozin
Seattle City Attorney's Office
600 - 4th Avenue, 10th Floor
Seattle, WA 98104

First Amendment to Parking Covenants.

8601061605290-1 RS
Reference Number of Related Documents: 9701270429

Grantor: 1. Pine Street Development L.L.C.
2. Community Development Properties King County
II, Inc.
3. Nordstrom, Inc.,

Grantee: The City of Seattle

Legal Description: See legal description in document recorded under
9701270429

Assessor's Property Tax Parcel Account Nos.:
065900-0070-09, 065900-0130-07, 065900-0150-02

FILED FOR RECORD AT THE REQUEST OF
TRANSACTION TITLE INSURANCE CO.

FIRST AMENDMENT TO
PARKING COVENANTS

This First Amendment to Parking Covenants ("First Amendment") is made and entered into as of November 16, 1998 by and among Pine Street Development L.L.C., a Washington limited liability company ("PSD"), and Community Development Properties King County II, Inc., a Delaware, non-profit corporation ("CDP"), and Nordstrom, Inc., a Washington corporation ("Nordstrom").

RECITALS

1. On April 1, 1996, the parties to this First Amendment entered into Parking Covenants relating to the construction, operation and maintenance of the Parking Garage (as defined in the Parking Covenants and as legally described in Exhibit A hereto) that has been constructed below the retail and entertainment portion of a condominium commonly known as Pacific Place, located between Sixth and Seventh Avenues and Pine and Olive Streets in downtown Seattle. Pacific Place is located across the street from and is a part of a redevelopment project that includes the new Nordstrom Store, located between Fifth and Sixth Avenues and Pine and Olive Streets in downtown Seattle.

2. On April 1, 1996, PSD, CDP and The City of Seattle, a first class city of the State of Washington, ("City") entered into an Umbrella Agreement which contemplates, inter alia, the transfer of the Parking Garage to the City or its designee, subject to the Parking Covenants.

3. The parties to the Parking Covenants and the Umbrella Agreement anticipated that the City would finance said transfer of the Parking Garage with tax-exempt debt.

4. The parties to this First Amendment desire to amend the Parking Covenants to ensure that debt that may be incurred by the City to finance the beneficial transfer of the Parking Garage to the City complies with federal law regarding tax-exempt debt.

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties to this First Amendment amend the Parking Covenants as follows:

AGREEMENT

1. Use Restrictions. The second paragraph of Section 2.5 is amended to read as follows:

So as not to interfere with the efficient pedestrian traffic flow within the Parking Garage, and to the extent permitted by law, there shall be no sales conducted within the Parking Garage, and no kiosks, pushcarts or other merchandising units or obstructions shall be placed in the Parking Garage.

2. Restoration of Parking Garage. The first sentence of the first paragraph of Section 2.10 is amended to read as follows:

If all or any part of the Parking Garage is damaged or destroyed, the Garage Owner shall promptly commence reconstruction of the Parking Garage and shall diligently prosecute such reconstruction to completion so as to restore such improvements to first-class condition and to substantially the same appearance, configuration and layout as existed immediately prior to such damage or destruction (subject to the effect of Section 2.4 of these Covenants), and so as to comply with the design standards set forth in Exhibit C attached hereto.

3. Notice to Parties. The address of Nordstrom, Inc. in Section 4.1 is amended to read as follows:

Nordstrom, Inc.
1617 Sixth Avenue
Seattle, Washington 98101
Attention: Real Estate Notices
Fax: 206-223-1776

4. No Other Amendments. Except as expressly amended herein, the Parking Covenants remain unmodified and in full force and effect.

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

"PSD"

PINE STREET DEVELOPMENT L.L.C.,
a Washington limited liability company
By: RGHK Seattle L.L.C., a
Washington limited liability
company, its Member

By [Signature]
Its Member

"CDP"

COMMUNITY DEVELOPMENT
PROPERTIES KING COUNTY II, INC.,
a Delaware nonprofit corporation

By [Signature]
Its PRESIDENT

"NORDSTROM"

NORDSTROM, INC., a Washington
corporation

By [Signature]
Its VICE PRESIDENT - REAL ESTATE

9811171706

9811171706

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 16 day of November, 1998, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn personally appeared MATT GIFFIN, to me known to be the Manager of CLERGER SEATTLE L.L.C., a Washington limited liability company, manager of PINE STREET DEVELOPMENT L.L.C., a Washington limited liability company, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned and on oath stated that he/she is authorized to execute the said instrument.

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



Kathleen K. Fiser
Notary Public
Print Name KATHLEEN K. FISER
My appointment expires JUNE 23, 2002

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 16 day of November, 1998, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn personally appeared John Fink, to me known to be the President of COMMUNITY DEVELOPMENT PROPERTIES, KING COUNTY II, INC., a Delaware nonprofit corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and on oath stated that he/she is authorized to execute the said instrument.

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



Gail H. Nolan
Notary Public
Print Name Gail H. Nolan
My appointment expires 10-19-2001

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 16 day of November, 1998, before me, the undersigned, a notary public in and for the State of Washington, duly commissioned and sworn personally appeared Burt Macie, to me known to be the Vice President of NORDSTROM, INC., a Washington corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and on oath stated that he/she is authorized to execute the said instrument.

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

Hazel Haralson
Notary Public
Print Name Hazel Haralson
My appointment expires 2/1/00

9811171706

EXHIBIT A

Legal Description

GARAGE UNIT, PACIFIC PLACE, A CONDOMINIUM RECORDED IN VOLUME
151 OF CONDOMINIUMS, PAGES 1 THROUGH 7, ACCORDING TO THE
DECLARATION THEREOF, RECORDED UNDER RECORDING NO.
9808271807 AND ANY AMENDMENTS THERETO;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF
WASHINGTON

9811171706

AFTER RECORDING RETURN TO:

Office of the City Attorney
600 Fourth Avenue, 10th Floor
Seattle, Washington 98104
Attn: Arlene Ragozin

NOTICE OF TRANSFER

8w8106/665290AG-3

Grantor:

1. Pine Street Development L.L.C.
2. Community Development Properties King County II, Inc.

Grantee:

1. The City of Seattle

Assessor's Tax ID No.:

065900-0130-07

Reference No. of Related Documents:

9605011064; 9811171706

FILED FOR RECORD AT BUREAU OF
TRANSACTION TITLE INSURANCE CO

NOTICE OF TRANSFER

The purpose of this Notice is to provide public notice that the Parking Garage as that term is defined in the Parking Covenants among Pine Street Development L.L.C., Community Development Properties King County II, Inc. and Nordstrom, Inc. dated April 11, 1996 and recorded under King County Recording No. 9605011064, as amended by the First Amendment to Parking Covenants dated November 16, 1998 and recorded under King County Recording No. 9811171706 (collectively the "Parking Covenants") has been transferred to The City of Seattle, and The City of Seattle is now the Garage Owner thereunder.

Notices required to be given to the Garage Owner pursuant to Section 4.1 of the Parking Covenants shall be addressed as follows:

Addressed to the City of Seattle at:

The City of Seattle
600 Fourth Avenue, Suite 102
Seattle, Washington 98104
Attn: Director of Finance
Fax: (206) 684-8286

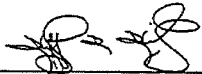
with a copy to:

Office of the City Attorney
600 Fourth Avenue, 10th Floor
Seattle, Washington 98104
Attn: Arlene Ragozin
Fax (206) 684-8284

Dated this 17th day of November, 1998.

THE CITY OF SEATTLE, a first class city
of the state of Washington

By


Its EXECUTIVE SERVICES DIRECTOR

STATE OF WASHINGTON

COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Dwight Dineley is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Superintendent of The City of Seattle, a first-class city of the State of Washington, to be the free and voluntary act of such first-class city for the uses and purposes mentioned in the instrument.

Dated this 19th day of November, 1998.



Hazel Haralson
(Signature of Notary)

Hazel Haralson
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at Seattle

My appointment expires 2/1/00

9811200339

Exhibit C
Parking Agreement

8.2(f) - 9

SCHEDULE 8.2(g)

Form of FIRPTA Affidavit

Certificate of Non-Foreign Status

Name of Transferor: THE CITY OF SEATTLE

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that generally a transferee (Purchaser) of a "United States real property interest" as defined in section 897 (c) of the Code must withhold tax if the transferor (seller) is a "foreign person" as defined by section 1445 (f) (3) of the Code. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by the transferor, the undersigned hereby certifies the following on behalf of Transferor:

- (1) Transferor is not a foreign corporation, foreign partnership, foreign estate (as those terms are defined in the Code and Treasury Regulations);
- (2) Transferor's U.S. employer identification number is _____; and
- (3) Transferor's office address is:

THE CITY OF SEATTLE
Department of Finance and Administrative Services
Attn: Director
701 Fifth Avenue, Suite 5200
Seattle, WA 98104

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

THE CITY OF SEATTLE, a first class charter city
of the State of Washington

By: _____
Name: _____
Title: _____
Dated: _____

8.2(g) - 1

PARKING AGREEMENT

This PARKING AGREEMENT (this "Agreement") is made and entered into as of this 1st day of April, 1996 by and among PINE STREET DEVELOPMENT L.L.C., a Washington limited liability company ("PSD") and COMMUNITY DEVELOPMENT PROPERTIES, King County II, Inc., a Delaware non-profit corporation ("CDP"), as co-tenants (PSD and CDP as co-tenants are referred to collectively as the "Developer"), THE CITY OF SEATTLE, a first-class city of the State of Washington (the "City"), and NORDSTROM, INC., a Washington corporation ("Nordstrom").

RECITALS

1. This Agreement describes the operation and management of a parking garage (the "Parking Garage") to be constructed by Developer on the Systems Block in downtown Seattle, Washington. The Parking Garage is to be constructed by Developer in accordance with the terms and provisions of: (a) this Agreement, (b) the Parking Covenants, and (c) the Umbrella Agreement.

2. Developer has entered into binding, non-contingent contracts to acquire the land and improvements commonly known as the Systems Parking Garage Block between Pine and Olive Streets and Sixth and Seventh Avenues (the "Systems Block"). Following execution of this Agreement, Developer shall, on or before October 15, 1996, acquire fee simple title to the Systems Block at its sole cost and expense.

3. The Parties to this Agreement have executed this Agreement and have placed it in escrow to be effective only upon the satisfaction of various conditions which include (a) the closing of the purchase of the F&N Property and the exchange between Nordstrom and PSD of the Nordstrom Properties for the F&N Property; (b) the execution and delivery of a Construction, Operation and Reciprocal Easement Agreement entered into between Nordstrom and Developer pursuant to which Nordstrom has promised to Developer to redevelop the F&N Property and to operate a retail store of at least 200,000 square feet of floor area for twenty years, and PSD has promised to Nordstrom to redevelop the Nordstrom Properties, and Developer has promised to Nordstrom to construct a 1,200 vehicle parking garage on the Systems Block, and develop at least 300,000 square feet of gross leasable floor area of retail space on the Systems Block Retail and PSD has promised to Nordstrom to operate the retail space on the Systems Block and the Nordstrom Properties for twenty years, (c) the execution and delivery of the Parking Covenants by the Developer and Nordstrom, (d) the execution and delivery of the Umbrella Agreement between the City and the Developer, (e) the execution and delivery of a Facade Easement burdening the F&N Property in a form approved by Nordstrom and the City, (f) the execution of a lease from PSD to Nordstrom of the Nordstrom Properties for the period of time from the closing of escrow until Nordstrom vacates the Nordstrom Properties after opening its new store on the F&N Property, and (g) the acquisition by the Developer of the Systems Block.

4. The execution and delivery of this Parking Agreement and the execution and delivery of the other documents referred to in Recital 3 above, as well as the approval by the

City of the form of the Parking Covenants, are conditions to the closing of the escrow of the documents for the transaction referred to above and to the redevelopment of the Systems Block, the F&N Property and the Nordstrom Properties.

5. Nordstrom will, after the closing of the escrow referred to in Recital 3 above, own the land and improvements commonly known as the Frederick & Nelson Building, located north of Pine Street between Fifth and Sixth Avenues (the "F&N Property").

6. PSD will be, after the closing of the escrow referred to in Recital 3 above, the fee owner and lessee of the land and improvements commonly known as the Nordstrom Department Store and the Seaboard Building, located between Pike and Pine Streets and Fourth and Fifth Avenues (collectively the Old Nordstrom Store and the Seaboard Building are referred to as the "Nordstrom Properties").

7. Developer will construct or cause to be constructed the Parking Garage and the Systems Block Retail on the Systems Block in accordance with the requirements of the REA, the Parking Covenants and the Umbrella Agreement.

8. The Systems Block will be subjected to a plan of condominium ownership pursuant to which the ownership of the Parking Garage will be separated from the ownership of the Systems Block Retail. When the Condominium is formed, the Parking Covenants and this Agreement will bind the Parking Garage Condominium Unit and the Systems Block Retail Condominium Unit. After the Condominium is formed CDP will become the Garage Owner and PSD will become the Retail Owner.

9. CDP will, after operating or causing to be operated the Parking Garage for at least one year after the date the Parking Garage is first opened for business to the public, transfer the Parking Garage to the City or its designee pursuant to a lease purchase agreement pursuant to RCW 35.42.010 to 35.42.090 inclusive, or other appropriate instruments, subject to, among other things, the City's agreement to operate the Parking Garage in accordance with the Parking Covenants and this Parking Agreement.

10. Developer, Nordstrom and the City desire to enter into this Parking Agreement to induce PSD to acquire and redevelop the Systems Block and the Nordstrom Properties, to induce Nordstrom to acquire and redevelop the F&N Property, and to provide for the effective and successful operation and maintenance of the Parking Garage, which will encourage short-term parking in the downtown retail core thereby alleviating traffic congestion, and will also contribute to the revitalization of the downtown Seattle retail core.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1

INTRODUCTION AND TERM

1.1 Defined Terms. All capitalized terms which are used herein but which are not otherwise defined herein shall have the meanings ascribed to such term in Annex 1 attached hereto and made a part hereof.

1.2 Introduction. The Parking Garage is to be operated in accordance with this Agreement. The primary intent of this Agreement is to describe the general methods of operation of and standards of maintenance for the Parking Garage, which methods of operation are intended to, among other things, (a) provide safe, accessible parking for customers of the Complex and the retail core; (b) ensure simple ingress, egress, and location identification, including directional signage within the Parking Garage indicating the way to the Occupants; and (c) maximize the availability of short-term, public parking within the Parking Garage. Except for the portions of the Parking Garage used for valet parking and/or Required Long-Term Parking as hereinafter provided for in this Agreement, the Parking Garage shall be operated as a self-park, public parking garage.

