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*Please Note: Some of the Committee Meeting Minutes may be delayed or not available in this packet due to the scheduling of the meetings and early distribution of the packet materials.
PDA Council
Meeting Agenda

Date: Thursday, June 25, 2015
Time: 4:00 p.m. – 6:00p.m.
Location: The Classroom
Committee Members: Matt Hanna (Chair), Patrick Kerr (Vice-Chair), Gloria Skouge, David Ghoddousi, James Savitt, Jackson Schmidt, John Finke, Bruce Burger, Ann Magnano, Betty Halfon, Patrice Barrentine and Rico Quirindongo

4:00pm  I. Administrative: Chair
A. Approval of Agenda
B. Approval of the PDA Council Meeting Minutes for May 19, 2015 and May 28, 2015

4:05pm  II. Public Comment Including the Market Community

4:10pm  III. Programs and Information Items
Matt Hanna
A. Council Chair Report
Ben Franz-Knight
B. Executive Director’s Report
I. Committee Chair Report
C. Other Reports

4:20pm  IV. Key Issues Presentation and Discussion Items
Dongho Chang
A. Pike Place Pedestrian Prioritization
John Turnbull & Rico Quirindongo
B. Project for Public Spaces - 9th International Public Markets Conference Summary

5:15pm  V. Resolutions and Other Action Items (Old and New Business): Chair
A. Consent Agenda
   Proposed Resolution 15-33: Pine Street Stair Enhancement Painting - Novo Painting and Property Services LLC.
   Proposed Resolution 15-44: Authorization for Contract Authority - Tenant Improvement Coordination - First and Pine Building

   B. New Business
   Proposed Resolution 15-46: MarketFront Project Temporary Easement with PPF OFF 2001 Western Avenue
   Proposed Resolution 15-47: Approval of Second Amendment to Cooperative Agreement with WSDOT

   C. Other
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>5:45pm</td>
<td>VI. Further Public Comment</td>
</tr>
<tr>
<td>5:55pm</td>
<td>VII. Concerns of Committee Members</td>
</tr>
<tr>
<td>6:00pm</td>
<td>VIII. Adjournment</td>
</tr>
</tbody>
</table>
Tuesday, May 19, 2015  
3:30 p.m. to 4:30 p.m.  
The Classroom

Committee Members Present: Matt Hanna, Gloria Skouge, Patrice Barrentine, Rico Quirindongo, John Finke, Bruce Burger, Ann Magnano, David Ghoddousi, Patrick Kerr

Staff Present: Ben Franz-Knight, Tamra Nisly, Lillian Hochstein, Sabina Proto, Jay Schalow, Patricia Gray, Dianna Goodsell

Others Present: Stacey Crawshaw-Lewis, Fred Eoff, Justine Kim, Carrie Holmes, Joan Paulson, Chris Scott, Bob Messina, Howard Aller, Haley Land, Paul Dunn, Ray Homdahl, Keaton Werson, Brian Lloyd, Garrett Condell

The meeting was called to order at 3:32p.m. by Matt Hanna, PDA Council Chair.

I. Administration
   A. Approval of the Agenda
      Matt Hanna proposed one change to the agenda which was to place Item D, Proposed Resolution 15-36: MarketFront Project (PC1N) Sellen MACC under the PDA Council agenda for its meeting on May 28, 2015

      The agenda, as amended, was approved by Acclamation

II. Announcements and Community Comments
    Joan Paulson commented that having read through the packet today, this is essentially the redoing of the financing package from the MarketFront project presented in March. She feels that it was at least stated earlier on by the public that there were financial concerns that still needed to be addressed. She noted that we should not be rushing this project as aggressively as we have been.

    Howard Aller noted that in regards to this project, we are doing fine.

III. Reports and Information Items
    A. Presentation of the PDA Audit for year 2014
       Ray Homdahl and Keaton Werson from Peterson Sullivan LLP. presented on the 2014 PDA Audited financial statements with the PDA Council.


Ann Magnano entered in to the meeting at 3:40p.m
Proposed Resolution 15-41 states that the PDA Council hereby approves the 2014 PDA financial statements, audited by Peterson Sullivan LLP, Certified Public Accountants, covering the period beginning January 1, 2014 through December 31, 2014.

Bruce Burger moved, Gloria Skouge seconded

For: Matt Hanna, Gloria Skouge, Patrice Barrentine, Rico Quirindongo, John Finke, Bruce Burger, Ann Magnano, David Ghoddousi
Against: 0
Abstained: 0

Resolution 15-41: Approval of 2014 PDA Audited Financial Statements was passed unanimously by the PDA Council by a vote of 8-0-0.

B. MarketFront Financing Update
   
   II. Action Item: Proposed Amended Resolution 15-07: Issuance of Special Obligation and Refunding Bonds

Ben Franz-Knight introduced the Resolution and provided a brief summary of the bond rating process and results as well as introduced Fred Eoff and Stacey Lewis.

Stacey discussed the updated language and the bond pricing structure in amended Proposed Resolution 15-07. 15-07 is a resolution which was an amended and restated resolution of the Pike Place Market Preservation and Development Authority providing for the issuance of its Special Obligation and Refunding Bonds in the aggregate principal amount of not to exceed $24,000,000 for the purpose of financing the acquisition, construction and equipping of parking and other market improvements; refunding outstanding obligations; making a deposit to a debt service reserve account or purchasing a reserve account credit facility; and paying costs of issuance; and delegating the authority to approve the method of sale for and form and terms of the bonds.

John Finke moved, Patrice Barrentine seconded

There was a brief discussion that followed.

For: Matt Hanna, Gloria Skouge, Patrice Barrentine, Rico Quirindongo, John Finke, Bruce Burger, Ann Magnano, David Ghoddousi
Against: 0
Abstained: 0

Amended Resolution 15-07: Issuance of Special Obligation Refunding Bonds was passed unanimously by the PDA Council by a vote of 8-0-0.

Justine Kim discussed the preliminary summary of the bid package description for the project. She noted that the overall bid estimate results was a variance of $ -1,406,185, which she reported was good news. Justine Kim introduced the resolution which states that the Pike Place Market Preservation and Development Authority (“PPMPDA”) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of, among other things, preservation and rehabilitation of the structures and open spaces in the Market Historic District; and, whereas in order to maintain the viability of the Pike Place Market and the PPMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-1N that may directly affect the future of the Market; and, whereas, the PDA Council adopted Resolution 13-56 approving PPMPDA selection of Sellen as the GC/CM Contractor and Resolutions 14-54 and 14-73 to enter into a contract with Sellen for Pre-Construction Services; and, whereas, the PPMPDA and project consultants identified areas requiring early release work prior to the negotiation and execution of the full GC/CM contract in order to stay on schedule; the PDA Council adopted Resolution 15-01 approving the PPMPDA to enter into a mini-MACC contract with Sellen for this early release work; and, whereas, the PPMPDA and project consultants have identified additional areas requiring early release prior to the negotiation and execution of the full GC/CM contract in order to stay on schedule and keep the early construction bid packages, specifically shoring, and is now ready to enter into a contract for services; and, now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Sellen in an amount not to exceed $1,276,000 for the early release work. The funds for this project will be drawn from 110630-01 - PC1-N State Funds ($688,165) and 110630-00 - PDA CRRF - Capital Reserve and Replacement Funds ($587,835).

Gloria Skouge moved, John Finke seconded

For: Matt Hanna, Gloria Skouge, Patrice Barrentine, Rico Quirindongo, John Finke, Ann Magnano, David Ghoddousi
Against: 0
Abstained: 0

Resolution 15-35: MarketFront Project (PC1N) Sellen Early Release Shoring Package Mini-MACC Amendment was passed unanimously by the PDA Council by a vote of 7-0-0.

D. Action Item: Proposed Resolution 15-36: MarketFront Project (PC1N) Sellen MACC

Proposed Resolution 15-36 was postponed until the May 28th PDA Council meeting.

IV. Public Comment
None
V. Concerns of Committee Members
John Finke requested from staff to include an update of sources and uses for the MarketFront Project at the May 28th, 2015 PDA Council meeting.

VI. Adjournment
The meeting was adjourned at 4:41pm. Matt Hanna, PDA Council Chair

Meeting minutes submitted by:
Dianna Goodsell, Executive Administrator
PDA Council Meeting Minutes

Thursday, May 28, 2015
4:00 p.m. to 6:00 p.m.
The Elliott Bay Room

Committee Members Present: Matt Hanna, Gloria Skouge, David Ghoddousi, John Finke, Bruce Burger, Ann Magnano, Betty Halfon, Patrice Barrentine, Rico Quirindongo

Staff Present: Ben Franz-Knight, Tamra Nisly, Randy Stegmeier, Dianna Goodsell

Others Present: Justine Kim, Carrie Holmes, Bo Zhang, Robert Davidson, Chris Rogers, Lori Montoya, Chris Scott, Joe Reed, Sharon Mukai, Nancy Sherman, Joan Paulson, Howard Aller, Bob Messina

The meeting was called to order at 4:03 p.m. by Matt Hanna, PDA Council Chair.

I. Administration
   A. Approval of the Agenda
      The agenda was approved by Acclamation

   B. Approval of the April 30, 2015 PDA Council Meeting Minutes
      The minutes were approved by Acclamation

II. Announcements and Community Comments
   None

   Ann Magnano entered into the meeting at 4:05 p.m.

III. Reports and Information Items
   A. Council Chair Report
      Matt Hanna presented a brief Council Chair report for the month of May. He provided a general outline of the meeting’s agenda including an update from the Seattle Aquarium in their plans for the Waterfront, a final review of the MarketFront Financing package including approval of Proposed Resolution 15-36: MarketFront Project (PC1M) Sellen MACC as well as a review of the Western Avenue Enhancements proposal. He had asked that the PDA Council and various stakeholder to continue their engagement and support for the project. He noted that as the Chair for the MarketFront Committee, Rico Quirindongo, he would really be the person to steer the oversight going forward for the project.

      He separately provided a brief update on the Nominating Committee. He said Gloria Skouge, Betty Halfon, David Ghoddousi and himself would be part of the nominating
committee this year. The Nominating Committee would be considering candidates for the open seats on the PDA Council as well as Committee and Officer Assignments.

B. Executive Director’s Report
Ben Franz-Knight noted that there was a detailed written ED Report included in the PDA Council packet for May. He had reported that it has been an incredibly busy month and with the crowds come more lines. He reported on the efforts with the line management policy in the Market and acknowledged the commercial department for their diligent work with this policy. He briefly discussed the status of various capital projects in the Market including the work on the windows on Western and remedying the odor issue in the Preschool.

Ben separately mentioned that the MarketFront groundbreaking ceremony had been moved to June 24th. The ceremony would take place at the building site at 1pm and is open to the public.

*Rico Quirindongo entered into the meeting at 4:22p.m.*

C. Committee Chair Report
None

D. Other Reports
None

IV. **Key Issues and Presentations**

A. Presentation on Seattle Aquarium Waterfront Plans

Ben Franz-Knight provided an introduction to Bob Davidson of the Seattle Aquarium.

Bob Davidson, President and CEO of the Seattle Aquarium and Chris Rogers, CEO of Point 32 presented on the Seattle Aquarium Waterfront plans; a copy of the presentation was included with PDA Council records. Robert provided a background on the Seattle Aquarium and their Waterfront plans. A summary of the presentation was included as follows:

2014 Visitors:
Top Downtown Visitors by Type - Cultural Arts & Exhibits 2014

<table>
<thead>
<tr>
<th>Attraction</th>
<th>Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seattle Aquarium</td>
<td>834,526</td>
</tr>
<tr>
<td>Pacific Science Center</td>
<td>770,349</td>
</tr>
<tr>
<td>EMP Museum</td>
<td>558,544</td>
</tr>
<tr>
<td>Chihuly Garden and Glass Exhibit</td>
<td>+ 400,000</td>
</tr>
<tr>
<td>Seattle Art Museum</td>
<td>366,761</td>
</tr>
<tr>
<td>Olympic Sculpture Park</td>
<td>288,140</td>
</tr>
<tr>
<td>MOHAI</td>
<td>217,821</td>
</tr>
<tr>
<td>Seattle Children’s Museum</td>
<td>182,334</td>
</tr>
</tbody>
</table>
Frye Art Museum 86,677
Klondike Gold Rush Museum 61,425
Wing Luke Asian Museum 43,802

There was an overview of the prior expansion concepts for the Seattle Aquarium including a review of the Pier 59 renovation and expansion and Ecosystem design strategy. The project team for the work on the Aquarium Waterfront Plans includes Marc L’Italien, Chris Rogers, Tom Hennes, Craig Hightower, Melody McCutcheon and Heather Page.

Chris Rogers discussed the site evaluation criteria which included:

- Substantially increase mission impact
- Accommodate 1.3 million annual visitors by 2030
- Maintain national and regional standing
- Promote restoration of nearshore habitat
- Honor historic landmark status of Pier 59
- Align with Central Waterfront Redevelopment
- Strengthen pedestrian connections
- Provide for multi-phase development
- Remain operational during construction

Chris lastly reviewed the next steps for the Seattle Aquariums Waterfront Plans noted as follows:

- Stakeholder Outreach & Input April - June
- Publish Draft Master Plan June 8
- Public Open House June 16
- City Council Briefings June - July
- Endorsement by City Council Early August

B. MarketFront Financing Update
Ben Franz-Knight presented on the MarketFront Financing overview with the PDA Council. Ben provided an overview of the work completed by staff and the PDA Council for the MarketFront project which including roughly four years of diligent decision making by our Council as well as participation with a total of 190 Public meetings. Ben discussed a breakdown on the MarketFront Financing Funding Sources, Project Costs and Project Schedule. A summary of the presentation was included as follows:

Funding Sources:
City Funding - $34 million
PDA Equity/Bond Issue - $22.6 million; $4.56 million refundable in 3 years
WSDOT - $6 million
Housing Grants - $9.2 million
Philanthropy - $2.6 Committed, $3.4 million remaining*
State Grants - $2-2.5 million*
NMTC - $4 million*

Available at Construction Start $71,763,250; includes total of $9.2 for Housing to be finalized after bidding later this summer

Funding Sources - Series A and B Bonds:
• Series B - $4.56 million
  • Call option in 2018
  • Must be refunded by 2020
• Series A - $19,440,000
  • Series A Balance – 2018 - $18,795,000
  • Face value call option in 2025

Funding Sources - Projected:
Projected Future Funding Sources- $7,500,000 - $10,500,000
Philanthropy - $3 – 6 million; $2.6 Committed, $3.4 million remaining
State Grants - $500k to $1.3 million*
NMTC - $4 million*

Balance of Projected Total Project Funds including Future Funds and accounting for Series B redemption - $74.6million - $77.6million
Base and Estimated Total Project Cost:
Base Project without TI funds and Alternates - $71,763,250
Includes:
Construction Contingency - $4.9 million
Owner Contingency - $4.5 million
Alternates - $1,192,923 million
TI Funds - $1.3 million Total
Total Estimated Project Cost - $74,256,173

Future Related Costs:
Cooling Tower Relocation - $840,000
South Walkway - $540,000
Retail space fronting Overlook Walk - $200,000
Vertical Green-scape infill on west face of garage - $350,000
Shared responsibility for driveway connecting to new Alaskan Way - $400,000
Signage Plan Integrated with existing Market Signage - $200,000

Base, Total and Related Project Cost Totals:
Base Project without TI funds and Alternates - $71,763,250
Total Estimated Project Cost - $74,256,173: Alternates - $1,192,923 million and TI Funds - $1.3 million

Total Project and Related - $76,786,173
Total Future Related Costs - $2,530,000; $1,930,000 dependent on Overlook Walk

Scheduling for the MarketFront project includes the following dates:

June 9 – NTP to Sellen
June 15 – Construction Staging Commences
June 24 – Ground Breaking
August – First Piles Placed
November – 2nd Level of Garage poured
December 2016 – Substantial Completion

There was a discussion that followed by the PDA Council.

John Finke had asked Ben to walk through future project related costs. He noted that there is about 1.5 million is costs we would have to commit related to future project related costs if the Overlook Walk.

I. Action Item: Proposed Resolution 15-36: MarketFront Project (PC1M) Sellen MACC

Ben Franz-Knight the resolution which states that the Pike Place Market Preservation and Development Authority (“PPMPDA”) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of, among other things, preservation and rehabilitation of the structures and open spaces in the Market Historic District, and; Whereas in order to maintain the viability of the Pike Place Market and the PPMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-1N that may directly affect the future of the Market, and; Whereas, the PDA Council adopted Resolution 13-56 approving PPMPDA selection of Sellen as the GC/CM Contractor, Resolutions 14-54 and 14-73 to enter into a contract with Sellen for Pre-Construction Services and Resolution 15-30 to enter into mini-MACC contract with Sellen for early work construction packages, and; Whereas, the PPMPDA has successfully negotiated with Sellen and is now ready to enter into MACC contract for services to execute the base building of the MarketFront project, and; Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a MACC contract with Sellen in an amount not to exceed $45,420,629 to execute the base building construction of the MarketFront project. Consistent with Resolution 15-07 and consistent with any subsequent Council resolutions, the contract for this work is contingent upon a successful bond sale and the PPMPDA receiving a notice to proceed from the City of Seattle.

The funds for this project will be drawn from 110635-00 MarketFront Project Funds.
Rico Quirindongo moved, David Ghoddousi seconded

There was a discussion that followed by the PDA Council.

John Finke noted the he calculated the total project uses at $81,256,000 which includes the project alternatives, tenant improvements, future related costs and the bond retirement. He noted that our project sources are $71,763,000 plus philanthropy totaling $74,763,000 in current funding sources in hand. He noted that there was a $7 million gap in current funding sources, which has partially to do with timing of the bond retirement.

For: Matt Hanna, Patrick Kerr, Gloria Skouge, David Ghoddousi, John Finke, Bruce Burger, Ann Magnano, Betty Halfon, Patrice Barrentine, Rico Quirindongo
Against:       0
Abstained:   0

Resolution 15-36: MarketFront Project (PC1M) Sellen MACC passed unanimously by the PDA Council by a vote of 10-0-0

II. Action Item: Proposed Resolution 15-42: Builders Risk Insurance for the MarketFront Project

Ben Franz-Knight introduced the resolution which states that the PDA is responsible for obtaining Builders Risk insurance for the MarketFront Project; and, Now, therefore be it resolved that the PDA Council hereby authorizes the PDA Executive Director, or his designee, to approve policy terms and conditions and to pay the premium including taxes and fees for period June 15, 2015 – December 31, 2016 in the amount not to exceed $247,456. Consistent with Resolution 15-07 and consistent with any subsequent Council resolutions, payment of premium is contingent upon a successful bond sale and the PPMPDA receiving a notice to proceed from the City of Seattle. A summary of coverage is presented in Exhibition 1.

The Builders Risk Insurance will be paid out of MarketFront Project Funds Account number 110635-00

Betty Halfon moved, David Ghoddousi seconded

For: Matt Hanna, Patrick Kerr, Gloria Skouge, David Ghoddousi, John Finke, Bruce Burger, Ann Magnano, Betty Halfon, Patrice Barrentine, Rico Quirindongo
Against:       0
Abstained:   0

Resolution 15-42: Builders Risk Insurance for the MarketFront Project passed unanimously by the PDA Council by a vote of 10-0-0.