1.3 Term. This Agreement shall become effective upon the acquisition of the Systems Block by the Developer or its successors and assigns. The Parking Garage shall be Operated in accordance with the terms of this Agreement from and after the date that the Parking Garage is first opened for business to the public, and shall remain in effect for an "Initial Term" of forty (40) years from the Leasing Date. The term of this Agreement shall be automatically renewed for additional terms of ten (10) years unless the Garage Owner (if the Garage Owner is the City) elects, by written notice of the Garage Owner's election to terminate this Agreement, given to the other Parties to this Agreement not more than five (5) years prior to the end of the Initial Term or the extension period then in effect and not less than four years and one half (4 1/2) years prior to the end of the Initial Term or the extension period then in effect. Such election to terminate the term of this Agreement may only be made if the Garage Owner is the City. If The Garage Owner elects, in the manner described above, to terminate this Agreement, the termination shall be effective upon the last day of the Initial Term or the extension period then in effect. The term of this Agreement shall automatically expire, unless earlier terminated pursuant to this Section 1.3, upon the termination or expiration of the Parking Covenants.

1.4 Termination If Garage Not Needed. If during the twelve month period immediately preceding the end of the Initial Term, less than an average of one hundred and twenty (120) vehicles per day use the Parking Garage (unless such low level of use is caused by an event described in Section 13.3 of this Agreement) and if the Garage Owner is the City, then the Garage Owner shall have the right to cease to Operate the Parking Garage as a Parking Garage in accordance with the terms of this Agreement. Such right may be exercised by written notice to the other Parties to this Agreement, given within one hundred and eighty (180) days after the end of the Initial Term.

ARTICLE 2

PARKING OVERSIGHT COMMITTEE

2.1 Formation of Parking Oversight Committee. A Parking Oversight Committee ("Committee") shall be formed no later than sixty (60) days before the opening of the Parking Garage and shall be maintained throughout the term of this Agreement. The Committee will consist of the F&N Owner, the Garage Owner, the Retail Owner (or their respective designees) and one other Occupant from the Complex selected by the Retail Owner from time to time. Upon a termination of the Parking Covenants the F&N Owner shall no longer be a member of the Committee. If the Garage Owner is also the Retail Owner (or an Affiliate of the Retail Owner) or the F&N Owner (or an Affiliate of the F&N Owner), said Party shall be represented by only one member on the Committee. The Committee shall meet at least quarterly or as otherwise determined by the Committee.

2.2 Purpose of Committee. The purpose of the Committee is solely to provide guidance and advice to the Garage Owner on matters related to Parking Garage operation. Except as provided in this Agreement or in the Parking Covenants, the Garage Owner shall make operational decisions relating to the Parking Garage subject only to the provisions of this Agreement, the Parking Covenants and applicable law. If the Committee gives advice to the Garage Owner, the Garage Owner shall consider the advice of the Committee before taking action on the subject about which such advice was given.

ARTICLE 3

PARKING GARAGE SIGNAGE AND GRAPHICS

Before the Parking Garage is first opened to the public, the Garage Owner shall install directional signage in the Parking Garage and the Retail Owner shall install directional signage in the Concourse level of the Systems Block Retail which indicates directions to the Occupants of the F&N Property and the Systems Block Retail, and which has been approved by the F&N Owner. The Garage Owner shall not alter or remove (other than for purposes of maintenance) any signage indicating the way to the F&N Property or the Systems Block Retail, without first obtaining the written consent of the F&N Owner or the Retail Owner respectively. The designation or denomination of the Parking Garage shall not be made or changed without the approval of all of the Parties to this Agreement.

ARTICLE 4

SPECIAL USE AND MONTHLY PARKING

4.1 Required Long-Term Parking Requirements. Pursuant to the Master Use Permit approved by the City for the Systems Block project ("MUP"), the Garage Owner shall provide 136 regular and 35 carpool spaces, each of which will be rented for use by the same owner or motor vehicle for six hours or more and generally shall be used by a person who commutes to work by private motor vehicle ("Required Long-Term Parking"). Contracts between the

Garage Owner and members of the general public (who may be Occupants or individuals who work for Occupants) for Required Long-Term Parking for a term of thirty days or less are referred to herein as "Monthly Long-Term Parking Contracts." The contracts between the Garage Owner and Occupants and the contracts between the Garage Owner and members of the general public designated by the Retail Owner for Required Long-Term Parking for a term of more than thirty (30) days, are referred to herein as the "Special Use Long-Term Parking Contracts." The definition of Required Long-Term Parking may be changed in the future, provided such change is consistent with the City's Land Use Code, is agreed to by the Parties to this Agreement, and is approved by the Department of Construction and Land Use of the City.

From the date the Parking Garage is first opened for business to the public (the "Garage Opening Date") to the Leasing Date, the Garage Owner shall rent 171 spaces in the Parking Garage for Required Long-Term Parking in accordance with the requirements of the City's Land Use Code and with the MUP. Such rentals may be to members of the general public, Occupants or to the Retail Owner pursuant to Monthly Long-Term Parking Contracts or the Special Use Long-Term Parking Contracts. On the Leasing Date, the Garage Owner shall assign to the City all then existing Monthly Long-Term Parking Contracts and, if entered into, the Special Use Long-Term Parking Contracts. The City shall assume such contracts in accordance with their terms; provided that (a) the City has previously approved the form of such contracts and (b) the contracts are neither in default nor entered into in violation of the terms of this Agreement. The City expects Monthly Long-Term Parking Contracts (up to a maximum of 171 parking spaces) to be available on a first-come, first-served basis. The Monthly Long-Term Parking Contracts shall reserve to the Garage Owner the right to terminate or change the terms of such contracts on not less than thirty (30) days prior notice. Except as provided in Section 4.4, only the Retail Owner shall have the right to modify or terminate the Special Use Long-Term Parking Contracts.

4.2 Special Use Parking. Notwithstanding any other provision of this Agreement to the contrary, for so long as there are outstanding tax-exempt obligations, the proceeds of which financed the transfer to the City or its designee of the Parking Garage, the total number of parking spaces under Special Use Valet Parking Contracts and Special Use Long-Term Parking Contracts shall not exceed 108 parking stalls. In addition to entering into the Special Use Long-Term Parking Contracts, prior to the Leasing Date the Garage Owner may enter into one or more contracts for a term of more than thirty (30) days with Occupants of the Complex for short term valet parking to be operated by a valet parking operator selected by the F&N Owner and/or Retail Owner, respectively (each, a "Special Use Valet Parking Contract"). The total number of spaces leased under Special Use Valet Parking Contracts shall not exceed 60 spaces. On the Leasing Date, the Garage Owner shall assign and the City shall assume all Special Use Valet Parking Contracts; provided that (a) the City has previously approved such contracts and (b) the contracts are neither in default nor entered into in violation of the terms of this Agreement.

4.3 Contract Approval. The City shall have no obligation to assume any Monthly Long-Term Parking Contract, Special Use Long-Term Parking Contract or Special Use Valet Parking Contract on the Leasing Date unless the form and substance of such contract has been approved by the City. The City shall not unreasonably withhold or delay its consent to such

contracts, and if any such contract is submitted to the City for its approval, and the City fails to disapprove such contract within fifteen (15) days after such contract is submitted to the City for its approval, such contract shall be deemed to have been approved by the City.

4.4 Tax-Exempt Status. The City shall have the right to modify this Agreement, the Monthly Long-Term Parking Contracts, the Special Use Long-Term Parking Contracts and the Special Use Valet Parking Contracts, if, in the reasonable opinion of the City's bond counsel, such modification or amendment is necessary to permit or preserve the tax-exempt status of interest payable on or with respect to any outstanding Certificates of Participation to be executed and delivered or other tax-exempt obligations to be issued by the City in connection with the transfer of the Parking Garage to the City, or with respect to any such debt instruments that are outstanding, but only if and to the minimum extent required to permit or preserve such tax-exempt status. If, at any time after the Leasing Date, the Retail Owner receives written notice from the City that its bond counsel reasonably requires that the Long-Term Monthly Parking Contracts be modified in order to permit or preserve the tax-exempt status of debt issued or to be issued to finance the City's acquisition of the Garage, then the City shall enter into Special Use Long-Term Parking Contracts with Occupants identified by the Retail Owner, that grants the Occupants designated the right to convert, at the Retail Owner's discretion, any Long-Term Monthly Parking Contracts to Special Use Long-Term Parking Contracts, provided that after such conversion the total number of Special Use Long-Term Parking Contracts, including Special Use Valet Parking Contracts, does not exceed 108 parking spaces.

ARTICLE 5

SECURITY

5.1 Security. Retail Owner shall provide (and, upon the formation of the Condominium Association, Developer shall cause the Condominium Association to provide) security for the Parking Garage at a level consistent with the practice prevailing in the operation of similar first-class urban multi-use complexes and at a level consistent with the level and quality of security which the Retail Owner provides within the Systems Block Retail. The security described in the preceding sentence shall be furnished by: (a) foot and/or vehicular patrols by uniformed security personnel; (b) monitored closed-circuit television; and (c) a monitored audio system installed at elevators and other critical locations. Assistance call boxes shall be located on each level of the Parking Garage and shall be monitored by security. Security monitoring shall be on a twenty-four (24) hour a day basis. Stairwell towers shall be alarmed and secured, for use by the public only in emergencies.

ARTICLE 6

OPERATOR SELECTION

6.1 Parking Garage Operator Selection. The selection and performance of the Parking Garage Operator is critical to the successful execution of this Agreement. The Parking Garage Operator shall be selected by Garage Owner and shall be: (a) any entity which is a nationally recognized manager of parking garages with substantial experience operating multi-level parking

garages in first-class urban regional shopping centers and which meets the selection and performance criteria set forth below; or (b) any entity which has continuously operated as a manager, for not less than five years before the date of determination, at least three garages similar in size, character, scope and quality to the Parking Garage, and whose uses are substantially the same as uses currently in effect for the Parking Garage with substantial experience operating multi-level parking garages in first-class urban regional shopping centers and which meets the selection and performance criteria set forth below; or (c) a local affiliate of any of the foregoing which meets the selection and performance criteria set forth below. The Parking Garage Operator shall demonstrate that it has consistently met the following standards in the operation of similar parking structures in first-class urban regional shopping centers (and, in the case of a renewal of the Parking Garage Operator's contract, in the operation of the Parking Garage):

(i) Customer Satisfaction. The Parking Garage Operator shall demonstrate the Operator's operations capability to provide customer service consistent with similar first-class urban regional shopping centers;

(ii) Staffing and Training. The Parking Garage Operator shall demonstrate the ability to monitor and perform staffing of cashier booths in order to meet demand and keep typical customer waiting times to less than one (1) minute at the cashier booth or as close to one (1) minute as practicable given the construction and design of the cashier booths and pay stations, and the ability to use revenue control system equipment and software in use in the Parking Garage;

(iii) Employee Appearance and Attitude. The Parking Garage Operator shall demonstrate that it employs a high energy staff which is professional, courteous, tidy in appearance, friendly and helpful;

(iv) Financial Stability. The Parking Garage Operator shall not have had any prior bankruptcies, and must have at least One Million Dollars (\$1,000,000) in annual income, and net worth of at least Three Million Dollars (\$3,000,000) (all of such amounts are expressed in 1996 Dollars);

(v) Revenue Capture. The Parking Garage Operator shall demonstrate through audit reports of all parking garages operated by the Parking Garage Operator that its revenue capture rate meets the highest standards in the industry;

(vi) Reports. The Parking Garage Operator shall demonstrate that its reports have been prepared and delivered in a timely manner, are accurate and are easy to comprehend;

(vii) Maintenance and Graphics. The Parking Garage Operator shall demonstrate that garages that it maintains and all signage therein are kept clean and neat and in first-class condition, appearance and repair, including cleaning and repainting of the Parking Garage as required;

(viii) Adequacy of Budget. The proposed budget of the Parking Garage Operator shall be clearly adequate, and the Parking Garage Operator shall demonstrate that, in its prior operations of similar multi-level parking garages in urban regional shopping centers, such Parking Garage Operator's budgets have been consistent with its actual operating results;

(ix) Customer Complaints. The Parking Garage Operator shall agree to make customer feedback cards designed by the Committee readily available at all cashier booths and APS stations for a period of five (5) days, including one weekend once during each calendar quarter. The Parking Garage Operator shall agree to make the results of the survey available to the Committee promptly after the completion of the survey, and shall agree to promptly correct any deficiencies noted in the customer feedback cards. The Parking Garage Operator shall agree to operate the Parking Garage in a manner that will result in at least eighty five percent (85%) of customer comments rated above "poor" or "fair."

(x) Liability Insurance. The Parking Garage Operator shall demonstrate its ability to secure liability insurance meeting the standards set forth in Section 2.8 of the Parking Covenants and Exhibit F to the Umbrella Agreement.

(xi) Renewals of Operator Contract. In considering a Parking Garage Operator's proposal to renew its contract as the Parking Garage Operator, the Garage Owner's adherence to the standards set forth in this Section, and to the requirements of this Agreement and the Parking Covenants during its operation of the Parking Garage shall be an additional selection criteria.

The Parking Garage Operator's contract shall have a term of not more than three (3) years, shall incorporate the performance and selection criteria and other terms of this Agreement and the Parking Covenants which are applicable to the Operation and maintenance of the Parking Garage as requirements of the Garage Operator, and shall provide for the Garage Owner to have the right to correct deficiencies in management or terminate the Garage Operator's contract in the event that the Garage Operator fails to operate the Parking Garage in accordance with the requirements of the Parking Garage Operator's contract. If at any time the Parking Garage Operator fails to meet the performance and selection criteria set forth in this Agreement, and such failures are not cured within the grace periods set forth in Article 12 of this Agreement, the Garage Owner shall enforce its rights in the Parking Garage Operator's contract to require the failures to be corrected or shall terminate the Parking Garage Operator and select a new Parking Garage Operator which meets the standards set forth in this Agreement.

All Garage Owners shall select Parking Garage Operators in compliance with the selection criteria set forth above and applicable requirements of Washington State, City and federal law (which shall include the requirements of RCW 35.86A.120, so long as the Garage Owner is the City). In the event of any conflict between the selection criteria set forth above and applicable law, the provisions of applicable law shall prevail to the extent of such conflict.

6.2 Owner Valet Operator Selection. The selection and performance of the valet operator (the "Owner Valet Operator") operating the Owner Valet Service (as hereinafter

defined) is critical to the successful execution of this Agreement. The Owner Valet Operator shall be selected by Garage Owner and shall be: (a) any entity that is a nationally recognized valet parking manager with substantial experience operating valet parking services in multi-level parking garages in first-class urban regional shopping centers and which meets the selection and performance criteria set forth below; (b) an entity that specializes in valet parking services and has continuously operated as a valet parking manager, for not less than five years before the date of determination, at least three separate valet services similar in size, character, scope and quality to the valet service in the Parking Garage and whose uses are substantially the same as uses currently in effect for the Parking Garage and which meets the selection and performance criteria set forth below; or (c) a local affiliate of the foregoing which meets the selection and performance criteria set forth below. The Owner Valet Operator shall demonstrate that it has consistently met the following standards in the operation of similar valet parking services in first-class urban regional shopping centers (and, in the case of a renewal of the Owner Valet Operator's contract, in the operation of the Owner Valet Service):

- (i) Customer Satisfaction. The Owner Valet Operator shall demonstrate the Operator's operations capability to provide customer service consistent with a first-class urban regional shopping center;
- (ii) Staffing and Training. The Owner Valet Operator shall demonstrate the ability to monitor and perform staffing of valet drop off and pick up locations in order to meet demand and keep typical customer waiting times to less than two (2) minutes at the valet pick up and drop off point in the Concourse, and to less than four (4) minutes at valet pick up and drop off points on the block immediately to the west of the Parking Garage, and the Owner Valet Operator shall demonstrate its staff's ability to use revenue control system equipment and software;
- (iii) Employee Appearance and Attitude. The Owner Valet Operator shall demonstrate that it employs a high energy staff which is professional, courteous, tidy in appearance, friendly and helpful;
- (iv) Financial Stability. The Owner Valet Operator shall not have had any prior bankruptcies, and must have at least Seven Hundred Fifty Thousand Dollars (\$750,000) in annual income, and net worth of at least One Million Dollars (\$1,000,000) (all of such amounts are expressed in 1996 Dollars);
- (v) Revenue Capture. The Owner Valet Operator shall demonstrate through audit reports of all valet services operated by the Owner Valet Operator that its revenue capture rate meets the highest standards in the industry;
- (vi) Reports. The Owner Valet Operator shall demonstrate that its reports have been prepared and delivered in a timely manner, are accurate and are easy to comprehend;
- (vii) Adequacy of Budget. The proposed budget of the Owner Valet Operator shall be clearly adequate, and the proposed Owner Valet Operator shall demonstrate that, in its prior valet operations in similar multi-level parking garages in urban regional shopping

centers, such proposed Owner Valet Operator's budgets have been consistent with its actual operating results;

(ix) Customer Complaints. The Owner Valet Operator shall agree to make customer feedback cards designed by the Committee readily available at all valet pick-up and drop-off locations for a period of five (5) days, including one weekend once during each calendar quarter. The Owner Valet Operator shall agree to make the results of the survey available to the Committee promptly after the completion of the survey, and shall agree to promptly correct any deficiencies noted in the customer feedback cards. The Owner Valet Garage Operator shall agree to operate the Owner Valet Service in a manner that will result in at least eighty five percent (85%) of customer comments rated above "poor" or "fair."

(x) Liability Insurance. The Owner Valet Operator shall demonstrate its ability to secure liability insurance meeting the standards set forth in Section 10.3.5 and Exhibit F to the Umbrella Agreement.

(xi) Renewals of Operator Contract. In considering an Owner Valet Operator's proposal to renew its contract as the Owner Valet Operator, the Garage Owner's adherence to the standards set forth in this Section, and to the requirements of this Agreement and the Parking Covenants during its operation of the Parking Garage shall be an additional selection criteria.

The Owner Valet Operator's contract shall have a term of not more than three (3) years, and shall incorporate the performance and selection criteria and other terms of this Agreement and the Parking Covenants which are applicable to the Operation and maintenance of the Parking Garage as requirements of the Owner Valet Operator, and shall provide for the Garage Owner to have the right to correct deficiencies in management or terminate the Owner Valet Operator's contract in the event that the Owner Valet Operator fails to operate the Parking Garage in accordance with the requirements of the Owner Valet Operator's contract. If at any time the Owner Valet Operator fails to meet the performance and selection criteria set forth in this Agreement, and such failures are not cured within the grace periods set forth in Article 12 of this Agreement, the Garage Owner shall enforce its rights in the Owner Valet Operator's contract to require the failures to be corrected or shall terminate the Owner Valet Operator and select a new Owner Valet Operator which meets the standards set forth in this Agreement.

All Garage Owners shall select Owner Valet Operators in compliance with the selection criteria set forth above and applicable requirements of Washington State, City and federal law and, (which shall include the requirements of RCW 35.86A.120, so long as the Garage Owner is the City). In the event of any conflict between the selection criteria set forth above and applicable law, the provisions of applicable law shall prevail to the extent of such conflict.

6.3 Compliance With Federal Tax Guidelines. After the Leasing Date, and for so long as there are outstanding tax-exempt obligations, the proceeds of which have financed the Garage Owner's acquisition of the Parking Garage, contracts with the Parking Garage Operator and the

Owner Valet Operator shall also comply with IRS management contract rules pertaining to facilities financed with the proceeds of tax exempt obligations.

ARTICLE 7

MAINTENANCE AND OPERATION

7.1 Maintenance and Operation by Garage Owner. Except as provided in this Agreement, the Garage Owner shall cause the Parking Garage Operator to Operate the Parking Garage solely as a first-class parking garage for the parking of motor vehicles by members of the general public (including Required Long-Term Parking required by the Land Use Code of the City and valet parking) in accordance with the standards of this Agreement, the Parking Covenants, the Umbrella Agreement and the Condominium Declaration. The Garage Owner shall maintain the Parking Garage in a first-class condition and state of repair in accordance with industry standards for the operation and maintenance of multi-level parking garages located in first-class urban regional shopping centers, and including, but not limited to the items of maintenance, upkeep and operation described below. By way of example, Annex 2 contains a maintenance schedule which is consistent with industry standards for the operation of a multi-level parking garage in first-class urban regional shopping centers as of the date of this Agreement. The operation of a first-class automobile detailing service in the Parking Garage shall be permitted so long as such service is operated in a manner which is consistent with the other provisions of this Agreement and does not reduce the capacity of the Parking Garage below 1,200 motor vehicles.

7.1.1 The Parking Garage shall be operated and open for public parking on each day at least forty-five minutes (3/4 hour) before the opening of the earlier to open of the F&N Owner (or any portion thereof) or any Occupant of a portion of the Complex (or any portion thereof), and shall remain open at least until one and one half (1.5) hours after the later to close of the F&N Owner (or any portion thereof) or any Occupant of the Complex (or any portion thereof). The Garage Owner may extend the operating hours of the Parking Garage beyond the minimum hours listed above. Vehicles with Monthly Long-Term Parking Contracts or Special Use Long-Term Parking Contracts, or subcontracts under the Special Use Long-Term Parking Contracts shall have access to the Parking Garage on a 24-hour-a-day basis.

7.1.2 All sidewalks, walkways, stairways, elevators, roadways and parking surfaces inside the Parking Garage, including its entrances and exits, shall be kept and maintained in a good, safe and clean condition.

7.1.3 Snow, ice, surface water and debris shall be promptly removed if inside the Parking Garage, or its entrances and exits.

7.1.4 All graphics, traffic and directional signs and pavement and striping shall be kept clean, distinct and legible, and replaced as necessary, including restriping of parking lot markings at least once per year.

7.1.5 All public rest rooms, if any, and any other common use facilities shall be maintained and kept in a first-class and sanitary condition.

7.1.6 Adequate lighting is one of the most important safety features of the Parking Garage, and a strong maintenance program is necessary to preserve the lighting levels in the Parking Garage. Parking Garage lighting shall be repaired, replaced and renewed as may be necessary, including prompt replacement of burned out or defective bulbs or tubes with a color index of at least 65 and the implementation of a group-relamping program in accordance with the manufacturer's recommendation. Illumination levels inside the Parking Garage shall be maintained as required by the Parking Covenants.

7.1.7 The Parking Garage shall be spot painted as necessary and fully repainted at least once each seven years.

7.1.8 Ventilation equipment, traffic control equipment, lighting systems, electrical systems, sprinkler and life-safety systems and mechanical systems of the Parking Garage shall be repaired and replaced as necessary to keep them in first-class condition.

7.1.9 Signs and light fixtures shall be mechanically swept, washed with high pressure washing equipment, and routinely cleaned as necessary to keep them in first-class condition.

7.1.10 Structural maintenance, treatment of concrete as required, and repair and replacement of expansion joints shall be performed as required.

7.1.11 All areas of the Parking Garage shall be kept clean and free from graffiti, and any graffiti shall be promptly removed and the surface restored to its condition prior to the application of the graffiti.

7.1.12 Oil and other fluids shall be removed from the surfaces of the Parking Garage, including its entrances and exits on a periodic basis as reasonably necessary, and the floor of the Parking Garage shall be washed with high pressure water at least semi-annually.

7.1.13 The Parking Garage shall be operated in a manner that will minimize delays by users of the Parking Garage who are attempting to exit. Garage Owner shall utilize a "Pay-on-Foot" system, requiring customers to pay their parking fees before returning to their cars. The Pay-on-Foot cashier station shall be staffed by up to four (4) cashiers at one time (as needed to accommodate demand from users of the Parking Garage) and will be constructed and equipped by Developer in an area near the Parking Garage elevators on the Concourse level of the Systems Block Retail, as shown on the Approved Plans and Specifications. Two (2) automated pay stations ("APS Stations") will be constructed and installed by the Developer in an area located near or around the cashier booth as shown on the Approved Plans and Specifications, allowing Parking Garage users an automated payment option. The APS Stations to be constructed by the Developer shall include bill changers and accept credit cards. The cashier or APS Stations return the "paid" parking ticket to the customer encoded with a grace period with sufficient time to return to the car and exit the garage. Upon reaching the gate, the customer inserts the encoded "paid" ticket into a machine opening the gate. The average time at the gate under normal operation is expected to be less than fifteen seconds.

7.1.14 The Garage Owner shall adequately staff, or cause to be adequately staffed, cashier booth(s) during the hours of operation of the Parking Garage in order to ensure users a minimum of delay in exiting. During normal week-day operation, staffing levels should be established such that customers do not typically wait more than one (1) minute in queue to pay a cashier.

7.1.15 APS Stations shall be maintained in first-class condition, including the bill-changing and credit card options integrated into the machines. The APS Stations shall be maintained on a contract to provide for same-day repair of any breakdowns or malfunctions.

7.1.16 When the Parking Garage is first opened for business to the public, and thereafter during the first year of operation of the Parking Garage, the Parking Garage Owner shall provide a marketing and education program aimed at familiarizing the users of the Garage with the "Pay-on-Foot" payment system.

7.1.17 Public attitudes towards the Parking Garage operations are important to the success of its operation. The Garage Owner (at the Garage Owner's sole cost and expense) shall, during the first year the Parking Garage is opened to the public and every year thereafter, employ a qualified independent parking consultant to conduct a customer satisfaction survey of users and potential users of the Parking Garage. The survey shall query patrons of the Parking Garage on such areas as hours of operation, security, wait-times to pay, convenience of the valet parking service, parking rates, ingress and egress, personnel friendliness and professionalism, maintenance, etc. The results of the surveys shall be provided to the Committee.

7.2 Maintenance by Retail Owner. The Retail Owner shall provide (and, upon formation of the Condominium Association, the Developer shall cause the Condominium Association to provide) the maintenance described below in accordance with industry standards for the operation and maintenance of multi-level parking garages located in first-class urban regional shopping centers.

7.2.1 Sidewalks and other Condominium Common Area pedestrian walk areas accessing the Parking Garage shall be cleaned by hand and small machine.

7.2.2 Elevators in the Parking Garage shall be maintained in first-class condition including (1) checking elevators daily, and (2) contracting with a licensed elevator maintenance firm to maintain the elevators in first-class condition. To minimize inconvenience to users of the Parking Garage and Occupants where practicable, maintenance to the elevators within the Parking Garage, other than emergency repairs, shall be performed during hours when the F&N Owner and the Occupants of the Systems Block Retail are not open. The Retail Owner shall provide (or cause to be provided by the Condominium Association) elevator maintenance for the Parking Garage elevators, including the elevator pressurization systems and shall enter into a comprehensive preventative elevator maintenance contract with a reputable, qualified elevator maintenance company. The Retail Owner shall maintain or cause the Condominium Association to maintain the elevators in the Systems Block Retail to at least the same standards as are set forth in this section with respect to the maintenance of the elevators serving the Parking Garage. The cost of the maintenance of the elevators serving the Parking Garage shall be allocated to the

Garage Owner and the cost of maintenance of the elevators serving the Systems Block Retail shall be allocated to the Retail Owner.

7.2.3 The Retail Owner shall maintain (or cause to be maintained by the Condominium Association) the Concourse level, where the Parking Garage and the Systems Block Retail share Condominium Common Area as established in the Condominium Declaration, including the drop-off and pick-up area in first-class condition, order and repair, and in accordance with industry standards for the operation and maintenance of multi-level parking garages located in first-class urban regional shopping centers.

7.3 First-Class Maintenance. The obligations of the Garage Owner to maintain the Parking Garage in first-class condition (which are contained in the Parking Covenants and in this Parking Agreement) shall include the obligation to make capital improvements which are necessary to keep the Parking Garage a first-class parking garage, but shall not be interpreted to require the Garage Owner to make capital improvements to the Parking Garage which could not reasonably be expected to pay for themselves over the useful life of such improvements through enhancements in revenue and/or reductions of operating expenses reasonably expected to result from such improvements (when compared to the results which could be reasonably expected if the capital improvements were not made). The parties to this Agreement agree that the Garage Owner may set aside reasonable reserves for such capital improvements.

ARTICLE 8

SHOPPER'S PARKING INCENTIVE AND VALIDATION PROGRAMS

8.1 Overview. The Parties to this Agreement recognize that participation in a shopper's incentive and/or parking validation program ("Parking Validation Program") will help to relieve traffic congestion and improve traffic circulation in downtown Seattle and will help to revitalize downtown Seattle. Consistent with its intention to encourage short-term downtown retail parking, while recognizing the City's responsibility to repay its debt obligations issued to finance the acquisition of the Parking Garage, the City is committed to participation in a Parking Validation Program for the Parking Garage.

8.2 Validation Conditions. The Developer and Retail Owner shall use reasonable and diligent efforts to encourage Occupants of the Systems Block Retail and retail and entertainment Occupants of the Nordstrom Properties to participate in the Parking Validation Program operated by the Downtown Seattle Association (the "DSA") or other downtown merchants' associations that might replace the DSA. The City shall determine whether the Merchant Validation Conditions Precedent have been satisfied on the first day of the first full month which occurs on or after the first anniversary of the Leasing Date (the "Test Date"). The City shall notify the Committee whether the Merchant Validation Conditions were satisfied on the Test Date within fifteen (15) days after the Test Date, and shall provide the Committee with information supporting such determination. If the Merchant Validation Conditions Precedent have been satisfied as of the Test Date, the City hereby agrees so long as the City is the Garage Owner and so long as the Merchant Validation Conditions Precedent (as hereinafter defined) are satisfied on each successive Test Date, that the City shall match, dollar for dollar, contributions to the

Parking Validation Program made by Occupants, commencing as of a date which is no sooner than fifteen (15) days and no later than forty five (45) days after the Test Date. For example, if a customer receives a parking token, voucher, or coupon from a participating Complex merchant worth \$1.00, the City agrees to match the value of the token, coupon or voucher, by deducting an additional dollar from the published parking rate in the Parking Garage. As used herein the term "Merchant Validation Conditions Precedent" shall mean: (a) that the Occupant of the retail store on the F&N Property participates in the Parking Validation Program; (b) Occupants (including the Occupant of the retail store on the F&N Property) occupying at least sixty percent (60%) of the then open and operating retail and entertainment square footage in the Complex are participating in the Parking Validation Program; and (c) the Parking Garage Net Revenue exceeds Parking Garage Debt Service for the twelve (12) month period ending on the day prior to the Test Date. The determination of whether or not the Merchant Validation Conditions Precedent have been satisfied shall be made as of the anniversary of the Test Date. If such determination indicates that any change in the Parking Validation Program is necessary, the City shall provide thirty (30) days notice of such change to the Committee, and the change shall be implemented by the City as of the date which is forty-five (45) days after such anniversary. The Retail Owner shall obtain from the F&N Owner and the Occupants of the Nordstrom Properties the information required pursuant to Section 8.2(b) above and shall provide such information to the City within five (5) days after each Test Date.