C. Western Ave. Enhancement Presentation
Tamra Nisly, Senior Project Management presented on Western Avenue Enhancements; a copy of her presentation was included with the PDA Council records. Tamra provided an update on the Western Ave. Enhancement work which was identified as part of the 2015 Strategic Issues under adopted Resolution 14-80. She reviewed options for the Pine Street Stair Enhancements including signage upgrades, painting, under stair improvements, lighting upgrades and A Point improvements.

III. **Action Item:** Proposed Resolution **15-34:** Pine Street Stair Enhancement

Tamra Nisly introduced the resolution which states that the Pike Place Market Preservation and Development Authority (“PPMPDA”) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and, Whereas, in order to maintain the viability of the Pike Place Market, the PPMPDA Full Council identified Strategic Planning issues and opportunities for 2015 with the adoption of Resolution 14-80; and, Whereas, the PDA Full Council determined that further analysis and effort should be devoted in 2015 to the identified Strategic Issues which included Western Avenue Activation Strategies, DownUnder Stair Activation, also referred to as the Pine Street Stair Enhancement; and, Whereas, the PPMPDA has explored and identified a plan of action regarding the Pine Street Stair Enhancement and has determined that the following work should be completed:

- Signage upgrades
- Lighting improvements
- Painting of the interior, columns, railings, and stair stringers
- New gate under stairs
- A Point artwork improvements

Whereas, the PPMPDA has solicited estimates for this work in accordance with its Purchasing Procedures and Guidelines and has determined that the budget laid forth in Attachment 1 is the amount necessary to complete the aforementioned improvements for the Pine Street Stair Enhancement.

Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to proceed with the Pine Street Stair Enhancement Project in an amount not to exceed $159,500.

The funds from this project will be drawn from the Capital Projects Budget – Western Ave. Enhancement Projects: 163786-00.

Ann Magnano moved, Patrice Barrentine seconded

There was a brief discussion that followed by the PDA Council.
Resolution **15-34:** Pine Street Stair Enhancement passed unanimously by the PDA Council by a vote of 9-0-1.

**V. Resolutions and Other Action Items (Old and New Business)**

**A. Consent Agenda**

Proposed Resolution **15-32:** Authorization for Contract Authority – Metal Stair Repair and Repaint - Skybridge

Proposed Resolution **15-37:** Authorization for Contract Authority – Sand and Refinish Floors Downunder

Proposed Resolution **15-39:** Authorization for Contract Authority – Install Garbage Room Exhaust

Proposed Resolution **15-40:** Lease Proposals - May 2015

**Motion to approve the Consent Agenda**

For: Matt Hanna, Patrick Kerr, Gloria Skouge, David Ghoddousi, John Finke, Bruce Burger, Ann Magnano, Betty Halfon, Patrice Barrentine, Rico Quirindongo

Against: 0

Abstained: Patrick Kerr

The Consent Agenda passed unanimously by the PDA Council by a vote of 10-0-0.

**B. New Business**

None

**C. Other**

**VI. Further Public Comment**

Joan Paulson read a letter which she submitted to the PDA Council regarding creating a better balance between the Annual Budget Process and the PDA’S Mission and Charter Purposes. She noted that on the back of the letter included the mission of the Pike Place Market Preservation and Development Authority as well as chart with the PDA Debt History and Financing Capacity. She noted that some of the issues that are not being address in the Market include the bed bugs in the residential buildings. She added that the Heritage House has been successful in ridding their bed bugs for two years; maybe the housing staff here should seek information from Providence in treating the bed bug issue in the Market. Other issues she noted were the commercial emergency plan and the need to collect that info from tenants, updating the security cameras in the Parking Garage Market as well as the maintaining the historic preservation of the Market hightall signs which have been threatened by the tenants storage uses. The letter was included with the PDA Council records.
Section II:

Executive Director’s Report
SUMMARY

Summer is in full swing in the Pike Place Market with high volumes of traffic and excellent weather. With the abundance of warm weather has come the earlier arrival of berries and stone fruits. The warmer and dryer weather has heightened concerns though related to water shortages in Central and Eastern Washington. We continue to maintain close contact with our farmers in these areas, who at present have access to adequate water for their crops; this is particularly good news for later season crops including corn, melons and squash.

The MarketFront Project received funding for construction commencement of the base project with the successful closing of the PDA 2015 Series A and B bonds on June 9th. We have received confirmation from the City of Seattle that we had satisfied all the conditions of the Development Agreement which was received on June 2, 2015. Transfer of the property from the City to the PDA is in process and is anticipated to be completed before the end of June.

The Market Foundation MarketFront fundraising efforts continue to grow approaching groundbreaking with over $2.7million raised to date.

Our express markets started the week of June 16th at City Hall (Tuesdays 10am – 2pm), Pioneer Square/CID King St. Station (Wednesdays 10am to 2pm), South Lake Union (Thursday 10am-2pm), Virginia Mason (10am – 2pm), and Microsoft (Tuesdays).

Finally, PDA summer operations are in full swing with summer interns in place in the Farm and Daystall programs as well as temporary summer security officers from both the University of Washington and Western Washington University.

KEY OPERATING METRICS

<table>
<thead>
<tr>
<th>Commercial Tenant Sales as Compared to Previous Year*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year to Date Sales (April 2015):</td>
</tr>
<tr>
<td>Restaurants:</td>
</tr>
</tbody>
</table>
Operating Income After Required Reserves and Debt Service:

<p>| | |</p>
<table>
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<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Goal</td>
<td>$2,055,516</td>
</tr>
<tr>
<td>Year to Date: May 2015</td>
<td>$874,188**</td>
</tr>
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Farm and Daystall Attendance

<table>
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<tr>
<th>Assault from May 2014 to May 2015</th>
<th></th>
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<tbody>
<tr>
<td>Craft</td>
<td>-4%</td>
</tr>
<tr>
<td>Farm</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

*Several charts are also attached highlighting year-over-year sales trends through April with partial sales reports for May.

** Actual performance is $651,087 over budget.

Operating Income after Required Reserves and Debt Service
We continue to prudently manage expenses and have seen higher than projected revenue contributing to a net result after debt service and reserves of $874,188.

Farm and Craft Attendance
Farm attendance was up 7.3% with revenue up 14.2% in May 2015 over the previous year. We currently have 85 active farm permit holders. Daystall attendance was down by 4% compared to May 2014. Lastly, we have continued to see a lower number of turnaways over last year with only 12 turnaways in May.

MARKET PROGRAMS

Marketing
- Promoted market businesses and activities via the website and social media, with 232,506 total Facebook likes, 44,190 Twitter followers, 76,325 website views and 44,494 mobile visitors.
- Responded to all press inquiries and continued active management and engagement on all social media platforms.
- Continued active promotion of Market businesses and activities including promo ideas generated at the Market Programs Committee.
- Promoted launch of Express Markets.
• Conducted 12 school tours and 13 school presentations reaching at total of 290 students in May
• Hosted 1 commercial film shoot for Wheel of Fortune in the Market

Farm and Daystall
• Continuation of employee CSA Program including extended CSA Partnership with King County Healthy Incentives
• Prepared for Food Access programs - Bike Benefits, Market Fresh, Fresh Bucks and new Student Coupon
• Launched summer Express Markets at Virginia Mason, Pioneer Square, City Hall, South Lake Union and Microsoft Commons
• Hosted Annual Daystall Appreciation Breakfast

Market Programs Committee - Key Actions and Discussions
• Reviewed prior months marketing activities including pro-active PR efforts and community based special events
• Reviewed Market Foundation “Cut the Pie” awards to social service agencies in the Market
• Review of Special Event Budget and Event Type Considerations
• Preview of 2015 Summer Farm Program

FINANCE AND ASSET MANAGEMENT

Finance and Accounting Department
• Processed all payables and receivables
• Commenced mid-year budget review

Residential
• Continue to lease available units, Market-wide vacancy rate of 2% through May
• Reviewing options for more affordable cable options for Residential Buildings
• Received high rating for Stewart House REAC Inspection

Commercial
• Wrapped up coordination of Windows on Western project
• Processed new leases, lease renewals and options
• Continued successful booking of events in Economy rooms and Atrium Kitchen
• Continued enforcement of active line-management requirements for tenants with long-lines adjacent to other businesses
• Adjusted commercial staff schedules to provide a more regular weekend presence

Capital Projects
• Windows on Western completed in June
• Assisting with review and coordination of TI work in First and Pine, Economy Atrium and Western Ave
• The garbage room vent shaft project is expected to commence in the next few weeks.

Parking
• Garage revenue through May was up 19% over budget projections
• Revenue from the surface parking lots through May was roughly 12.8% higher than budget projections
• Dealing with high volume of demand for the garage necessitating changes to both monthly parking and early-bird parking options. Working closely with Commute Seattle and King County for significant Orca Pass incentive program.

Maintenance and Facilities
• Coordinated apartment turn-over work and responded to calls for service throughout the Market
• Garbage tonnage for May was approximately 169 tons
• Mixed recycling was 282 tons and we processed 220 yards of compost in May
• 205 miles of toilet paper used in May
• Melted 29 tons of ice in the fish ice melting station
• 49 bales of cardboard recycled in May

Security
• Conducted routine patrols and provided support for filming and events
• Closely monitored Market and neighborhood activity as “9 ½ Block Strategy” continued downtown
• Responded to calls for service in the Market, fire alarms and requests for assistance (e.g. commercial tenant after hours building access)

Finance and Asset Management Committee - Key Actions and Discussion
• Review of the Financial Statements for May 2015
• Review of Commercial Tenant Leasing Guideline - Part of 2015 Strategic Issue
• Approved: Proposed Resolution 15-33: Pine Street Stair Enhancement Interior Painting - Novo Painting and Property Services LLC
• Approved: Proposed Resolution 15-44: Authorization for Contract Authority - Tenant Improvement Coordination - First and Pine Building
• Approved: Proposed Resolution 15:43 Lease Proposals for June 2015 - New Lease with Jarrbar and Lease Renewal with Piroshky Piroshky

MARKETFRONT
• Received letter from City of Seattle on June 2, 2015 confirming satisfaction of Development Agreement Conditions and granting access to $34 million on a draw basis
• Successfully sold PDA 2015 Series A and B bonds generating $22.7 million in net proceeds after retirement and refunding of existing obligations for First and Pine and the PC1S Garage
• Issued NMTC and LITHC Investor RFP with July 10, 2015 submittal deadline
• Finalized 2nd Amendment to the Parking Covenant to WSDOT for remaining $2.5 million in AWV Parking Mitigation Funding for the new garage
• Signed contract with Sellen Construction with staging and early work commencing on June 15, 2015
• Finalized temporary easement with Unico for PC1N construction

MarketFront - Key Actions and Discussion
• Reviewed MarketFront Construction and Budget
- Discussed Activation of the MarketFront Plaza
- Discussed current status of Waterfront Planning efforts

**PDA Employee June 2015 Anniversaries:**

- 30 yrs. - Jeff Jarvis (Facilities)
- 14 yrs. - Lakesha Brown (Security)
- 14 yrs. - Ronald Taulung (Security)
- 13 yrs. - Lorne Hancheroff (Maintenance)
  - 6 yrs. - Chad Blake (Facilities)
- 5 yrs. - James Cornell (Daystall)
- 5 yrs. - David Hinz (Facilities)
- 5 yrs. - Jennifer Maietta (Commercial)
- 5 yrs. - Paul Wade (Facilities)
Section III:

Key Presentations & Supporting Documents
Section IV:

Consent Agenda Items
WHEREAS, the Pike Place Market Preservation and Development Authority ("PPMPDA") was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and,

WHEREAS in order to maintain the viability of the Pike Place Market, the PPMPDA Full Council identified Strategic Planning issues and opportunities for 2015 with the adoption of Resolution 14-80; and,

WHEREAS, the PDA Full Council determined that further analysis and effort should be devoted in 2015 to the identified Strategic Issues which included Western Avenue Activation Strategies, DownUnder Stair Activation, also referred to as the Pine Street Stair Enhancement; and,

WHEREAS, the PPMPDA has explored and identified a plan of action regarding the Pine Street Stair Enhancement and has determined that the painting of the interior, columns, railings, and stair stringers is necessary to the successful completion of this project; and,

WHEREAS, the PPMPDA has executed a bid process in accordance with its Purchasing Guidelines to repair and paint the stair interior and has selected Novo Painting and Property Services, LLC as the contractor for these services.

NOW, THEREFORE BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Novo Painting & Property Services, LLC in an amount not to exceed $30,000.

The funds from this project will be drawn from the Capital Projects Budget – Western Ave. Enhancement Projects: 163786-00.

Gloria Skouge, Secretary/Treasurer Date

Date Approved by Council:
For:  
Against:  
Abstained:
Proposed Resolution 15-33
Authorization for Contract Authority – Pine Street Stairs – Painting
June 2015

Proposed Resolution Costs: $30,000
Current Budget: $60,000
Project: Painting
Account: Western Ave. Enhancements
Accounting Code: 163782-00
Project Description: Painting of the interior, columns, railings, and stair stringers

Bid Process: Bid process: Solicited and received three bids:

- Novo Painting & Property Services, LLC $19,357
- West Coast Painting $21,560
- Grund Painting $35,209

1. Chinese Cuisine exterior
   a. Market Red
2. Interior walls & columns
   a. Leland/Fairley exterior wall color
3. Stair rails & handrails
   a. Market Green
PROPOSED RESOLUTION 15-38

Pine Street Stair Enhancement Signage - Trade-Marx Sign & Display Corp.
June 2015

WHEREAS, the Pike Place Market Preservation and Development Authority ("PPMPDA") was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and,

WHEREAS in order to maintain the viability of the Pike Place Market, the PPMPDA Full Council identified Strategic Planning issues and opportunities for 2015 with the adoption of Resolution 14-80; and,

WHEREAS, the PDA Full Council determined that further analysis and effort should be devoted in 2015 to the identified Strategic Issues which included Western Avenue Activation Strategies, DownUnder Stair Activation, also referred to as the Pine Street Stair Enhancement; and,

WHEREAS, the PPMPDA has explored and identified a plan of action regarding the Pine Street Stair Enhancement and has determined that adding signage consistent with the 2013 signage project is necessary for the completion of this project; and

WHEREAS, in order to install signage that matched exactly with the current signs it is necessary to contract with the previously approved signage vendor, Trade-Marx Sign & Display, for an amount not to exceed $40,000 for the following items as identified in Attachment 1:

- Level 3 & 4 signage
- Two Orientation Maps
- Four Restroom Blades
- Directional Arrow
- Large Stenciled Graphic

NOW, THEREFORE BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Trade-Marx Sign & Display in an amount not to exceed $40,000.

The funds from this project will be drawn from the Capital Projects Budget – Western Ave. Enhancement Projects: 163786-00.

Gloria Skouge, Secretary/Treasurer
Date

Date Approved by Council:
For:
Against:
Abstained:
Proposed Resolution 15-38 Attachment 1
Pine Street Stair Enhancements - Signage – Level 3 & 4
Proposed Resolution 15-38 Attachment 1

Pine Street Stair Enhancements – Orientation Map Signage
Proposed Resolution 15-38 Attachment 1

Pine Street Stair Enhancements – Restroom Signage
Proposed Resolution 15-38 Attachment 1
Pine Street Stair Enhancements – Directional Arrow
Proposed Resolution 15-38 Attachment 1

Pine Street Stair Enhancements – Stenciled Graffic
## Lease Proposals
**June 2015**

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Term</th>
<th>Start Date</th>
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<tbody>
<tr>
<td>Jarrbar</td>
<td>Three (3) Years</td>
<td>July 1, 2015</td>
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<td>BJ Communications, Inc.</td>
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<td>Piroshky Piroshky</td>
<td>Five (5) Years</td>
<td>June 1, 2015</td>
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<tr>
<td>Oliver Kotelnikov &amp; Olga Sagan</td>
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<td></td>
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</tbody>
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**Gloria Skouge, Secretary/Treasurer**

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**Date Approved by Council:**
- For:
- Against:
- Abstained:
Lease Summary

Date: June 16, 2015

Business Name/Owner: Jarrbar / JB Communications, Inc.
Address/Building/Square feet: 1432 Western Ave / La Salle / 499 sf
Tenant Since: New Tenant
Primary Term: Three (3) Years
Options: Two (2) Years
Use Description: Spanish Style Bar

Business Name/Owner: Piroshky Piroshky / Oliver Kotelnikov & Olga Sagan
Address/Building/Square feet: 1908 Pike Place / Stewart House / 354 sf
Tenant Since: Since 1992
Primary Term: Five (5) Five Years
Options: Two (2) Years
Use Description: Russian Pastries
Authorization for Contract Authority - Tenant Improvement Coordination for First and Pine Building
June 2015

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, in on-going management of the Pike Place Market, the PPMPDA has entered into leases for several commercial spaces in the First and Pine Building which will require tenants to perform their own tenant improvement work, requiring demolition, replacement and modification to existing electrical distribution systems, plumbing systems, heating and cooling systems and construction of storefronts, entries and other physical changes to the spaces; and,

WHEREAS, the coordination of such work by tenant contractors is important to ensure continuity of services to existing tenants, minimization of disruption from construction impacts, maximum efficiency is cost and coordination with other capital repairs on the building to be done by the PDA; and,

WHEREAS the PPMPDA has determined the services of a professional project manager as owners an representative is essential to the effective coordination of such work and has sought proposals from several experienced firms; and,

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Larry Barton d/b/a Barton Consulting Services in an amount not to exceed $25,000 for estimated time on an hourly basis through the remainder of 2015 to manage these improvements as an owners representative.

The funds for this project will be drawn from the Repair and Replacement Reserve: 110630-00

Gloria Skouge, Secretary/Treasurer                                      Date

Date Approved by Council:
For:  
Against:     
Abstained:

PROPOSED RESOLUTION 15-44
Discussion

The tenant improvement work to be coordinated through this resolution is occasioned through the leases of space to Old Stove Brewery and Shug’s Ice Cream Parlor.

Related activities include:

- Addition of cooler and relocation of freezer and ancillary equipment for Pike Place Chowder
- Location and installation of tenant bathrooms in Old Stove and Shug’s spaces
- Reconfiguration and upgrades of HVAC systems serving Pine Building tenant spaces (converting from existing aged central chiller to new campus hydronic system)
- Replacement of supplemental ventilation to Market House lobby and Steelhead Diner
- Reconfiguration of electrical circuits and panels
- Remodeling of building storefronts on First Avenue and entry hall according to approved plans.

Barton Consulting Services has done previous work for the Pike Place Market PDA of a similar nature and is well versed in coordinating such activities and minimizing tenant impacts. This work will ensure timely communication between tenant design and construction teams with the PDA.

Two other firms which have performed similar work for the PDA in the past were approached for estimates of the cost of hourly services. The fee structure for Barton Consulting Services ($60 an hour) was the lowest and compares to $100 to $150 an hour for other firms.
Section V:

New Business Items
PROPOSED RESOLUTION 15-46

MarketFront Project Temporary Easement with PPF OFF 2001 Western Avenue
June 2015

WHEREAS, the Pike Place Market Preservation and Development Authority ("PPMPDA") was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of, among other things, preservation and rehabilitation of the structures and open spaces in the Market Historic District, and;

WHEREAS in order to maintain the viability of the Pike Place Market and the PPMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-1N that may directly affect the future of the Market, and;

WHEREAS, the PDA Council has approved design and construction contracts for the MarketFront development, and;

WHEREAS, the MarketFront development includes temporary shoring during construction that requires a temporary easement from the adjacent property owner to the north, and;

WHEREAS, the PDA staff has negotiated a temporary easement with PPF OFF 2001 Western Avenue (owners of Market Place One and Two just north of PC1S), and;

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a temporary easement agreement with PPF OFF 2001 Western Avenue substantially similar to the attached Exhibits for a fee of $75,000 and reimbursement for substantiated out-of-pocket expenses including transaction costs and construction monitoring services anticipated in the range of $25,000-$35,000 for a total amount not anticipated to exceed $110,000.00. In the event that reimbursement above $35,000.00 is required, this matter will return for supplemental PDA Council authorization.