ARTICLE 9

PARKING RATES

9.1 Introduction. One of the primary reasons for the City's involvement in the Parking Garage is to provide additional, convenient, short-term parking in downtown Seattle. The City is committed to operating the Parking Garage, including the setting of parking rates, so as to encourage short-term parking downtown, consistent with the City's financial responsibilities to meet all costs associated with the Parking Garage. In addition, the City also recognizes the importance of activity in downtown Seattle during evenings and on weekends for public safety and other public purposes, and is committed to encouraging evening and week-end parking to stimulate public activity in the downtown area. Parking rates shall be established pursuant to this Article 9 in a manner which is consistent with the goal of encouraging short-term parking in downtown Seattle. The provisions of Sections 9.1.1 through 9.1.5 are applicable to all of this Article 9.

9.1.1 Implementation Date. Several of the restrictions on Parking Rates outlined in Section 9.3 are based on the financial performance of the Garage in the prior year. The Parties recognize that a period of time will be required to determine the actual financial performance of the Garage for the prior year. In these cases, rate changes will be implemented by the Garage Owner no sooner than thirty (30) days following the completion of final unaudited financial statements showing the Parking Garage's Net Revenue after Debt Service for the previous operating year, and such rate changes shall remain in effect until further changed pursuant to this Article 9. The Garage Owner shall provide the Committee with thirty (30) days notice, together with supporting financial information relating to any rate change, prior to

implementing any rate changes that are related to the prior year's financial performance of the Parking Garage.

9.1.2 Notice Period for Other Rate Changes. Except as provided for in Section 9.1.1, the Garage Owner shall provide the Committee with sixty (60) days notice prior to any other rate increase imposed by the Garage Owner, together with supporting financial information relating to such rate change.

9.1.3 Rate Reductions. Nothing in this Agreement shall limit the ability of the Garage Owner to reduce parking rates at any time.

9.1.4 Rate Roundoffs. Notwithstanding any limitations in this Agreement, the Garage Owner may round off rates to the nearest Twenty-Five Cents (\$0.25) in order to simplify collection.

9.1.5 Rate Uniformity. All parking rates for the Parking Garage shall be uniform and generally applicable within the same category of customers.

9.2 Parking Rates Prior to Leasing Date. Before the Leasing Date, the Garage Owner shall set parking rates and charges for the Parking Garage to encourage short-term parking. Unless the Parking Garage is at Daytime Full Capacity or Evening Full Capacity, such rates shall not exceed those rates attached as Schedule A to this Agreement. If the Parking Garage is at Daytime Full Capacity, the Garage Owner may raise daytime parking rates at its discretion. If the Parking Garage is at Evening Full Capacity, the Garage Owner may raise evening parking rates at its discretion.

9.3 Parking Rates After the Leasing Date. After the Leasing Date, the Garage Owner shall have full authority to set parking rates subject only to the limitations expressly identified in this Agreement. In general, the Garage Owner shall set parking rates for the Parking Garage in the absence of other factors, so as to encourage short-term parking and use of the Parking Garage. The Garage Owner shall not raise parking rates if it appears probable that such an increase would result in lower revenue and significantly fewer cars parking in the Parking Garage. Rates for daytime, evening, weekend and Owner Valet Parking will be established in compliance with the requirements of Sections 9.3.1 and 9.3.2. Rates for Required Long-Term Parking will be established in compliance with the requirements of Section 9.3.3. Wholesale Valet charges for Special Use Valet parking will be established in compliance with the requirements of Section 9.3.4. As used in this Section 9.3, the term "First Lease Year" shall mean the period commencing on the Leasing Date and ending on the date twelve (12) full calendar months thereafter, the term "Second Lease Year" shall mean the period commencing on the first day following the last day of the First Lease Year and ending on the day that is twelve (12) full calendar months thereafter and the term "Third Lease Year" shall mean the period commencing the first day following the last day of the Second Lease Year and ending on the day that is twelve (12) full calendar months thereafter.

9.3.1 Parking Rates if Parking Garage not Full. Unless the Parking Garage is at Daytime Full Capacity or Evening Full Capacity, daytime, evening, weekend, and Owner

Valet parking rates shall be established as follows and shall be implemented as described in Section 9.1.1.

9.3.1.1 Parking Rates for the First Lease Year. For the First Lease Year rates shall not exceed those shown on Schedule B plus an adjustment to reflect changes in the Index between the Beginning Index and the Index published most recently prior to the earlier to occur of the Leasing Date or the date that the City locks-in the rate of interest that will be charged on the financing of the acquisition of the Parking Garage by the City.

9.3.1.2 Parking Rates for the Second Lease Year. For the Second Lease Year, parking rates will depend on the financial performance of the Parking Garage during the First Lease Year. If the Parking Garage Net Revenue after Debt Service for the First Lease Year shows a loss of One Hundred Thousand Dollars (\$100,000) or more, the Garage Owner may set parking rates at its discretion. Except as provided in Section 9.3.2 hereof, if the Parking Garage Net Revenue after Debt Service for the First Lease Year shows a profit or shows a loss of less than One Hundred Thousand Dollars (\$100,000), the Garage Owner shall set rates such that daytime (daily and weekend) parking charges do not exceed eighty percent (80%) of market rates, evening parking charges do not exceed fifty percent (50%) of market rates, and Owner Valet charges do not exceed one hundred percent (100%) of market rates. Notwithstanding the foregoing, in no case will Garage Owner be required to reduce rates below those actually charged during the First Lease Year.

9.3.1.3 Parking Rates for the Third Lease Year. For the Third Lease Year, parking rates will depend on the financial performance of the Parking Garage during the Second Lease Year. If the Parking Garage Net Revenue after Debt Service for the Second Lease Year shows a loss of Three Hundred Eighty-Five Thousand Dollars (\$385,000) or more, the Garage Owner may set parking rates at its discretion. Except as provided in Section 9.3.2 hereof, if the Parking Garage Net Revenue after Debt Service for the Second Lease Year shows a profit or shows a loss of less than Three Hundred Eighty-Five Thousand Dollars (\$385,000), the Garage Owner shall set rates such that daytime (daily and weekend) parking charges do not exceed eighty percent (80%) of market rates, evening parking charges do not exceed fifty percent (50%) of market rates, and Owner Valet charges do not exceed one hundred percent (100%) of market rates. Notwithstanding the foregoing, in no case will the Garage Owner be required to reduce rates below the rates actually charged during the First Lease Year.

9.3.1.4 Parking Rates For Subsequent Years. For each year following the Third Lease Year, parking rates will depend on the financial performance of the Parking Garage during the previous Lease Year. If the Parking Garage Net Revenue after Debt Service for the previous year is zero or is a loss of any amount, the Garage Owner may set parking rates at its discretion, consistent with a commitment to encourage short-term parking in and use of the Parking Garage. Except as provided in Section 9.3.2 hereof, if the Parking Garage Net Revenue after Debt Service for the previous year shows a profit, the Garage Owner shall set rates such that daytime (daily and weekend) parking charges do not exceed eighty percent (80%) of market rates, evening parking charges do not exceed eighty (80%) of market rates, and Owner Valet charges do not exceed one hundred percent (100%) of market rates. Notwithstanding the foregoing, in no case will Owner be required to reduce rates below those

charged during the First Lease Year. If the City ceases to be the Garage Owner, and subject to Section 9.3.2, daytime (daily and weekend) parking charges shall not exceed eighty percent (80%) of market rates, evening parking charges shall not exceed eighty (80%) of market rates, and Owner Valet charges shall not exceed one hundred percent (100%) of market rates.

9.3.2 Parking Rates if the Parking Garage is Full. Notwithstanding any other provision of this Agreement to the contrary, if during any year after the Leasing Date, the Parking Garage is operating at Daytime Full Capacity, the Garage Owner may henceforth set daytime (daily and weekend) rates and Owner Valet parking rates at any level, provided that the Garage Owner reasonably expects that the new rates will not cause the Parking Garage to operate more than seven percent (7%) below Daytime Full Capacity during the subsequent twelve (12) months. If during any year after the Leasing Date, the Parking Garage is operating at Evening Full Capacity, the Garage Owner may henceforth set evening parking rates at any level, provided that the Garage Owner reasonably expects that the new rates will not cause the Parking Garage to operate more than seven percent (7%) below Evening Full Capacity during the following twelve (12) months.

9.3.3 Required Long-Term Parking Rates. The Garage Owner shall set rates for Required Long-Term Parking, including Monthly Long-Term Parking Contracts and Special Use Long-Term Parking Contracts. These rates shall not exceed one hundred percent (100%) of average market rates for similar parking in the Seattle downtown core.

9.3.4 Special Use Valet Rates. The Garage Owner shall set charges for providing the Special Use Valet Parking spaces called for in this Agreement, which shall be known as "Wholesale Valet Charges." Wholesale Valet Charges shall be expressed as a cost per stall per day. The Garage Owner may raise Wholesale Valet Charges from time to time, to a rate per stall per day which shall not exceed to the sum of (i) the annual debt service on the Parking Garage plus (ii) the other fixed costs of maintaining and operating the Parking Garage, divided by the product of (a) 1,200 times (b) (365) (but in setting such Wholesale Valet Charges, the Garage Owner shall consider, among other factors, the impact that such charges will have upon the use of the Parking Garage). The actual fixed costs of maintaining and operating the Parking Garage for the prior twelve month period, shall be used for purposes of establishing the fixed costs of maintaining and operating the Parking Garage. Prior to the Leasing Date, Wholesale Valet Charges shall not exceed market rates for wholesale valet parking stalls in downtown Seattle.

ARTICLE 10

VALET PARKING

10.1 Introduction. The Garage Owner shall provide space to valet park 240 cars in the Parking Garage in the areas designated on the Approved Plans and Specifications. All designated valet sections located in the highest elevation of the Parking Garage shall be used before valet sections in lower elevations of the Parking Garage.

10.2 Owner Valet Service. The Garage Owner shall offer valet parking on a first-come first-served basis to the general public (the "Owner Valet Service") through the Owner Valet Operator selected by the Garage Owner pursuant to the selection criteria set forth in Section 6.2. Such valet service shall be located at the Concourse valet drop-off and pick-up locations designated on the Approved Plans and Specifications, and on the block immediately to the west of the Parking Garage. The incremental cost of providing the more than one valet location on the block to the West of the Parking Garage shall be charged solely to the F&N Owner. The Garage Owner shall accept towards payment of the valet parking charge, parking validation tokens, coupons, vouchers or other credits being offered through the Parking Validation Program. Valet parking demand relating to the Owner Valet Service shall be monitored by the Owner Valet Operator such that designated Owner Valet Service valet spaces not in use by valet customers shall, where practicable, be released for short-term, self-parking customers.

10.3 Special Use Valet Parking. Notwithstanding anything to the contrary in this Agreement and subject to the "special use" restrictions listed in Article 4 hereof, the Garage Owner shall, upon the request of either Retail Owner or the F&N Owner, lease to the Retail Owner and/or the F&N Owner for operation by a valet parking operator selected by the Retail Owner and/or the F&N Owner (as the case may be) a portion of the valet areas designated on the Approved Plans and Specifications to be used by or on behalf of the Retail Owner and/or the F&N Owner for valet parking for their respective customers ("Special Use Valet Parking"). Such valet parking services, shall comply with the following conditions:

10.3.1 Number of Spaces Allocated to Special Use Valet Parking. The total number of spaces to be available to or on behalf of Retail Owner and/or the F&N Owner for Special Use Valet Parking shall not exceed 60 and shall in any case be subject to the restriction set forth in Section 4.2 above.

10.3.2 Location of Special Use Valet Parking. Retail Owner and/or the Occupant of the F&N Building shall agree in advance to lease specific valet blocks by section or partial section where a logical break occurs. Valet blocks located in the highest elevation in the Parking Garage shall be rented before blocks in lower elevations. In addition, the location of the Special Use Valet Parking pick-up areas which are to be located within the Systems Block and the location and size of the areas within the Parking Garage to be used for such valet parking services shall be limited to the specific locations therefor as shown on the Approved Plans and Specifications.

10.3.3 Term of Special Use Valet Parking Leases. Special Use Valet Parking spaces shall be rented for a term of thirty (30) days or more with the right to renew such monthly lease on five days written notice to the Garage Owner.

10.3.4 Valet Parking Rates. Valet parking rates charged to valet parking patrons by Occupants of the Complex who utilize the Special Use Valet Parking Spaces, may be set at the discretion of the Retail Owner or the F&N Owner (as the case may be) utilizing the Special Use Valet Parking Spaces, except that such rates shall not be lower than the valet parking rates charged by the Owner Valet Operator.

10.3.5 Indemnification and Insurance. The operator operating the Special Use Valet Parking (the "Special Use Valet Parking Operator") shall (i) defend, indemnify and hold harmless the Garage Owner from and against all claims and all costs, expenses and liabilities (including reasonable attorneys' fees) incurred in connection with the operation of the Special Use Valet Parking, (ii) carry contractual liability insurance in an amount at least equal to Ten Million Dollars (\$10,000,000.00) covering its obligations pursuant to subsection (i) above naming the Garage Owner as an additional insured, and (iii) carry comprehensive general liability insurance, including an automobile liability endorsement in an amount of at least equal to Ten Million Dollars (\$10,000,000.00) naming the Garage Owner as an additional insured. The minimum insurance coverage amounts set forth above shall be subject to review by the Parties on the fifth anniversary of the Garage Opening Date, and on each subsequent fifth anniversary during the term of this Agreement in order to determine the adequacy of such amounts in light of the then existing circumstances.

ARTICLE 11

REPORTS

11.1 Reports. The Garage Owner shall, within forty-five (45) days after each anniversary of the Leasing Date, deliver to the Committee annual financial reports with respect to the Parking Garage, in such detail as is reasonably required to provide the Parties to this Agreement information necessary to determine Gross Receipts, Net Revenue, Operating Expenses, Parking Garage Debt Service and the profit or loss earned or incurred by the Garage Owner from the operation of the Parking Garage during the preceding twelve month period and to establish the fixed and variable costs of operating the Parking Garage. Such report shall be certified by the chief financial officer of the Garage Owner. In addition, the Garage Owner shall deliver to the Committee all reports received by the Garage Owner from the Parking Garage Operator and the Owner Valet Operator promptly following their receipt by the Garage Owner.