The funds for this project will be drawn from 110635-00 MarketFront Project Funds.

____________________________________ ______________________________
Gloria Skouge, Secretary/Treasurer                            Date

Date Approved by Council:
For:
Against:
Abstained:
EASEMENT COMPENSATION AGREEMENT

THIS EASEMENT COMPENSATION AGREEMENT, dated for reference purposes and effective as of June ____, 2015 (the “Effective Date”), is executed by and between PPF OFF 2001 WESTERN AVENUE, LLC, a Delaware limited liability company (“Grantor”), and PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY, a City of Seattle Public Development Authority (“Grantee”).

RECITALS

In order to facilitate and allow for the development of Grantee’s property, Grantee has requested that Grantor agree to execute, deliver, and allow to be recorded at Grantee’s expense as an encumbrance against Grantor’s property a Temporary Tieback and Crane Boom Easement Agreement in the form attached hereto as EXHIBIT A (the “Easement Agreement”). Grantor has agreed to such request subject to the terms and conditions set forth below.

AGREEMENTS

In consideration of the mutual covenants and promises contained in this Agreement, the parties agree as follows:

1. Execution, Delivery and Recording of Easement Agreement. Contemporaneously herewith, Grantor and Grantee each agree to execute and deliver the Easement Agreement. Grantee is authorized to record the Easement Agreement as an encumbrance against the real property described therein, and shall be solely responsible for payment of any applicable recording fees and real estate excise tax.

2. Compensation for Easement Agreement. As compensation for the Easement Agreement, Grantee agrees to pay Grantor $75,000 (the “Easement Fee”). The Easement Fee shall be separate from the reimbursement provisions contained in the Easement Agreement. The Easement Fee shall be due and payable concurrently with recording of the Easement Agreement.

3. Anticipated Reimbursable Expenses. As set out in the Easement Agreement, Grantee shall reimburse Grantor for Reimbursable Expenses as defined in and pursuant to Section 15 of the Easement Agreement. Assuming that no problems arise with the Shoring or its design and the Grantee’s project remains on schedule, it is anticipated that the range of reasonable Reimbursable Expenses will be between $25,000 and $35,000.

[SIGNATURES FOLLOW ON THE NEXT PAGE]
**EXECUTED** as of the date first above written.

**GRANTOR:**

PPF OFF 2001 WESTERN AVENUE, LLC, a Delaware limited liability company

By: PPF OFF 2001 Western Avenue Member, LLC, a Delaware limited liability company, its Managing Manager

By: PPF OFF, LLC, a Delaware limited liability company, its Sole Member

By: PPF OP, LP, a Delaware limited partnership, its Sole Member

By: PPF OPGP, LLC, a Delaware limited liability company, its General Partner

By: Prime Property Fund, LLC, a Delaware limited liability company, its Sole Member

By: Morgan Stanley Real Estate Advisor, Inc., a Delaware corporation, its Investment Adviser

By: __________________________________________
Name: __________________________________________
Title: __________________________________________

**GRANTEE:**

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

By: ________________________________
Name: ________________________________
Title: ________________________________
EXHIBIT A

FORM OF EASEMENT AGREEMENT

See attached.
TEMPORARY TIEBACK AND CRANE BOOM EASEMENT AGREEMENT

Grantors: PPF OFF 2001 Western Avenue, LLC

Grantee: Pike Place Market Preservation and Development Authority

Legal Description of Grantor Property
Official on Exhibit A
Lots 2, 3, 6, 7 and Ptn Lots 1, 4, 5, 8, Blk 35, A.A. Denny's 6th Add. to the City of Seattle, Vol. 1, Pg. 99, Tgw Vacated Portions and Parcel 1, SP No. 79-105, Rec. 8004110329

Legal Description of Grantee Property
Official on Exhibit B

Assessor’s Tax Parcel Numbers:
Grantor Property: 1977200280
Grantee Property: 1977200330

Reference Nos. of Documents Released or Assigned: N/A

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO

Hillis Clark Martin & Peterson P.S.
Attn: T. Ryan Durkan
1221 Second Avenue, Suite 500
Seattle, WA 98101-2925
Attention: T. Ryan Durkan
TEMPORARY TIEBACK AND CRANE BOOM EASEMENT AGREEMENT

This Temporary Tieback and Crane Boom Easement (this “Agreement”) is made this ______ day of June 2015, by and between PPF OFF 2001 Western Avenue, LLC, a Delaware limited liability company (“Grantor”) and Pike Place Market Preservation and Development Authority, a City of Seattle Public Development Authority (“Grantee”).

RECITALS

A. Grantor is the owner of the real property located in King County, Washington and legally described on Exhibit A attached hereto (the “Grantor Property”).

B. Grantee is the owner of the real property located in King County, Washington adjacent to the Grantor Property and legally described on Exhibit B attached hereto (the “Grantee Property”) on which Grantee intends to develop a mixed use commercial and residential project pursuant to City of Seattle Master Use Permit No. 3015514 (the “Grantee Project”).

C. In connection with the development of the Grantee Property, and subject to and in accordance with the terms and conditions set forth herein, Grantor and Grantee desire to enter into this Agreement to, among other things, allow Grantee to place subterranean tiebacks, piles, and concrete beams on the Grantor Property, and to allow the passage of a crane boom over the Grantor Property, as set forth in more detail below.

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

AGREEMENT

1. Grant of Easement. Subject to and on the terms and conditions contained in this Agreement, Grantor hereby grants, without warranty, to Grantee (i) a nonexclusive temporary easement (“Shoring Easement”) for the installation of underground shoring support members including tieback anchors and cables (collectively, the “Shoring”) within the Shoring Easement Area (defined below), and (ii) a nonexclusive, temporary easement (“Airspace Easement”) for the passage of a crane boom through the unimproved airspace above the southerly 20 feet 7 inches of the Grantor Property (“Airspace Easement Area”).

2. Purpose of Shoring Easement; Limitations. The purpose of the Shoring Easement is to permit Grantee to place Shoring in the Shoring Easement Area for temporary shoring related to the Grantee Project. In addition to the other terms, conditions and limitations contained in this Agreement, the following terms, conditions and limitations shall apply:

2
2.1 **Location of Shoring Easement.** The portion of the Grantor Property that is subject to the Shoring Easement (“Shoring Easement Area”) is located below the foundation of the improvements constructed on Grantor Property, and is further described and depicted in Exhibit C attached hereto which defines the boundaries of the Shoring Easement Area. The dimensions and locations of the Shoring to be constructed within the Shoring Easement Area shall not differ materially from that shown on the schematic diagram in Exhibit C; provided, however, that in no event will the Shoring be allowed to penetrate or damage any improvements on, within or under the Grantor Property and/or any utility lines or other similar improvements that benefit the Grantor Property. Grantee will use best efforts to identify and avoid any underground structures or improvements on the Grantor Property and any actions that could weaken or impair the structural integrity of any improvements on the Grantor Property. The Shoring Easement authorizes limited use, as specified herein, of the subsurface below the improvements on the Grantor Property but does not provide for use of the surface of the Grantor Property. Nothing herein shall be construed to allow access to, use of, or easement rights to or regarding the surface of the Grantor Property or any other portion of the Grantor Property except as expressly provided for herein.

2.2 **Incidental Uses.** The easement rights contained in this Agreement include use of the Shoring Easement Area for purposes incidental to the Shoring including measurement, soil testing, monitoring, adjustment, maintenance, repair, removal and de-stressing of the Shoring. In exercising these rights, Grantee shall use best efforts not to cause any damage or reduce any support for or increase any load or burden on the Grantor Property, or perform any work that would result in an adverse change to the Grantor Property. Without the express written consent of Grantor, which may be granted or withheld in its sole discretion, Grantee shall have no right of entry in, on, over or beneath the Grantor Property outside of the Shoring Easement Area.

2.3 **Design.** The Shoring shall be installed and constructed in conformity with the Approved Design (as defined below).