ARTICLE 12

DEFAULTS AND REMEDIES

12.1 Failure of Performance - Cure by Condominium Association.

(a) If any Party to this Agreement or the Parking Garage Operator shall fail or neglect to perform any act or thing herein required to be performed by it hereunder pursuant to Article 3 or Sections 7.1.2 through 7.1.12, Section 7.1.15, Section 7.2, Annex 2, or other failures by such Person to perform physical maintenance of the Parking Garage in accordance with Section 7.1, and such failure shall continue for a period of thirty (30) days following notice from a Party to this Agreement or the Condominium Association specifying the act or thing to be performed and the Party is not in good faith diligently working to cure any such default, then the Condominium Association may (but shall not be required to) perform or pay the same, and the defaulting Party on demand, shall reimburse the Condominium Association for the cost thereof within forty-five (45) days after written demand therefor.

(b) If the Condominium Association or its representatives shall reasonably deem that an emergency is occurring or has occurred so that a failure to perform an obligation hereunder requires immediate curing, then only such notice as is hereinafter provided shall be required, and the Condominium Association may act promptly and take such action as is necessary to cure the alleged default. In performing any action pursuant to this Section, the Condominium Association shall act with reasonable promptness, shall make a reasonable attempt to notify the defaulting Party or its representative as soon as reasonably possible, and shall give notice to all other Parties of such cure of the alleged default. Such notice, notwithstanding any other provision of this Agreement, need not be in writing if the giving of a written notice would not be reasonably possible under the circumstances, so long as such notice is given to a responsible official of each of the other Parties. Telephonic notice shall be followed by written confirmation as soon as reasonably possible.

(c) If the Condominium Association commences to cure an alleged default, it shall prosecute any work performed by it under this Section diligently to completion.

(d) Garage Owner and Retail Owner shall cause the Condominium Declaration to provide for the right of the Condominium Association to exercise the remedies described in this Section 12.1, and such provisions of the Condominium Declaration shall not be amended without the prior written consent of the Parties to this Agreement.

12.2 Remedies. Each of the Parties shall have the right, in the event of an uncured failure or neglect by another Party to this Agreement to perform such Party's covenants and obligations under this Agreement, subject to the expiration of all cure rights provided for in Section 12.1, to exercise any or all rights and remedies available to it in law or equity including, without limitation, a suit for damages or the institution of proceedings for specific performance, and an injunction to compel such Party to observe or perform its covenants and obligations hereunder.

ARTICLE 13

MISCELLANEOUS

13.1 Amendments. This Agreement is the operating guide for the Parking Garage. As the project matures and as conditions change in and around the Complex, this Agreement may be modified or amended by written amendment signed by the Garage Owner, the Retail Owner, the F&N Owner, and, prior to the Leasing Date, the City.

13.2 Notices. Each notice, demand, request, consent, approval, disapproval, designation or other communication (all of the foregoing are herein referred to as a "Notice") that a Party gives to any other Party shall be in writing and shall be given or made or communicated by (i) United States Mail registered or certified mail, postage prepaid, return receipt requested, (ii) any nationally recognized overnight carrier or express mail service (such as Airborne, Federal Express, or DHL) which provides receipts to indicate delivery, or (iii) by facsimile transmission followed by hard copy or by overnight courier service in all cases addressed as follows:

addressed to PSD at:

Pine Street Development L.L.C.
 520 Pike Tower, Suite 2200
 Seattle, Washington 98101
 Attention: Matt Griffin
 Fax: 206 340-9201

with a copy to:

Preston Gates & Ellis
 5000 Columbia Center
 701 Fifth Avenue
 Seattle, Washington 98104-7078
 Attention: B. Gerald Johnson
 Fax: 206 623-7022

with a copy to:

Kennedy Associates Real Estate Counsel, Inc.
 1215 Fourth Avenue, Suite 2400
 Seattle, Washington 98161
 Attention: John Parker
 Fax: 206 682-4769

with a copy to:

McNaul Ebel Nawrot Helgren & Vance
 27th Floor, One Union Square
 600 University Street
 Seattle, Washington 98101-3143
 Attn: Louis F. Nawrot, Jr.
 Fax: 206 624-5128

addressed to CDP at:

Community Development Properties, King County II, Inc.
 1932 1st Avenue, Suite 800
 Seattle, Washington 98101
 Attn: John Fiske, Director
 Fax: 206 448-5246

with a copy to:

Hillis, Clark, Martin & Peterson
1221 Second Avenue, Suite 500
Seattle, Washington 98101-2925
Attn: Michael F. Schumacher
Fax: 206 623-7789

addressed to Nordstrom at:

Nordstrom, Inc.
1501 Fifth Avenue
Seattle, Washington 98101
Attention: Real Estate Notices
Fax: 206 223-1776

addressed to the City at:

The City of Seattle
600 Fourth Avenue, Suite 102
Seattle, Washington 98104
Attention: Director of Finance
Fax: 206 684-8286

with a copy to:

Office of the City Attorney
600 Fourth Avenue, 10th Floor
Seattle, Washington 98104
Attention: Arlene Ragozin
Fax: 206-684 8284

subject to the right of a Party to designate a different address by Notice similarly given at least ten (10) days in advance. Unless specifically stated to the contrary elsewhere in this Agreement, any Notice shall be deemed to have been given, made or communicated as the case may be, on the date the same was delivered or delivery was attempted.

13.3 Excuses for Nonperformance. Notwithstanding anything contained in this Agreement, any delay in the performance of any obligation under this Agreement shall be excused, if and so long as the performance of the obligation is prevented, delayed or otherwise hindered by acts of God, fire, earthquake, floods, explosion, actions of the elements, war, riots, mob violence, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, court orders, operation of law, orders of governmental or military authorities, or any other cause, whether similar or dissimilar to the foregoing, not within the control of such Party (other than

lack of or inability to procure monies to fulfill its commitments and obligations under this Agreement).

13.4 References to Articles, Sections, Subsections. All references herein to a given Article, Section, Subsection, Paragraph or Subparagraph refer to the Article, Section, Subsection, Paragraph or Subparagraph of this Agreement.

13.5 Captions. The captions of this Agreement are inserted only as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of this Agreement, and they shall not affect the interpretation hereof.

13.6 Locative Adverbs. The locative adverbs "herein", "hereunder", "hereto", "hereby", "hereinafter", and like words wherever the same appear herein, mean and refer to this Agreement in its entirety and not to any specific Article, Section, Subsection, Paragraph or Subparagraph hereof.

13.7 Agreement for Exclusive Benefit of Parties. Except as specifically set forth herein, the provisions of this Agreement are for the exclusive benefit of the Garage Owner, the Retail Owner, the F&N Owner, and, until the Leasing Date, the City and not for the benefit of any third Person. This Agreement shall not be deemed to have conferred any rights upon any third Person.

13.8 Waiver of Default. A waiver of any default by a Party must be in writing and no such waiver shall be implied from any omission by a Party to take any action in respect of such default. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any provision of this Agreement shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other term or provision contained herein. The consent or approval by a Party to, or of any act or request by, another Party requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts or requests.

13.9 No Partnership, Joint Venture or Principal-Agent Relationship. Neither anything in this Agreement nor any acts of the Parties shall be deemed by the Parties, or by any third Person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between the Parties, and no provisions of this Agreement are intended to create or constitute any Person a third party beneficiary hereof.

13.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Garage Owner, the Retail Owner, the F&N Owner, and, until the Leasing Date, the City, and not for the benefit of any third Person. Upon conveyance by a Party of its interest in its respective Parcel, the new Party with respect to such Parcel shall become bound by and entitled to the benefits of these Covenants, and the former owner shall be released from its unaccrued obligations hereunder. Notwithstanding the foregoing, as the co-tenant with CDP in the Systems Block, PSD covenants to the other Parties to this Agreement that in the event CDP fails to

perform any obligations of CDP as Garage Owner, or sustain any representation or warranty made by CDP to the other Parties, as set forth in this Agreement, whether made by CDP alone or as a tenant in common with PSD. PSD shall cure or shall cause the cure of such failure and shall be liable therefor. Upon transfer of the Parking Garage to the City, both PSD and CDP will be released from their unaccrued liabilities and obligations with respect to the Parking Garage. This section is not intended to override the provisions of Article 13 of the REA with respect to the obligations and liabilities of PSD relating to the Systems Block Retail.

13.11 Severability. If any provision of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement (or the application of such provision to Persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of this Agreement, unless specifically conditioned upon such invalid or unenforceable provision, shall be valid and enforceable to the fullest extent permitted by law.

13.12 Governing Law and Venue. This Agreement shall be construed and governed in accordance with Washington law. Venue shall be in the Superior Court of the State of Washington, in and for King County.

13.13 Counterparts. This Agreement may be signed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same instrument. The signature of a Party to any counterpart may be removed and attached to any other counterpart. Any counterpart to which is attached the signatures of all Parties shall constitute an original of this Agreement.

13.14 Time Periods. Whenever a time period is specified in this Agreement for the performance of some action or requirement or for the giving of a notice, by stating that such action is to be taken within a specified period of time after, from, following, or of some other event or date, such action, requirement or notice may be performed or given at any time within such time period up to and including the last day of the time period specified. For example, if an action must be taken "within thirty (30) days after" a specified event, such action may be taken at any time up to and including thirty days after the specified event. All periods of time referred to herein shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day, which is not a Saturday, Sunday or state or national holiday.

13.15 Reasonableness. Whenever the members of the Committee or any other Party to this Agreement is requested to consent to any matter with respect to which its consent is required by this Agreement, such consent shall be given in writing, and shall not (except as otherwise provided in this Agreement) be unreasonably withheld.

13.16 Integration. This Agreement set forth the entire agreement among the Parties and there are no covenants, promises, agreements, conditions or understandings, either oral or written between them relating to the subject matter of this Agreement other than as set forth

herein, in the Parking Covenants, the REA, the Condominium Declaration or in the Umbrella Agreement.

13.16 Interpretation. This Agreement contains specific language regarding standards of performance as well as general language which is intended to aid in the interpretation of the specific language in situations in which the specific language may not clearly apply or in which there is doubt as to the interpretation of the specific language. The specific language of this Agreement shall prevail over the general language except where the interpretation of the specific language is in question or where specific language does not obviously apply to a particular situation.

13.17 1996 Dollars. Dollar amounts which are expressed in this Agreement as being in 1996 Dollars shall be subject to being increased by the percentage of increase, if any, in the Adjustment Index over the Beginning Index. The "Index" is the United States, Bureau of Labor Statistics Consumer Price Index for All Items - All Urban Consumers, Seattle-Everett (base year 1982-84 = 100). The Index published nearest to June 30, 1996 shall be the "Beginning Index." The Index published nearest to January 1 in the year in which the indexed dollar amount is being calculated shall be the "Adjustment Index." If the Index has changed so that the base year differs from that used in this Section, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, to the 1982-84 base. If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

"DEVELOPER"
PINE STREET DEVELOPMENT L.L.C.,
a Washington limited liability
company

By: RGHK SEATTLE L.L.C., a Washington
limited liability company, Manager

By: [Signature]
Name: Matthew J. Griffin
Title: CO-MANAGER

COMMUNITY DEVELOPMENT PROPERTIES,
KING COUNTY II, INC.,
a Delaware non-profit corporation

By: [Signature]
Name: John Fink
Title: PRESIDENT

"NORDSTROM"

NORDSTROM, INC., a Washington
corporation

By: [Signature]
Name: David L. Mackie
Title: Vice President, Real Estate

"CITY"

THE CITY OF SEATTLE, a first class city of
the State of Washington

By: [Signature]
Name: Norman B. Rice
Title: Mayor

SCHEDULE A

Developer Parking Rates Pro Forma

Initial rates for parking shall not exceed the following:

Before 5:00 PM. Weekdays

0 to 1 hour	\$2.00
1 to 2 hours	\$3.50
2 to 3 hours	\$4.50
3 to 4 hours	\$6.00

Each hour after 4 hours: \$2.00

After 5:00 PM daily (up to 4 hours): \$1.00

Saturday/Sunday daytime Maximum (up to 4 hours): \$3.00

Each additional hour after four hours on evenings and weekends: \$2.00

Daily Valet Rates: \$7.50 for first 4 hours

Evening Valet Rates: \$5.50 for first 4 hours

Each additional valet hour: \$2.00

SCHEDULE B

Parking rates shall not exceed the following, except that rates below will be subject to increases in the Index as described in Section 9.3.1.1:

Before 5:00 PM, Monday through Saturday

0 to 1 hour	\$2.25
1 to 2 hours	\$4.00
2 to 3 hours	\$5.00
3 to 4 hours	\$6.50

Each hour after 4 hours: \$2.00

After 5:00 PM daily (up to 4 hours): \$2.00

Sunday daytime rate (up to 4 hours): \$4.00

Each additional hour after four hours on evenings and Sundays: \$2.00

Daily Valet Rates: \$8.00 for first 4 hours

Evening Valet Rates: \$6.00 for first 4 hours

Each additional valet hour: \$2.00

ANNEX 1

DEFINITIONS

Affiliate means any Person that directly or indirectly controls, or is under common control with or is controlled by, another Person. As used in this definition, "control", "controlled by" and "under common control with" shall mean the possession, directly or indirectly, of power to direct or cause the direction or the management or policies of a Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). Notwithstanding the foregoing definition of "Affiliate" shall not encompass any individual solely by reason of his or her being a director, member or employee of a Person or any individual having a membership interest in another Person.

Americans With Disabilities Act means the Americans With Disabilities Act of 1990, 42 U.S.C. Section 12101, et seq., as amended from time to time.

Approved Plans and Specifications means the final plans, drawings and specifications for the Parking Garage prepared by the Architect and approved by the City in accordance with the Umbrella Agreement and by Nordstrom in accordance with the REA.

APS Stations means one or more automated pay stations to be constructed by the Developer in an area located near or around the cashier booth as shown on the Approved Plans and Specifications, allowing Parking Garage users an automated payment option.

Architect means NBBJ, Inc. and Elkus Manfredi, Inc. in connection with construction of the Condominium, including the Parking Garage.

City means The City of Seattle, a first-class city of the State of Washington.

Complex means a three block redevelopment project in downtown Seattle consisting of the redeveloped Nordstrom Properties, the Systems Block Property and the F&N Property together with all buildings and other improvements constructed at any time thereon.

Complex Properties means the F&N Property, the Systems Block Property and the Nordstrom Properties.

Concourse means the floor in the Systems Block Retail labeled as the concourse level on the Approved Plans and Specification.

Condominium means a condominium to be created under the Declaration and the Survey Map and Plans.

Condominium Common Area means all portions of the Condominium other than Units and the Limited Common Elements as will be set forth in the Declaration.

Daytime Full Capacity means that 98% of the self-park spaces in the Parking Garage are occupied for more than one hour between the hours of 9:00 a.m. and 5:00 p.m. on seven days during any thirty (30) day period other than (i) the period from Thanksgiving through the end of December, or (ii) during regularly scheduled event sales for the F&N Owner, presently known as the Men's Half-Yearly Sale, Women and Children's Half-Yearly Sale and Anniversary Sale, or (iii) during up to three (3) additional special events of not more than one week duration each in the Complex, or (iv) during special events for which the City closes Pine Street between Fourth and Fifth Avenues.

Declaration means the declaration of the Condominium of the Systems Block to be formed which will divide the Systems Block into the Systems Block Retail and the Parking Garage.

Developer means Pine Street Development, L.L.C., a Washington limited liability company and Community Development Properties, King County II, Inc., a Delaware non-profit corporation ("CDP"), as co-tenants, and their successors and assigns.

DSA means the Downtown Seattle Association, or other downtown Seattle merchants' association that may exist from time to time.

Evening Full Capacity means that 98% of the self-park spaces in the Parking Garage are occupied for more than one hour between the hours of 5:00 p.m. and 11:00 p.m. on seven days during any thirty (30) day period other than (i) the period from Thanksgiving through the end of December, or (ii) during regularly scheduled event sales for the F&N Owner, presently known as the Men's Half-Yearly Sale, Women and Children's Half-Yearly Sale and Anniversary Sale, or (iii) during up to three (3) additional special events of not more than one week duration each in the Complex, or (iv) during special events for which the City closes Pine Street between Fourth and Fifth Avenues.

F&N Owner means the owner of the F&N Property. If the ownership of the F&N Property is held by a nominee, or trustee for security purposes, a sale-leaseback lessor, or other Person whose interest does not entitle such Person to possession or use of the F&N Property, such Person shall not be the F&N Owner, and the Person who is entitled to the possession or use of the F&N Property shall be considered to be the F&N Owner. For purposes of this definition, the tenants of space leases in the F&N Property shall not be considered to be the F&N Owner, and the landlord of the space leases shall be the F&N Owner.

F&N Property means land and improvements commonly known as the Frederick & Nelson Building located west of Pine Street between Fifth and Sixth Avenues in downtown Seattle.

Garage or Parking Garage means a parking garage containing five levels of structured below-grade parking with a minimum capacity of twelve hundred (1200) multi-passenger motor vehicles, including 240 of which may be valet-parked. The Parking Garage will be one of the two Units in the Condominium and is also referred to in this Agreement as the Parking Garage Unit.

Garage Owner means the owner of the Parking Garage or the Parking Garage Unit of the Condominium, whether such owner is Developer, an Affiliate of the Developer, CDP, the City, or any other Person who owns the Parking Garage, but does not include a bond trustee or any other Person who has an interest in the Parking Garage solely as security for an obligation. When the Condominium is formed, CDP shall then become the Garage Owner, but until CDP conveys the Parking Garage to the City, CDP and PSD shall remain liable for the obligations of the Garage Owner and the Developer under this Agreement. If the ownership of the Parking Garage is held by a nominee, or trustee for security purposes, a sale-leaseback lessor, or other party whose interest does not entitle such party to possession or use of the Parking Garage, such Person shall not be the Garage Owner, and the Person who is entitled to the possession or use of the Parking Garage shall be considered to be the Garage Owner.

Gross Receipts means, for the period of time in question, the entire gross receipts of City from operation of the Parking Garage (exclusive of retail sales and other taxes, if any, related to the parking of vehicles and collected by City for which City is directly accountable to the taxing authorities) from parking fees and all services, including, but not limited to valet parking, rendered in or from the Parking Garage. All cash sales, validated ticket sales for customers of the Complex, credit card sales and insurance receipts from claims which have been previously paid shall be included in Gross Receipts in the month of payment, validation, sale or receipt, as applicable.

Index means the United States, Bureau of Labor Statistics Consumer Price Index for All Items - All Urban Consumers, Seattle-Everett (base year 1982-84 = 100). The Index published nearest to June 30, 1996 shall be the "Beginning Index." The Index published nearest to January 1 in the year in which the indexed dollar amount is being calculated shall be the "Adjustment Index." If the Index has changed so that the base year differs from that used in this Section, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, to the 1982-84 base. If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

Initial Term means a term commencing upon the date the Developer or its successors or assigns purchases the Systems Block and continuing until forty (40) years after the Leasing Date.

Lease means that certain Lease Purchase Agreement entered into by and among CDP as the initial landlord, a bond trustee as successor landlord and City as tenant pursuant to the provisions of Sections 5, 8, 11, 13 and 14 of the Umbrella Agreement.

Leasing Date means the date on which CDP transfers ownership of the Parking Garage to the City or its designee pursuant to the provisions of the Umbrella Agreement.

Limited Common Element means a portion of the Condominium referred to in the Declaration other than the Units or the Condominium Common Area which is made available for the exclusive use of one but less than both Units.

Market Rates means the average of all published hourly parking fees charged by operators of retail garages in the downtown Seattle retail core.

Master Use Permit means the master use permit issued by the City of Seattle December 21, 1995 in connection with application number 9405828, as amended from time to time.

Merchant Validation Conditions Precedent shall mean: (a) that the Occupant of the retail store on the F&N Property participates in the Parking Validation Program; (b) Occupants (including the Occupant of the retail store on the F&N Property) occupying at least sixty percent (60%) of the then open and operating retail and entertainment square footage in the Complex are participating in the Parking Validation Program; and (c) the Parking Garage Net Revenue exceeds Parking Garage Debt Service for the twelve (12) month period ending on the day prior to the Test Date.

Monthly Long-Term Parking Contracts means contracts between the Garage Owner and members of the general public (who may be Occupants or individuals who work for Occupants) for Required Long-Term Parking for a term of thirty days or less.

Net Revenue means for any period of time Gross Receipts less Operating Expenses.

Nordstrom means Nordstrom, Inc., a Washington corporation, or its successors or assigns under the REA.

Nordstrom Properties means Nordstrom's fee and leasehold interests in the buildings comprising the present Nordstrom Store in downtown Seattle and the Seaboard Building which are located between Pike and Pine Streets and Fourth and Fifth Avenue in downtown Seattle.

Notice means each notice, demand, request, consent, approval, disapproval, designation or other communication that a Party gives to any other Party in accordance with Section 13.2.

Occupant means the F&N Owner, the Garage Owner, the Retail Owner and any other Person entitled by lease, license or otherwise to use and occupy any portion of the Complex, including the Parking Garage (but not including users of the Parking Garage), or one or more of them, or their officers or employees as the context may require.

Owner Valet Service refers to the valet parking service offered by the Garage Owner on a first-come first-served basis to the general public through the Owner Valet Operator selected by the Garage Owner pursuant to the selection criteria set forth in Section 6.2. Such valet service shall be located at the Concourse valet drop-off and pick-up locations designated on the Approved Plans and Specifications, and on the block immediately to the west of the Parking Garage.

"Operate" or "Operating" or "Operation" means: (a) with respect to the store of the F&N Owner, that such is open to the general public for business for retail purposes during its business hours except while it is not so open for business by reason of damage or destruction, the events described in Section 13.3, or while temporarily not so open for business by reason

of repairs, remodeling or reconstruction (subject to the provisions of the REA) or by reason of such reasonable interruptions as may be incidental to the conduct of business; (b) with respect to the retail stores and entertainment facilities within the Systems Block, that retail stores and/or entertainment facilities therein are open to the general public for retail business during business hours which are normal for the Complex, except while any are not so open for business by reason of damage or destruction, the events described in Section 13.3, or while temporarily not so open for business by reason of repairs, remodeling or reconstruction (subject to the provisions of the REA), or by reason of such reasonable interruptions as may be incidental to the conduct of business; and (c) with respect to the Parking Garage, that the Parking Garage is available for the parking of vehicles and is being operated and maintained in accordance with the terms of the Parking Covenants and this Agreement, except while it is not so open for business by reason of damage or destruction, the events described in Section 13.3, or while temporarily not so open for business by reason of repairs, remodeling or reconstruction (subject to the provisions of Section 2.11 of the Parking Covenants), or by reason of such reasonable interruptions as may be incidental to the conduct of business. The terms of this Section are merely definitional, and shall not be deemed to create independent covenants for any of the Parties.

Operating Expenses means all costs, fees and expenses paid or incurred by City and directly related to the City's interest in, and operation and maintenance of, the Parking Garage whether such expenses are paid directly by City or are the responsibility of City under the Lease, including, without limitation:

- (a) all utilities;
- (b) all reasonable and necessary expenses of maintaining or repairing the Parking Garage in or to the condition required under this Agreement, plus reasonable reserves, including depreciation or amortization of capital expenditures made subsequent to the Leasing Date either required by governmental ordinances, laws or regulations for continued operation of the Parking Garage for parking or those which are designed with a reasonable probability of improving the operating efficiency of the Parking Garage, provided that such amortization costs shall not exceed expected increased Gross Receipts resulting from such capital improvements;
- (c) management fees paid to the parking operator selected by the Garage Owner in accordance with this Agreement;
- (d) all insurance premiums;
- (e) real estate taxes and assessments, if any, paid by Garage Owner; and
- (f) license fees, permit fees or other fees or charges which may be imposed from time to time on the use or possession of the Parking Garage.
- (g) reasonable replacement reserves set aside for capital expenditures and maintenance.

Parking Garage Debt Service or Debt Service means the lesser of principal and interest payments required to be paid each year on either: (a) the certificates of participation or other debt that was issued by the City on the Leasing Date; or (b) any debt then outstanding which refinanced such certificates of participation or other debt.

Parking Garage Operator means an operator selected in accordance with the provisions of this Agreement to operate the Parking Garage.

Parking Validation Program means any shopper's incentive, parking validation or other program that encourages short term parking by customers of downtown merchants in downtown Seattle through the use of token, vouchers, discounts, subsidies or other credit systems.

Parking Covenants means the Parking Covenants entered into among Nordstrom and Developer dated as of April 1, 1996 which set forth certain covenants relating to the construction and operation of the Parking Garage.

Party or Parties means the Garage Owner, the Retail Owner, the F&N Owner, and, until the Leasing Date, the City.

Person means a natural person, corporation, trust, partnership, limited partnership, limited liability company, government subdivision or agency, municipal corporation, city or other legal entity.

REA means that certain Construction, Operation and Reciprocal Easement Agreement entered into by and between Developer and Nordstrom setting forth certain construction, operation, reciprocal easements and other agreements by and between Developer and Nordstrom.

Retail Owner means the owner of the Systems Block Retail. If the ownership of the Systems Block Retail is held by a nominee, or trustee for security purposes, a sale-leaseback lessor, or other Person whose interest does not entitle such Person to possession or use of the Systems Block Retail, such Person shall not be the Retail Owner, and the Person who is entitled to the possession or use of the Systems Block Retail shall be considered to be the Retail Owner. For purposes of this definition, the tenants of space leases in the Systems Block Retail shall not be considered to be the Retail Owner, and the landlord of the space leases shall be the Retail Owner.

Required Long-Term Parking means the 136 long term parking spaces and the 35 car pool spaces which are required under applicable provisions of the City of Seattle's Land Use Code. Long term parking spaces is defined under Seattle Municipal Code 23.84.030P as a parking space which will be occupied by the same motor vehicle for six hours or more and generally used by persons who commute to work by private motor vehicle.

Special Use Long-Term Parking Contracts means the contract(s) between the Garage Owner and Occupants and the contracts between the Garage Owner and members of the general public designated by the Retail Owner for Required Long-Term Parking for a term of thirty (30) days or more, which may be subcontracted or assigned by Retail Owner to Occupants.

Special Use Valet Parking means a portion of the valet areas designated on the Approved Plans and Specifications to be operated by a valet parking operator selected by the Retail Owner and/or the F&N Owner for valet parking for their respective customers.

Special Use Valet Parking Contract refers to one or more contracts for a term of more than thirty (30) days with Occupants of the Complex for short term valet parking to be operated by a valet parking operator selected by the F&N Owner and/or Retail Owner as the case may be, respectively.

Survey Map and Plans means the survey map and plans filed simultaneously with the recording of the Declaration and any amendments, corrections and addenda thereto subsequently filed.

Systems Block Project means a mixed-used commercial condominium consisting of the Parking Garage and Systems Block Retail constructed on the Systems Block Property.

Systems Block or Systems Block Property means certain real property commonly known as the Systems Block located between Pine and Olive Streets and Sixth and Seventh Avenue in downtown Seattle.

Systems Block Retail means a commercial building containing a minimum of 300,000 square feet of gross leasable area on the concourse level and up to five additional levels, which is structurally integrated with, and constructed on top of the Parking Garage Unit, and which will be designated as the Systems Block Retail Unit in the Declaration, the boundaries of which will be as shown on the Survey Map and Plans.

Test Date means the first day of the first full month which occurs on or after the first anniversary of the Leasing Date and the anniversary of such date each year thereafter during the term of this Agreement.

Umbrella Agreement means that certain Umbrella Agreement dated as of April 1, 1996 by and between the City and the Developer.

Unit means a physical portion of the Condominium designated for separate ownership, the boundaries of which will be described in the Declaration and shown on the Survey Map and Plans. The Condominium consists of two Units, both of which are restricted to nonresidential use: the Parking Garage or Parking Garage Unit and the Systems Block Retail or Systems Block Retail Unit.

Wholesale Valet Charges refers to the charges for providing the Special Use Valet Parking spaces called for in this Agreement, which shall be determined in accordance with Section 9.3.4.

Annex 2

Maintenance Schedule

		Minimum Frequency					
		Each Day	Each Week	Each Month	Semi-Annual	Annual	Every 7-Yrs
<u>Stairwells</u>	Check and remove debris	X					
	Sweep stairwells	X					
	Check lighting	X					
	Mop and disinfect			X			
	Clean railings			X			
	Remove graffiti	X					
<u>Signage</u>	Wash and dust as needed				X		
	Repair and replace as needed			X			
	Remove graffiti	X					
<u>Equipment</u>	Wash golf cart		X				
	Wash sweeper/scrubber		X				
	Wipe gates and spitters	X					
<u>Floor Area</u>	Sweep by hand or machine	X					
	Re-stripe stalls					X	
	Empty trash barrels as needed	X					
	Check for burned-out lights	X					
	Check "stairwells" Signs		X				
	Check and remove debris	X					
	Power-wash				X		
	Spot-Wash with floor scrubber		X				
<u>Island Areas</u>	Remove graffiti	X					
	Maintain painted curbing		X				
	Maintain islands (hose down)			X			
<u>Miscellaneous</u>	Remove graffiti	X					
	Depress entrance/exit lanes		X				
	Squeegee standing water	X					
	Wipe down piping in garage				X		
	Wipe light casings for overhead lighting				X		
	Wash overhead entrance signs		X				
	Maintain bollards at entrances/exits (paint)			X			
	Maintain traffic control devices (cones, barricades, curbing)			X			
	Touch-up damaged fire-proofing and/or touch-up paint throughout		X				
<u>Paint Garage</u>	Repaint lobbies, ceilings, fire-proofing columns and walls throughout						X

FIRST AMENDMENT TO PARKING AGREEMENT

THIS FIRST AMENDMENT TO PARKING AGREEMENT ("Amendment") is made and entered into as of this 29th day of June, 1998 by and among PINE STREET DEVELOPMENT L.L.C., a Washington limited liability company ("PSD") and COMMUNITY DEVELOPMENT PROPERTIES, King County II, Inc., a Delaware non-profit corporation ("CDP"), as co. tenants, THE CITY OF SEATTLE, a first class city of the State of Washington (the "City"), and NORDSTROM, INC., a Washington corporation ("Nordstrom").