2.4 **Crane Boom.** The crane boom easement shall be subject to the following conditions and limitations: (i) Grantee shall not permit the crane boom or any loads to come within 140 feet above the highest point of any structure on the Grantor Property; (ii) Grantee shall cause its contractor and crane operator to use prudent construction practices to minimize dust and debris falling onto the Grantor Property from the operation of the crane; (iii) Grantee shall be responsible for promptly cleaning up and removing any debris falling onto the Grantor Property from the crane’s operation; (iv) the crane shall be operated in compliance with all applicable governmental rules and regulations; and (v) the crane boom easement shall terminate upon completion of the improvements on the Grantee Property.
3. **Approved Design.** Prior to construction of any Shoring, Grantee shall submit to Grantor detailed plans and specifications for the Shoring design and copies of all geotechnical and other relevant engineering reports in Grantee’s possession or control relating to the Grantee Property or the Grantor Property or surrounding areas and shall obtain Grantor’s written approval of such design, not to be unreasonably withheld (the Shoring design, as so approved by Grantor, are referred to herein as the "Approved Design"). The Approved Design must be such that upon completion of construction of the below-grade components of the Grantee Project the Shoring shall no longer have any structural support or lateral support or other structural function with respect to either the Grantee Property or the Grantor Property. Grantee acknowledges that Grantor has retained a consulting engineering firm to evaluate the Shoring design and to advise Grantor generally in connection with the Shoring, and all monitoring thereof and of the Grantor Property as provided for herein, and the Grantee Project generally.

a. **City Approved Plans.** Upon acceptance of the Approved Design by the City of Seattle, Grantee shall deliver to Grantor a full copy of the Shoring Plan, Structural Plan, and Civil Plan as approved by the City of Seattle which is expected to include a Shoring Monitoring Plan and Temporary Erosion Control/Dewatering Plan.

b. **No Grantor Liability.** Grantor's approval of the Approved Design shall in no way constitute a representation, warranty, guaranty or other assurance by Grantor that the Approved Design is free from errors and omissions, is complete and sufficient for its intended uses, conforms with prudent engineering practices and standards, or complies with any applicable laws, codes or regulations, nor shall Grantee be entitled to rely on such approval in any respect. Under no circumstances shall Grantor have any liability to Grantee or any other person or entity with respect to the Approved Design, its installation, operation, removal or any other aspect thereof. Grantee acknowledges and agrees that Grantee has no right to rely on Grantor or any engineer or consultant of Grantor with respect to the Shoring; and that under no circumstances shall any consent or approval of Grantor hereunder constitute negligence or contributory negligence.

c. **Refinements to Approved Design.** To the extent that it is reasonably determined from time to time that the Approved Design may not adequately protect the Grantor Property from damage, Grantee shall implement such additional measures as are necessary or appropriate to provide adequate protection of the Grantor Property.

4. **Monitoring Plan; Commencement of Construction.** In addition to any requirements imposed by any City-required monitoring plan, Grantee shall comply with the following requirements:

a. **Baseline Condition and Monitoring Plan.** Prior to commencing any excavation in connection with the Grantee Project, Grantee will (i) cause its contractor
to perform a survey (including photographs) of the existing improvements on the Grantor Property in order to document the pre-construction “baseline” condition of the Grantor Property, and (ii) provide Grantor with a proposed monitoring plan, which identifies the number and location of all proposed monitor points and crack monitors, for Grantor’s review and approval. Such monitoring plan, as approved by Grantor, is referred to herein as the “Grantor Property Monitoring Plan.” Grantee must deliver an acceptable baseline report to Grantor and establish all monitoring points on the Grantor Property, prior to commencing any excavation work of any kind in connection with the Grantee Project. Unless otherwise agreed to by Grantor, entry onto the Grantor Property by Grantee and/or its contractors and consultants to perform the activities contemplated under this Section shall be subject to the following requirements: (i) any such entry shall only occur between 8:00 a.m. and 5:00 p.m. on business days; (ii) at least 24 hours’ advance notice of such entry along with a description of the intended activities shall be sent via email to Grantor (danl@unicoprop.com or such other addressee as Grantor may designate in writing from time to time); and (iii) Grantor may have a representative of Grantor accompany Grantee and/or its contractors and consultants during such entry, provided, however, the unavailability of Grantor’s representative shall in no way hinder or delay entry onto the Grantor Property by Grantee and/or its contractors and consultants.

b. **Pre-Construction Notice.** Grantee shall give Grantor advance notice prior to commencing excavation in connection with the Grantee Project, which notice shall also include (i) Grantee’s then current construction schedule for the Grantee Project; (ii) the proposed schedule for installing Shoring; and (iii) emergency contact information for Grantee, Grantee’s general contractor and those design professionals of Grantee that are responsible for the design of the Shoring.

5. **Construction.** In the exercise by Grantee of its rights under the Shoring Easement and Structural Support Easement, and at all times during construction of the Grantee Project and construction, maintenance and deactivation of the Shoring, Grantee covenants as follows:

a. **Soil Conditions.** Prior to commencing excavation and shoring Grantee shall have evaluated and, on an ongoing basis shall continue to evaluate during excavation and shoring, existing soil conditions, and shall promptly notify Grantor of any unstable materials encountered during construction. In such event, Grantee shall diligently implement the appropriate measures to control sloughing and improve stability.

b. **Construction and Geotechnical Reports.** Grantee will provide to Grantor and its consulting engineer copies of daily construction reports and all daily or other geotechnical reports, in each case with such copies to be provided at the same time that they are received by Grantee. Copies of all such reports shall be provided by
email in PDF or other common format. Grantee represents and warrants that Grantee has provided Grantor with copies of all relevant geotechnical information it has obtained to date regarding the Grantee Property.

c. **Thrice-Weekly Surveys.** Grantee shall immediately advise Grantor if Grantee becomes aware of any movement in the improvements on the Grantor Property as compared to their baseline position prior to commencement of excavation. Grantee will survey, utilizing a licensed surveyor in accordance with industry standards, the Grantor Property at least three times per week from the time of excavation for the Grantee Project until the substructure for the Grantee Project are complete and the Shoring is no longer functional, in order to measure (using the monitor points identified in the Grantor Property Monitoring Plan) whether the Grantor Property has settled, tilted, or moved in any respect, whether horizontally or vertically, from its baseline position prior to the beginning of excavation for the Grantee Project. The results of such survey shall be set forth in writing in accordance with industry practices and Grantee shall provide Grantor with the surveys and any other information provided by the surveyor concurrently within 24 hours after completion of each survey. If there is any settlement, tilting or displacement of any portion of the Grantor Property or improvements thereon of 1/2” or greater in any direction, then Grantor may require Grantee immediately to take all necessary corrective and/or repair and/or maintenance actions. Grantee shall also provide Grantor, once per week during construction, the geotechnical engineer’s evaluation of wall performance along with the results of all surveys of the excavation face performed for Grantee as the construction progresses. Upon completion of construction of the Grantee Project, Grantee will provide Grantor with (i) a full-size copy of as-built plans for the below-grade components of the Grantee Project that lie along the common boundary with the Grantor Property and all Shoring that then remains in place, and (ii) a final survey report identifying any movement of Grantor Property as compared to the initial baseline position thereof. These monitoring requirements as outlined above in this Agreement are intended to complement the “Shoring Monitoring” requirements as outlined in the Shoring Sheet SH1.02. If there is any discrepancy between these two sets of requirements, the provision that is more stringent shall govern.

d. **Deactivation of Shoring.** Grantee shall de-stress all tiebacks from the improvements constructed on the Grantee Property and deactivate all other elements of the Shoring located on Grantor Property as soon as practical, so that they may thereafter be severed or removed without risk of sudden release of tension and without damage to the Grantee Property or the Grantor Property. Tiebacks and concrete casings associated therewith may remain beneath the Grantor Property, abandoned in place. Grantee shall notify Grantor in writing when the deactivation of the Shoring is complete (“Deactivation Notice”). Upon delivery of the Deactivation Notice, Grantee shall have no further right, title or interest in any of the Shoring, and Grantor may, without notice to Grantee, sever and remove all tiebacks and other remaining
components of the Shoring without any liability to Grantee or its successors and assigns.

e. **Grantor Inspection Rights.** Notwithstanding any other provision herein, Grantor shall have the right, at all times during the term of this Agreement, to conduct inspection and testing of the Shoring, the ambient soils and any associated building elements, including access to the Grantee Property. Unless otherwise agreed to by Grantee, entry onto the Grantee Property by Grantor and/or its consultants to perform the inspection and testing activities contemplated under this Section shall be subject to the following requirements: (i) any such entry shall only occur between 8:00 a.m. and 5:00 p.m. on business days; (ii) at least 24 hours’ advance notice of such entry along with a description of the intended activities shall be sent via email to Grantee (justinek@sojsea.com or such other addressee as Grantee may designate in writing from time to time); and (iii) Grantee may have a representative of Grantee accompany Grantor and/or its consultants during such entry, provided, however, the unavailability of Grantee’s representative shall in no way hinder or delay entry onto the Grantee Property by Grantor and/or its consultants.

6. **City Approval.** Grantee acknowledges that Victor Steinbrueck Park, a Seattle public park ("Park"), lies directly above the Grantor Property (on top of the parking garage at the south end of the Grantor Property) and that (a) the parking garage improvements located on the Grantor Property above the Shoring Easement Area provide structural support for the Park; and (b) the Airspace Easement area is directly above the Park. Grantee at its sole cost and expense shall be responsible to obtain all necessary approvals of this Agreement and the Shoring Easement, the Structural Support Easement and the Airspace Easement from the City of Seattle and its Parks and Recreation Department (together, “City”). Grantor makes no representations or warranties of any kind regarding the need for or the ability to obtain such approvals. Prior to exercising its rights under this Agreement, Grantee shall obtain (and provide to Grantor a copy of) written confirmation (email is fine) confirming (i) that the City has approved and agreed to Grantee’s construction of the Shoring and use of the Airspace Easement, or (ii) that such approval is not required.

7. **Work Standards.** All work to be performed by Grantee or its agents, contractors, or subcontractors within the Easement Area shall be performed at Grantee’s sole cost and expense, and shall be performed: (i) in a careful and workmanlike manner; (ii) in accordance with all applicable laws, codes, regulations, and ordinances, and (iii) free of all claims or liens.

8. **Grantee Repair and Restoration Obligation.** Grantee shall, at its sole expense, promptly repair and restore any property damage to any improvements (including but not limited to utility lines) on or under the Grantor Property to the extent caused by or arising out of the Shoring or the exercise of Grantee’s rights under this Agreement.
9. **No Warranty.** Grantor makes no representation or warranty to Grantee as to (i) the soil or subsurface conditions, (ii) the condition, location, design or integrity of any improvements on the Grantor Property, (iii) the presence of underground tanks or any environmental contaminants on the Grantor Property, or (iv) any other matter whatsoever, and shall not be liable to Grantee for any damages, costs, contribution, or indemnification of any nature whatsoever, arising directly or indirectly for any conditions on the Grantor Property.