RECITALS

1. On April 1, 1996, the parties to this Amendment executed a Parking Agreement ("Agreement") describing the operation and management of a parking garage named the "Garage at Pacific Place" ("Garage") located between Pine and Olive Streets and Sixth and Seventh Avenues in downtown Seattle, Washington.

2. Schedule A of the Agreement specifies the maximum parking rates to be charged at the Garage before the City takes possession of the Garage, and Schedule B of the Agreement specifies the maximum parking rates during the first year the City is in possession of the Garage, if and when the Garage is transferred to the City.

3. The Agreement Schedules described above were incomplete and omitted certain parking charges.

4. On May 26, 1998, the Seattle City Council passed Ordinance 119013 authorizing the Mayor or his designee to enter into amendments to the Agreement to modify the parking rate schedules or rate-setting provisions in the Agreement without obtaining further Council approval.

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and promises of the parties, the adequacy and receipt of which is acknowledged, the parties hereby amend the Agreement as follows:

1. Schedules A and B of the Agreement are deleted in their entirety.
2. The Schedules attached to this Amendment as Schedules A and B are hereby incorporated into the Agreement in place of the deleted schedules set forth above.

Apart from the amendments set forth above, the terms and conditions of the Agreement shall continue in full force and effect.

FILED
CITY OF SEATTLE
98 SEP -9 AM 10:45
CITY CLERK

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

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

DEVELOPER:

PINE STREET DEVELOPMENT L.L.C.,
A Washington limited liability company

By: RGHK SEATTLE, C., a Washington
limited liability comp. manager

By: [Signature]
Name: JOHN GRAYSON
Title: Co-Manager

COMMUNITY DEVELOPMENT PROPERTIES,
KING COUNTY II, INC.,
a Delaware non-profit corporation

By: [Signature]
Name: JOHN FINN
Title: PRESIDENT

NORDSTROM:

NORDSTROM, INC., a Washington corporation

By: [Signature]
David L. Mackie
Vice President, Real Estate

CITY:

THE CITY OF SEATTLE, a first class city of the
State of Washington

By: [Signature]
Paul E. Schell
Mayor

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SCHEDULE A

Initial rates for parking shall not exceed the following:

Before 5:00 PM weekdays:

0 to 1 hour	\$2.00
1 to 2 hours	\$4.00
2 to 3 hours	\$5.00
3 to 4 hours	\$6.00

Each hour after 4 hours: \$2.00

After 5:00 PM daily (up to 4 hours): \$1.00

Saturday/Sunday daytime maximum (up to 4 hours): \$3.00

Each additional hour after 4 hours on evenings and weekends: \$2.00

Self park daily maximum: \$18.00

Daily valet rates: \$8.00 for first 4 hours

Evening valet rates: \$5.00 for first 4 hours

Each additional valet hour before 5:00 PM (after 4 hours) \$3.00

Each additional valet hour after 5:00 PM (after 4 hours) \$2.00

Valet daily maximum: \$18.00

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SCHEDULE B

Parking rates shall not exceed the following, except that rates below will be subject to increases in the Index as described in Section 9.3.1.1:

Before 5:00 PM Monday through Saturday:

0 to 1 hour	\$2.25
1 to 2 hours	\$4.00
2 to 3 hours	\$5.00
3 to 4 hours	\$7.00

Each hour after 4 hours: \$2.00

After 5:00 PM daily (up to 4 hours): \$2.00

Sunday daytime rate (up to 4 hours): \$4.00

Each additional hour after 4 hours on evenings and Sundays: \$2.00

Self park daily maximum: \$18.00

Daily Valet Rates: \$8.00 for first 4 hours

Evening Valet Rates: \$6.00 for first 4 hours

Each additional valet hour before 5:00 PM (after 4 hours) \$3.00

Each additional valet hour after 5:00 PM (after 4 hours) \$2.00

Valet daily maximum \$18.00

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ATTACHMENT 2

SECOND AMENDMENT TO
PARKING AGREEMENT

This Second Amendment to Parking Agreement ("Second Amendment") is made and entered into as of _____, 1998 by and among Pine Street Development L.L.C., a Washington limited liability company ("PSD") and Community Development Properties, King County II, Inc., a Delaware non-profit corporation ("CDP"), The City of Seattle, a first class city of the State of Washington (the "City"), and Nordstrom, Inc., a Washington corporation ("Nordstrom").

RECITALS

1. On April 1, 1996, the parties to this Second Amendment entered into a Parking Agreement ("Parking Agreement") describing the operation and management of the Parking Garage (as defined in the Parking Agreement) located between Pine and Olive Streets and Sixth and Seventh Avenues in downtown Seattle, Washington.

2. The Parking Agreement contemplated amendments as necessary to permit interest on obligations issued by the City in connection with the beneficial transfer of the Parking Garage to the City to be tax-exempt.

3. On June 29, 1998, the parties to this Second Amendment entered into the First Amendment to Parking Agreement ("First Amendment") to modify the parking rate schedules contained in the Parking Agreement.

4. The parties to this Second Amendment desire to further amend the Parking Agreement to ensure that debt that may be incurred by the City to finance the beneficial transfer of the Parking Garage to the City complies with federal law regarding tax-exempt debt.

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties amend the Parking Agreement as follows:

AGREEMENT

1. Parking Oversight Committee. Section 2.2 is amended to read as follows:

Purpose of Committee. The purpose of the Committee is solely to provide guidance and advice to the Garage Owner on matters related to Parking Garage operation. Except as provided in this Agreement or in the Parking Covenants, the Garage Owner shall make operational decisions relating to

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the Parking Garage subject only to the provisions of this Agreement, the Parking Covenants and applicable law. If the Committee gives advice to the Garage Owner, the Garage Owner shall consider the advice of the Committee before taking action on the subject about which such advice was given, but shall be free to accept or reject such advice in whole or in part in making operational decisions relating to the Parking Garage.

2. Maintenance and Operation. Section 7.1.1 is amended to read as follows:

To meet the parking needs of the general public, including visitors, customers and employees carrying on activities in the downtown Seattle retail core, the Parking Garage shall be operated and open for public parking on each day at least forty-five minutes (3/4 hour) before the opening of the earliest to open of: (a) the F&N Owner (or any portion thereof), (b) any Occupant of the Complex (or any portion thereof), or (c) other reasonably representative establishments in the downtown Seattle retail core selected by the Garage Owner, and shall remain open at least until one and one half (1.5) hours after the latest to close of: (a) the F&N Owner (or any portion thereof), (b) any Occupant of the Complex (or any portion thereof), or (c) other reasonably representative establishments in the downtown Seattle retail core selected by the Garage Owner. The Garage Owner may extend the operating hours of the Parking Garage beyond the minimum hours listed above. Vehicles with Monthly Long-Term Parking Contracts or Special Use Long-Term Parking Contracts, or subcontracts under the Special Use Long-Term Parking Contracts shall have access to the Parking Garage on a 24-hour-a-day basis.

3. Parking Incentive and Validation Programs

A. The title of Article 8 is amended to read "Parking Incentive and Validation Programs".

B. Section 8.1 is amended to read as follows:

Overview. The Parties to this Agreement recognize that participation in a parking incentive and/or validation program ("Parking Validation Program") will help to relieve traffic congestion and improve traffic circulation in downtown Seattle, will help to revitalize downtown Seattle, and will increase both the volume of short-term parking in the

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Parking Garage and the related Parking Garage revenues accruing to the Garage Owner.

C. Section 8.2 is amended to read, in its entirety, as follows:

Validation Conditions. The Developer and Retail Owner shall use reasonable and diligent efforts to encourage Occupants of the Systems Block and retail and entertainment Occupants of the Nordstrom Properties to participate in the existing Parking Validation Program operated by the Downtown Seattle Association, which already has approximately 300 participants, or other similar downtown associations that might replace the Downtown Seattle Association (the "Program Sponsor"). Because of the additional volume of short-term parking and related Parking Garage revenues that reasonably can be expected to be produced by participation in a Parking Validation Program (over and above the volume of short-term parking and related revenues that would otherwise accrue to the City but for such participation), the City as Garage Owner agrees to participate in a Parking Validation Program; provided, that (a) the Parking Validation Program is open to participation by any establishment in downtown Seattle; (b) there is no difference in the non-discounted parking rates for Parking Garage use: presenting tokens and those not presenting tokens; and (c) the payment by the Program Sponsor or its bank to the City on behalf of the Parking Garage user (through redemption of the token or tokens) shall be at the same rate as for any other garage owner participating in the Parking Validation Program (currently ninety cents (\$0.90) for each one dollar (\$1.00) in nominal value of tokens, and which shall not be less than seventy-five cents (\$0.75) for each one dollar (\$1.00) in nominal value of tokens), which the Parties agree reflects a reasonable and customary volume discount in connection with the additional short-term parking and related revenues reasonably expected to be produced through participation in a Parking Validation Program.

4. **Parking Rates.** Section 9.1 is amended to read as follows:

Introduction. One of the primary reasons for the City's involvement in the Parking Garage is to provide additional, convenient, short-term parking in downtown Seattle. The City is committed to operating the Parking Garage, including the setting of parking rates, so as to encourage short-term

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parking downtown, consistent with the City's financial responsibilities to meet all costs associated with the Parking Garage. In addition, the City also recognizes the importance of activity in downtown Seattle during evenings and on weekends for public safety and other public purposes, and is committed to encouraging evening and weekend parking to stimulate public activity in the downtown area. Parking rates shall be established pursuant to this Article 9 in a manner which is consistent with the City's goals of: (a) encouraging short-term parking and related public activity in downtown Seattle, and (b) operating the Garage in a fiscally prudent manner principally to provide affordable parking to the general public to the greatest practicable extent consistent with the City's obligations to meet operation and maintenance expenses, debt service requirements, and renewal and replacement needs of the Parking Garage. The sole purpose of this Article 9 is to evidence, in financial terms that are consistent with the City's financial responsibilities as owner of the Parking Garage, the limited extent to which the City is willing to encourage short-term parking and related public activity that is beneficial to the public health and welfare of the City by providing a parking facility that is available for use by members of the general public at rates that in certain circumstances may be lower than prevailing market rates. Nothing in this Article 9 shall be deemed to confer upon the Committee, the Retail Owner, the F&N Owner or any Occupant of the Complex other than the City, so long as the City is the Garage Owner, any right to control or approve parking rates for use of the Parking Garage. The provisions of Section 9.1.1 through 9.1.5 are applicable to all of this Article 9.

Sections 9.1.1 through 9.1.5 are unchanged.

5. **Valet Parking.** Section 10.2 is amended to read as follows:

Owner Valet Service. The Garage Owner shall offer valet parking on a first-come first-served basis to the general public (the "Owner Valet Service") through the Owner Valet Operator selected by the Garage Owner pursuant to the selection criteria set forth in Section 6.2. Such valet service shall be located at the Concourse valet drop-off and pick-up locations designated on the Approved Plans and Specifications. The Garage Owner at its discretion also may offer valet parking on a first-come, first-served basis to the general public from any other suitable valet drop-off and pick-up location in downtown Seattle not served by any

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Parking Garage and the related Parking Garage revenues accruing to the Garage Owner.

C. Section 8.2 is amended to read, in its entirety, as follows:

Validation Conditions. The Developer and Retail Owner shall use reasonable and diligent efforts to encourage Occupants of the Systems Block and retail and entertainment Occupants of the Nordstrom Properties to participate in the existing Parking Validation Program operated by the Downtown Seattle Association, which already has approximately 300 participants, or other similar downtown associations that might replace the Downtown Seattle Association (the "Program Sponsor"). Because of the additional volume of short-term parking and related Parking Garage revenues that reasonably can be expected to be produced by participation in a Parking Validation Program (over and above the volume of short-term parking and related revenues that would otherwise accrue to the City but for such participation), the City as Garage Owner agrees to participate in a Parking Validation Program; provided, that (a) the Parking Validation Program is open to participation by any establishment in downtown Seattle; (b) there is no difference in the non-discounted parking rates for Parking Garage use: presenting tokens and those not presenting tokens; and (c) the payment by the Program Sponsor or its bank to the City on behalf of the Parking Garage user (through redemption of the token or tokens) shall be at the same rate as for any other garage owner participating in the Parking Validation Program (currently ninety cents (\$0.90) for each one dollar (\$1.00) in nominal value of tokens, and which shall not be less than seventy-five cents (\$0.75) for each one dollar (\$1.00) in nominal value of tokens), which the Parties agree reflects a reasonable and customary volume discount in connection with the additional short-term parking and related revenues reasonably expected to be produced through participation in a Parking Validation Program.

4. **Parking Rates.** Section 9.1 is amended to read as follows:

Introduction. One of the primary reasons for the City's involvement in the Parking Garage is to provide additional, convenient, short-term parking in downtown Seattle. The City is committed to operating the Parking Garage, including the setting of parking rates, so as to encourage short-term

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parking downtown, consistent with the City's financial responsibilities to meet all costs associated with the Parking Garage. In addition, the City also recognizes the importance of activity in downtown Seattle during evenings and on weekends for public safety and other public purposes, and is committed to encouraging evening and weekend parking to stimulate public activity in the downtown area. Parking rates shall be established pursuant to this Article 9 in a manner which is consistent with the City's goals of: (a) encouraging short-term parking and related public activity in downtown Seattle, and (b) operating the Garage in a fiscally prudent manner principally to provide affordable parking to the general public to the greatest practicable extent consistent with the City's obligations to meet operation and maintenance expenses, debt service requirements, and renewal and replacement needs of the Parking Garage. The sole purpose of this Article 9 is to evidence, in financial terms that are consistent with the City's financial responsibilities as owner of the Parking Garage, the limited extent to which the City is willing to encourage short-term parking and related public activity that is beneficial to the public health and welfare of the City by providing a parking facility that is available for use by members of the general public at rates that in certain circumstances may be lower than prevailing market rates. Nothing in this Article 9 shall be deemed to confer upon the Committee, the Retail Owner, the F&N Owner or any Occupant of the Complex other than the City, so long as the City is the Garage Owner, any right to control or approve parking rates for use of the Parking Garage. The provisions of Section 9.1.1 through 9.1.5 are applicable to all of this Article 9.

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other valet service operator, subject to the approval of the owner of such property as to the location of the valet drop-off and pick-up. The Garage Owner shall accept towards payment of the valet parking charge, parking validation tokens, coupons, vouchers or other credits being offered through the Parking Validation Program. Valet parking demand relating to the Owner Valet Service shall be monitored by the Owner Valet Operator such that designated Owner Valet Service valet spaces not in use by valet customers shall, where practicable, be released for short-term, self parking customers.

6. Notices. The address of Nordstrom, Inc. in Section 13.2 is amended to read as follows:

Nordstrom Inc.
1617 Sixth Avenue
Seattle, Washington 98101
Attention: Real Estate Notices
Fax: 206 223-1776

7. No Other Amendments. Except as expressly amended herein and by the First Amendment, the Parking Agreement remains unmodified and in full force and effect.

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

"City"
THE CITY OF SEATTLE, a first class city
of the State of Washington
By _____
Mayor

"PSD"
PINE STREET DEVELOPMENT L.L.C.,
a Washington limited liability company
By RGHK Seattle L.L.C., a
Washington limited liability
company
By _____
Its _____

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"CDP"
COMMUNITY DEVELOPMENT
PROPERTIES, KING COUNTY
II, INC., a Delaware nonprofit
corporation

By _____
Its _____

NORDSTROM, INC., a
Washington corporation

By _____
Its _____

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other valet service operator, subject to the approval of the owner of such property as to the location of the valet drop-off and pick-up. The Garage Owner shall accept towards payment of the valet parking charge, parking validation tokens, coupons, vouchers or other credits being offered through the Parking Validation Program. Valet parking demand relating to the Owner Valet Service shall be monitored by the Owner Valet Operator such that designated Owner Valet Service valet spaces not in use by valet customers shall, where practicable, be released for short-term, self parking customers.

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"City"
THE CITY OF SEATTLE, a first class city
of the State of Washington
By _____
Mayor

"PSD"
PINE STREET DEVELOPMENT L.L.C.,
a Washington limited liability company
By RGHK Seattle L.L.C., a
Washington limited liability
company
By _____
Its _____

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

"CDP"
COMMUNITY DEVELOPMENT
PROPERTIES, KING COUNTY
II, INC., a Delaware nonprofit
corporation

By _____
Its _____

NORDSTROM, INC., a
Washington corporation

By _____
Its _____

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SCHEDULE 8.2(g)

Form of FIRPTA Affidavit

Certificate of Non-Foreign Status

Name of Transferor:

THE CITY OF SEATTLE

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that generally a transferee (Purchaser) of a "United States real property interest" as defined in section 897 (c) of the Code must withhold tax if the transferor (seller) is a "foreign person" as defined by section 1445 (f) (3) of the Code. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by the Transferor, the undersigned hereby certifies the following on behalf of Transferor:

- (1) Transferor is not a foreign corporation, foreign partnership, foreign estate (as those terms are defined in the Code and Treasury Regulations);
- (2) Transferor's U.S. employer identification number is _____; and
- (3) Transferor's office address is:

THE CITY OF SEATTLE
Department of Finance and Administrative Services
Attn: Director
701 Fifth Avenue, Suite 5200
Seattle, WA 98104

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

THE CITY OF SEATTLE, a first class charter city
of the State of Washington

By: _____
Name: _____
Title: _____
Dated: _____

8.2(g) - 1

Parking Agreement

SCHEDULE 8.2(h)

Affidavit and Indemnity by Owner

Extended Coverage Policies

WHEREAS the undersigned Affiant (if more than one, herein collectively called the Affiant) is the owner of the land (the Land) described as follows:

Garage Unit, Pacific Place, a condominium, according to the declaration thereof recorded August 27, 1998, under recording number 9808271807, and survey map and plans recorded in Volume 151 of Condominiums, page(s) 1 through 7, inclusive records of King County, Washington.

which is the subject of that certain Commitment for Title Insurance issued by CHICAGO TITLE INSURANCE COMPANY (the Company) under No. 0055076-06 (the Commitment), for an ALTA Owner's and/or Loan Policy of title insurance (the Policy or Policies).

AND WHEREAS, the Proposed Insured(s) under said Commitment is/are requesting the Company to issue its Policy or Policies with Extended Coverage, and to delete therefrom the General Exceptions relating to rights or claims of parties in possession, survey matters, unrecorded easements and statutory lien rights for labor or materials, or other matters determinable only by survey, inspection or inquiry,

AND WHEREAS the Affiant acknowledges that the Company would refrain from issuing said Policy or Policies without showing said General Exceptions in the absence of the representations, agreements and undertakings contained herein.

Nothing contained herein shall be construed so as to obligate the Company to issue said Policy or Policies without showing said General Exceptions. However, should the Company do so, it will do so in part in reliance upon the undertakings of the undersigned Affiant. The issuance of the Policy or Policies shall be the consideration for the undertakings contained herein.

The Company reserves the right to require additional indemnification and/or a survey in connection with analyzing its risk in deleting said General Exceptions, and to take special exception for any adverse matters disclosed by this affidavit, a survey or an inspection of the Land.

AFFIDAVIT

The Affiant, being first duly sworn, deposes and says that:

1. There are no oral or written leases, tenancies or other occupancies, nor any rights of first refusal or options to purchase said land, except as described in that certain Umbrella Agreement dated as of April 1, 1996, a memorandum of which was recorded on April 10, 1997 in the real property records of King County, Washington under Recorder's File No. 9704101114. A copy of said Umbrella Agreement has been furnished to the Company.

2. Neither Affiant nor any agent of Affiant has entered into any contracts for the making of repairs or for new construction on said Land or for the services of architects, engineers or surveyors, nor are there any unpaid bills or claims for labor or services performed or material furnished or delivered during the last three (3) months pursuant to any such contract for alterations, repair work or new construction on said Land. Affiant does not make any statement with respect to any contract affecting the Land that has been entered into by any condominium owners' association or to which Affiant is otherwise not a party.
3. There are no delinquent (1) sewer capacity charges, (2) special assessments for sewer, water, road or other local improvement districts, or taxes, or (3) service, installation, connection, tap, or utility billings for sewer, water, electricity, or garbage collection and disposal, which are not shown in the referenced commitment.

INDEMNITY

The Affiant hereby agrees (1) to indemnify, protect, defend and save harmless the Company from and against any and all loss, costs, damages, and attorney's fees it may suffer, expend or incur under or by reason, or in consequence of or growing out of any misrepresentation made by Affiant in this Affidavit, and (2) to defend at the Affiant's own costs and charges in behalf of and for the protection of the Company and of any parties insured or who may be insured against loss by it under said Policy or Policies (but without prejudice to the right of the Company to defend at the expense of the Affiant if it so elects) any suit, action or proceeding resulting from any misrepresentation by Affiant.

IN WITNESS WHEREOF, the undersigned has/have executed this agreement this _____ day of _____, 20_____.

THE CITY OF SEATTLE

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 201____, before me, a Notary Public in and for the State of _____, I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of THE CITY OF SEATTLE, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 201____.

(Signature of Notary)

(Print or stamp name of Notary
NOTARY PUBLIC in and for the State of _____)

My Appointment Expires: _____

SCHEDULE 8.2(l)

SELLER'S CLOSING CERTIFICATE

This SELLER'S CLOSING CERTIFICATE (the "*Certificate*") is made as of _____, 20____ (the "*Effective Date*") by THE CITY OF SEATTLE, a first class charter city of the State of Washington acting by and through its Department of Finance and Administrative Services ("*Seller*"), for the benefit of _____ a ("*Purchaser*"), with reference to the following facts.

RECITALS:

A. Seller and Purchaser entered into that certain Purchase and Sale Agreement dated _____, 2016, as amended by _____ (collectively, the "*Sale Agreement*"), for the purchase and sale of certain real property and improvements located in Seattle, King County, Washington commonly known as the Pacific Place Garage (the "*Property*"). Capitalized terms not otherwise defined in this Certificate shall have the meanings given to them in the Sale Agreement.

B. Section 8.2(l) of the Sale Agreement provides for the certification by Seller to Purchaser that the representations and warranties of Seller set forth in Section 4.2 of the Sale Agreement are true, accurate and complete in all material respects as of the Closing Date.

NOW, THEREFORE, for and in consideration of the sale of the Property, Seller hereby certifies to Purchaser that as of the Closing Date, (i) the representations and warranties of Seller set forth in Section 4.2 of the Sale Agreement are true, accurate and complete in all material respects as of the Closing Date and the Effective Date of this Certificate and (ii) except as attached to this Certificate, no updates or modifications are required to make Schedule B or any of Sections 4.2(c), 4.2(f), 4.2(k), or 6.3 of the Sale Agreement true, accurate and complete.

IN WITNESS WHEREOF, Seller has executed this Certificate as of the Effective Date stated above.

SELLER:

THE CITY OF SEATTLE, a first class charter city
of the State of Washington

By: _____

Name: _____

Title: _____

SUMMARY and FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Finance and Administrative Services/Real Estate Services	Robert C. Farrell 206-684-7154	Katherine Tassery 615-0703

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the sale of the Pacific Place Garage condominium unit (“Garage”); finding that City ownership of the Garage no longer serves municipal purposes; authorizing the sale of the Garage for \$87 million to MPH PP Garage LLC; authorizing the Director of Finance and Administrative Services to execute all documents and take other necessary actions to complete the sale of the Garage; directing the deposit of the net sale proceeds; and exempting the sale from the requirements of Resolution 29799 as amended by Resolution 30862.

Summary and background of the Legislation: FAS is seeking authority to sell the Pacific Place Garage (the “**Garage**”).

The City acquired the Garage in 1998 in conjunction with the comprehensive re-development of an approximately three-block area within the City’s retail core. Other components of the re-development included the renovation of the old Nordstrom store adjacent to Westlake Park, the preservation and renovation of the old Frederick and Nelson department store for use by Nordstrom as its flagship store, and the development of the Pacific Place shopping center. Pacific Place was structured as a two-unit condominium: a 350,000 square foot, multi-story shopping, dining and entertainment complex (referred to herein as the “**Retail Unit**”) situated atop the City’s 1,240 stall garage unit (the “Garage”).

The re-development effort was designed to address the deteriorating condition of the downtown retail core, a condition brought on in part by the 1992 closure of the venerable Frederick and Nelson store and the ensuing bankruptcy of the Frederick and Nelson chain of stores.

The City financed part of the Garage’s acquisition cost with \$60,805,000 in Limited Tax General Obligation Bonds, 1998, Series F (the “**1998F Bonds**”). To take advantage of lower interest rates, in 2007 the City issued its \$95,550,000 Limited Tax General Obligation Improvement and Refunding Bonds, 2007, a portion of which was allocated to refund the then-outstanding 1998F Bonds (the “**2007 Garage Refunding Bonds**”).

The 2007 Garage Refunding Bonds feature a twenty-one year repayment schedule, with interest-only payments in years two through seven, followed by escalating payments of interest and principal over the remaining term.

The graduated principal payments in years eight through twenty-one of the bond term are particularly challenging for the Parking Garage Operations Fund (46010). Consequently, in recent years, while revenues from the operation of the Garage have been more than sufficient to

cover the Garage's operating expenses, they have not been sufficient to cover both operating expenses and debt service under the 2007 Garage Refunding Bonds. FAS has been able to bridge the Parking Garage Operations Fund's cash flow (after debt service) deficit through a series of interfund loans, the cumulative total of which is approximately \$7.25 million.

Given the strong commercial real estate market, the 2014 sale of the Retail Unit at a premium price, the fact that ownership and operation of a commercial parking garage has served its municipal purpose of revitalizing the downtown core, and the three-party parking agreement restricting parking rates, FAS deemed it was time to pursue a sale.

Pursuant to a request for proposals, in early 2015 FAS retained Craig Kinzer & Co. to market the Garage. Kinzer's marketing campaign generated numerous inquiries and multiple offers. An \$87,000,000 offer by MPH PP Garage LLC by was deemed by FAS to be the best offer.

In the accompanying ordinance, FAS seeks the authority to complete the sale of the Garage to MPH PP Garage LLC pursuant to its offer. After deduction of the escrow holder's payment of customary closing and transaction costs, any concessions, and the escrow holder's holdback of \$500,000 for one year in accordance with a holdback provision provided for under the purchase and sale agreement for possible claims against the City, the net proceeds from the sale will be deposited into the Parking Garage Operations Fund (46010).

If the sale of the Garage is approved, corrective action must be taken in order to preserve the tax exempt status of the 2007 Garage Refunding Bonds. Consequently, under a separate ordinance being presented concurrently with the accompanying ordinance, the Director of the Finance Division of FAS is requesting authority to carry out the defeasance of the 2007 Garage Refunding Bonds pursuant to an appropriation from the Parking Garage Operations Fund. Such appropriation will be funded with some of the net proceeds from the sale of the Garage.

2. CAPITAL IMPROVEMENT PROGRAM (not applicable, omitted)

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation has direct financial implications.

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other (Parking Garage Operations Fund) \$	
	2016	2017	2016	2017
	\$0	\$0	\$0	\$0
Estimated \$ Revenue change:	Revenue to General Fund		Revenue	
	2016	2017	2016	2017
	\$0	\$0	\$87,000,000	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2016	2017	2016	2017
	0	0	0	0

Other departments affected:

None

3.a. Appropriations (not applicable, omitted)

3.b. Revenues/Reimbursements

 X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2016 Estimated Revenue
Parking Garage Operations Fund (46010)	FAS	Gross proceeds from sale of Garage	\$87 million
TOTAL			\$87 million

Revenue/Reimbursement Notes:

Note that the above is the gross revenue anticipated from the sale of the Pacific Place Garage and does not represent the net revenue, which will include consideration of the settlement of operational revenues and expenditures have prior to the transfer of ownership, the holdback provision and the payment of sale and closing costs.

3.c. Positions (not applicable, omitted)

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

Yes. The passage of the proposed legislation will result in the defeasance of the bonds used to purchase the Garage.

b) Is there financial cost or other impacts of not implementing the legislation?

Yes. Absent the sale of the Garage, in order to cover recurring cash flow deficits, the Parking Garage Operations Fund will continue to need either an interfund loan or a direct subsidy.

c) Does this legislation affect any departments besides the originating department?

No.

d) Is a public hearing required for this legislation?

No.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No. However, SEPA notices were published in The Daily Journal of Commerce as required pursuant to relevant provisions of the Seattle Municipal Code.

f) Does this legislation affect a piece of property?

Yes. See Exhibit A for a depiction of the Garage's location.

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

Not applicable.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

Not applicable.

i) Other Issues:

None.

List attachments below:

Exhibit A – Depiction of location of Pacific Place Garage

1612 6th Avenue 98101