10. **Insurance.** While undertaking the Grantee Project and utilizing any of the Shoring Easement, the Structural Support Easement or the Airspace Easement, and for one year following the date of issuance of the final Certificate of Occupancy by the City of Seattle for the Grantee Project, Grantee shall maintain commercial general liability insurance covering its activities in connection with the Grantee Project (whether in or about the Grantee Property or the Grantor Property or elsewhere), in amounts not less than $10,000,000 per occurrence, and $10,000,000 in the aggregate for the Grantor Project (which shall comprise not less than $1,000,000 of commercial general liability policy with the balance provided through an umbrella policy), including automobile liability of not less than $1,000,000 combined single limit, and workers’ compensation coverage including $1,000,000 employers liability. Such insurance shall be maintained with an insurer authorized to do business in Washington with Best Rating of A VIII or better and shall contain coverage for all premises and operations, broad form property damage, products and completed operations and contractual liability. Any policy which provides the insurance required under this Section 8 shall: (a) be endorsed to name Grantor as an additional insured with respect to any liability arising out of the policyholder’s activities associated with the use of the easements pursuant to this Agreement, (b) be endorsed to be primary to any insurance maintained by Grantor as to the Grantor Property, (c) contain a severability of interest provision in favor of Grantor, (d) contain a waiver of any rights of subrogation against Grantor, and (e) be endorsed to provide that the policy may not be cancelled without 30 days prior written notice to Grantor. Grantee must provide a copy of the Certificate of Liability to Grantor evidencing the coverage required in this Section 8 prior to commencement of the Grantee Project.

11. **As-Built Plans.** After completion of the improvements, Grantee shall deliver to Grantor a copy of plans showing the actual location of the tiebacks and any concrete casings that extend into and under the Grantor Property. Such plans shall include information as to depth and length of the tiebacks and any concrete casings on the Grantor Property.

12. **Indemnity.** Grantee shall cause its general contractor to provide a commercially reasonable indemnification for the benefit of Grantee and Grantor; provided, however, that any such indemnification provision shall not require Grantee’s general contractor to indemnify Grantor against liability for damages to the extent caused by or resulting from the intentional acts or negligence of Grantor, and/or its contractors, agents or employees.
13. **No Liens.** Neither the Grantee nor its contractors, consultants, agents or employees shall have any right or authority to subject the Grantor Property to any lien or other encumbrance for material, labor, or other charges incurred in or arising from any activities by any of them. To the extent any contractors, consultants, agents or employees claim, file or attempt to file a lien or other encumbrance against the Grantor Property for material, labor, or other charges related to the Grantee Project, Grantee shall promptly cause any such claims, liens or other encumbrances to be dismissed and/or removed at Grantee’s sole cost and expense.

14. **Right to Perform Grantee’s Obligations.** If Grantee fails to perform an obligation under this Agreement and fails to cure such failure within thirty (30) days after Grantor sends a notice demanding cure of such failure (or if such failure is not reasonably capable of being cured within such thirty (30) day period, within such longer period as may be reasonably required to accomplish such cure, provided that Grantee has commenced the cure within such thirty (30) day period and thereafter diligently pursues the cure to completion), Grantor shall have the right to perform such obligation on behalf of Grantee and at Grantee’s sole cost and expense. Notwithstanding the foregoing, if necessary to prevent imminent injury or damage to persons or property or to prevent any material disruption to Grantor’s operations of the Grantor Property, Grantor shall have the right to perform any obligation on behalf of Grantee and at Grantee’s sole cost and expense immediately without first providing any notices or opportunities to cure. All of Grantor's substantiated out of pocket costs and expenses for any Grantee obligations performed by Grantor pursuant to this Section 14 shall be at the sole expense of Grantee, who shall reimburse Grantor within sixty (60) days after written demand therefor, which invoices shall include reasonably-detailed substantiation of the claimed costs and expenses. Any sums not paid within sixty (60) days after demand shall bear interest at the rate of nine percent (9%) per annum or, if lower, the highest rate allowed by applicable law. The reimbursement obligation stated in this Section 14 shall survive the termination of this Agreement for any reason.

15. **Reimbursement of Grantor.** Grantee shall reimburse Grantor for any substantiated out of pocket costs, charges and expenses (including, but not limited to, legal fees, engineering and geotechnical fees, and testing and inspection costs) reasonably incurred by Grantor in connection with negotiating and administering this Agreement, reviewing and approving submittals from Grantee, monitoring the Shoring, and responding if any loss or damage arises, whether incurred before or after the date of this Agreement (collectively, “Reimbursable Expenses”). Grantee agrees to make reimbursement payments within sixty (60) days after receipt of any invoice(s) for Reimbursable Expenses from Grantor, which invoices shall include reasonably-detailed substantiation of the claimed Reimbursable Expenses. Any sums not paid within sixty (60) days of invoice date shall bear interest at the rate of nine percent (9%) per annum or, if lower, the highest rate allowed by applicable law. Once Grantee has provided Grantor (i) the Deactivation Notice as set out in Section 5(d), (ii) written notice of completion of construction, and (iii) the as-built plans as set out in Section 5(c) (collectively, “Project Completion”), Grantor shall have sixty (60) days after Project
Completion to submit to Grantee any final or remaining invoices for Reimbursable Expenses, and Grantee shall have no reimbursement obligation with respect to any Reimbursable Expenses for which invoices are first submitted after such sixty (60) day period. The foregoing time limits for invoicing and recovery of Reimbursable Expenses shall not apply with respect to any Reimbursable Expenses related to damages, injury or loss attributable to the Shoring that are outstanding as of or arise after Project Completion.

16. **Reciprocal Rights.** Grantee agrees to grant to Grantor rights to install tiebacks and an easement for passage of a crane boom on the Grantee Property adjacent to the Grantor Property upon the same terms and conditions set forth herein to facilitate construction of improvements on the Grantor Property.

17. **Duration of Easements.** The Shoring Easement granted herein shall be effective as of the date of mutual execution hereof, and shall expire on the earlier of (i) completion of the below-grade components of the Grantee Project; or (ii) December 2, 2017. The Airspace Easement granted herein shall be effective as of the date of mutual execution hereof, and shall expire on the earlier of (i) completion of the Grantee Project; or (ii) December 2, 2017. The duration of the Shoring Easement and the Airspace Easement shall be extended for a period of time equal to the period of any delay directly affecting the Grantee Project which is caused by a force majeure event such as fire, earthquake or other acts of God, strike, lockout, acts of public enemy, riot, war, or any reason of a like nature, not the fault of Grantee. Grantee shall deliver to Grantor a certificate of occupancy evidencing the completion of the Grantee Project promptly following its issuance. After the termination of the Shoring Easement and the Airspace Easement, and promptly following the request of either party, Grantor and Grantee shall execute, deliver, and record a memorandum evidencing termination of the Shoring Easement and the Airspace Easement, at Grantee’s cost and expense. The reciprocal easement rights in favor of Grantor described in Section 16 above shall survive in perpetuity.

18. **Notice.** Any notice, statement or demand required to be given under this Agreement shall be in writing, delivered personally or sent (i) by certified mail, return receipt requested, or (ii) by nationally recognized express courier service; at the address indicated below.

**To Grantor:**

__________________________
__________________________
__________________________
__________________________

**To Grantee:**

__________________________
__________________________

10
19. **Binding Effect.** The benefits and burdens of this Easement are appurtenant to and shall run with the Grantee Property and Grantor Property, as applicable, shall be binding upon the heirs, executors, administrators, personal representatives, transferees, or successors in interest or assigns of Grantee and Grantor, as the current fee or leasehold owners thereof, for the term hereof, and shall not be extinguished by nonuse or abandonment, or transfer of any interest in the properties affected.

20. **Attorneys’ Fees.** If any suit or other proceeding is instituted by either party to this Easement arising out of or pertaining to this Easement, including but not limited to filing suit or requesting an arbitration (collectively “Proceedings”), and appeals and collateral actions relative to such Proceeding, the substantially prevailing party shall be entitled to recover its reasonable attorneys’ fees and all costs and expenses incurred relative to Proceeding from the substantially nonprevailing party, in addition to such other available relief available to the substantially nonprevailing party.

21. **Severability.** If any clause, sentence, or other portion of the terms, conditions, covenants, and restrictions of this Easement becomes illegal, null, or void for any reason, or is held by any court of competent jurisdiction to be so, the remaining portions will remain in full force and effect.

22. **Enforcement.** In the event of a breach of any of the covenants or agreements set forth in this Easement, the parties shall be entitled to any and all remedies available at law or in equity, including but not limited to the equitable remedies of specific performance or mandatory or prohibitory injunction issued by an arbitrator or by a court of appropriate jurisdiction.

23. **Amendments.** It is hereby mutually agreed and understood that any addition, variation, or modification to this Easement shall be void and ineffective unless in writing and signed by the parties hereto or their successors in interest.

24. **Applicable Law.** This Easement and the performance thereof shall be governed, interpreted, construed, and regulated by the laws of the state of Washington.

Executed and delivered as of the day and year first above written.

[**SIGNATURES FOLLOW ON THE NEXT PAGE**]
GRANTOR:  

PPF OFF 2001 WESTERN AVENUE, LLC, a Delaware limited liability company

By: PPF OFF 2001 Western Avenue Member, LLC, a Delaware limited liability company, its Managing Manager

By: PPF OFF, LLC, a Delaware limited liability company, its Sole Member

By: PPF OP, LP, a Delaware limited partnership, its Sole Member

By: PPF OPGP, LLC, a Delaware limited liability company, its General Partner

By: Prime Property Fund, LLC, a Delaware limited liability company, its Sole Member

By: Morgan Stanley Real Estate Advisor, Inc., a Delaware corporation, its Investment Adviser

By: ________________________________
Name: ______________________________
Title: ______________________________

GRANTEE: 

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

By: ________________________________
Name: ______________________________
Its: ________________________________
STATE OF _____________________ )
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 Morgan Stanley Real Estate Advisor, Inc., a Delaware corporation serving as the Investment Adviser for Prime Property Fund, LLC, a Delaware limited liability company, the Sole Member of PPF OPGP, LLC, a Delaware limited liability company, the General Partner of PPF OP, LP, a Delaware limited partnership, the Sole Member of PPF OFF, LLC, a Delaware limited liability company, the Sole Member of PPF OFF 2001 Western Avenue Member, LLC, a Delaware limited liability company, the Managing Member of PPF OFF 2001 WESTERN AVENUE, LLC, Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _______________________

Notary Public
Print Name _________________________
My commission expires ____________________

(Use this space for notarial stamp/seal)
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 said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the ____________________ of ____________________________, to be the free and voluntary act of such company for the uses and purposes mentioned in the instrument.

Dated this ______________________ day of __________________________, 2015.

_____________________________________
(Signature of Notary)

_____________________________________
(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington, residing at ____________________________
My appointment expires _____________________
EXHIBIT A
Legal Description of Grantor’s Property

PARCEL A:

ALL OF LOTS 2, 3, 6 AND 7, AND THE NORTHEASTERLY 20 FEET OF LOTS 1, 4, 5 AND 8, ALL IN BLOCK 35, ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY’S 6TH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 99, RECORDS OF KING COUNTY, WASHINGTON;

TOGETHER WITH ALLEY ADJOINING SAID LOTS, AS VACATED BY ORDINANCE NUMBER 11003 OF THE CITY OF SEATTLE; AND

TOGETHER WITH THE SOUTHEASTERLY 22 FEET OF VACATED LENORA STREET ADJOINING, WHICH UPON VACATION UNDER ORDINANCE NUMBER 18189 OF THE CITY OF SEATTLE, ATTACHED TO SAID PROPERTY BY OPERATION OF LAW; AND

TOGETHER WITH THAT PORTION OF VACATED WESTERN AVENUE ADJOINING, WHICH UPON VACATION UNDER CITY OF SEATTLE ORDINANCE NUMBER 111789, RECORDED UNDER RECORDING NO. 8408071042, ATTACHED TO SAID PROPERTY BY OPERATION OF LAW;

EXCEPT THAT PORTION OF THE PROPERTY HEREIN DESCRIBED, CONDEMNED FOR WESTERN AVENUE BY ORDINANCE NUMBER 18109 OF THE CITY OF SEATTLE; AND

EXCEPT THAT PORTION OF THE HEREIN DESCRIBED LOT 1 AND VACATED LENORA STREET, CONDEMNED FOR ARMORY WAY BY ORDINANCE NUMBER 67125 OF THE CITY OF SEATTLE.

TRACT B:

PARCEL 1, CITY OF SEATTLE SHORT PLAT NUMBER 79-105, RECORDED UNDER KING COUNTY RECORDING NUMBER 8004110329, RECORDS OF KING COUNTY, WASHINGTON.
PARCEL BI:

A SUB-SURFACE CONSTRUCTION EASEMENT FOR TIE-BACKS AND FOOTINGS RELATED TO THE PARKING GARAGE, OVER THE 20 FEET OF PARCEL 2 IN SAID SHORT PLAT, AS MEASURED PARALLEL WITH AND PERPENDICULAR TO THE COMMON LINE BETWEEN SAID PARCELS 1 AND 2;

EXCEPT ANY PORTION LYING ABOVE THE ELEVATION OF 86.33 FEET BASED ON CITY OF SEATTLE DATUM, BEING EASEMENT NO. 1 AS DESCRIBED IN DOCUMENT RECORDED UNDER KING COUNTY RECORDING NUMBER 8004150133.

PARCEL B2:

AN EASEMENT FOR INGRESS AND EGRESS AND PARKING, AND FOR CONSTRUCTION AND MAINTENANCE OF SIGNS, FENCES, LANDSCAPING AND OTHER IMPROVEMENTS (AS REFERENCED IN THE APPROVED PLANS OF DEVELOPMENT) OVER THE SOUTHEASTERLY 40 FEET OF SAID PARCEL 2, AS MEASURED PARALLEL WITH AND PERPENDICULAR TO THE SOUTHEASTERLY LINE OF LOT 3 IN BLOCK 36 OF A.A. DENNY'S 6TH ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 99, RECORDS OF KING COUNTY, WASHINGTON, BEING EASEMENT NO. 2 AS DESCRIBED IN DOCUMENT RECORDED UNDER KING COUNTY RECORDING NUMBER 8004150133.

PARCEL B3:

AN EASEMENT FOR ACCESS RELATED TO THE CONSTRUCTION AND NECESSARY MAINTENANCE AND REPAIR OF CERTAIN IMPROVEMENTS (AS REFERENCED IN THE APPROVED PLANS OF DEVELOPMENT) OVER SAID PARCEL 2, BEING EASEMENT NO. 3 AS DESCRIBED IN DOCUMENT RECORDED UNDER KING COUNTY RECORDING NUMBER 8004150133.
EXHIBIT B
Legal Description of Grantee’s Property

DENNYS AA 6TH ADD LOTS 2,3,6 & 7 & NELY 20 FT OF LOTS 1,4,5 & 8 BLK 35
TGW VACATED ALLEY ADJOINING SD LOTS & TGW VACATED PORTION OF
LENORA ST ADJOINING SD LOT 2 & SD PORTION LOT 1 TGW PCL 1 CITY OF
SEATTLE SHORT SUBD NO 79-105 REC NO 8004110329 BEING PORTION BLKS 35 &
36 A.A. DENNY’S 6TH ADD & VACATED STREET & ALLEY
EXHIBIT C
Shoring Easement Area
Approval of Second Amendment to Cooperative Agreement with WSDOT
June 2015

WHEREAS, the PDA Council approved resolution 13-33 authorizing the Executive Director to enter into a Cooperative Agreement ("Cooperative Agreement") between the Washington State Department of Transportation ("WSDOT") and the PPMPDA (attached) under which agreement WSDOT will pay the PPMPDA One Million Dollars ($1,000,000) in exchange for the PPMPDA’s agreement to execute and record a restrictive covenant restricting the use of 450 parking spaces located in the PPMPDA PC-1S parking garage to short-term parking at specified rates for a period of three (3) years, and;

WHEREAS the PDA Council approved resolution 14-62 amending and extending the Cooperative Agreement under which agreement WSDOT will pay the PPMPDA an additional Two Million Five Hundred Thousand Dollars ($2,500,000) in exchange for the PPMPDA’s agreement to execute and record a restrictive covenant restricting the use of 450 parking spaces located in the PPMPDA PC-1S parking garage to short-term parking at specified rates for a period of an additional four and half (4 1/2) years, and;

WHEREAS the Executive Director has successfully negotiated a second amendment to the Cooperative Agreement under which agreement WSDOT will pay the PPMPDA an additional amount of Two Million Five Hundred Thousand Dollars ($2,500,000) in exchange for the PPMPDA’s agreement to execute and record a restrictive covenant on the PC1N parcel restricting use of 450 parking spaces total in the new garage to be constructed on PC1N and the existing PC1S garage through 2020 and restricting 300 parking spaces total in the new garage to be constructed on PC1N and the existing PC1S garage from 2021 through, and;

NOW, THEREFORE BE IT RESOLVED that the Executive Director is authorized to execute the amendment to Cooperative Agreement with WSDOT substantially similar to the attached Exhibit;

______________________________ _______________________________
Gloria Skouge, Secretary/Treasurer Date

Date Approved by Council:
For:  
Against:  
Abstained:
SECOND AMENDMENT TO COOPERATIVE AGREEMENT – UCB1124

This SECOND AMENDMENT TO COOPERATIVE AGREEMENT – UCB1124 (“SECOND AMENDMENT”) is made this ____ day of __________, 2015 (“Effective Date”), by and between the Washington State Department of Transportation (“STATE”) and the Pike Place Market Preservation & Development Authority, a Washington public development authority (“PPMPDA”).

WHEREAS, the STATE and PPMPDA are parties to Cooperative Agreement – UCB1124, dated June 13, 2013 (“ORIGINAL AGREEMENT”), as amended by the First Amendment to Cooperative Agreement – UCB1124, dated December 2, 2014 (“FIRST AMENDMENT”), pursuant to which PPMPDA agreed to restrict four hundred fifty (450) of its existing parking spaces in the parking garage (“PC-1S”) located at 1531 Western Avenue, Seattle, Washington (“CURRENT PROPERTY”) to short-term parking at on-street rates under the Amended Restrictive Covenant (defined below and attached as Exhibit B) in exchange for monetary compensation from the STATE, which parking restriction mitigates against the loss of on-street short-term parking caused by the Project; and

WHEREAS, the STATE and PPMPDA are parties to Cooperative Agreement – UCB1124, dated June 13, 2013 (“ORIGINAL AGREEMENT”), as amended by the First Amendment to Cooperative Agreement – UCB1124, dated December 2, 2014 (“FIRST AMENDMENT”), pursuant to which PPMPDA agreed to restrict four hundred fifty (450) of its existing parking spaces in the parking garage (“PC-1S”) located at 1531 Western Avenue, Seattle, Washington (“CURRENT PROPERTY”) to short-term parking at on-street rates under the Amended Restrictive Covenant (defined below and attached as Exhibit B) in exchange for monetary compensation from the STATE, which parking restriction mitigates against the loss of on-street short-term parking caused by the Project; and

WHEREAS, the STATE and PPMPDA are parties to Cooperative Agreement – UCB1124, dated June 13, 2013 (“ORIGINAL AGREEMENT”), as amended by the First Amendment to Cooperative Agreement – UCB1124, dated December 2, 2014 (“FIRST AMENDMENT”), pursuant to which PPMPDA agreed to restrict four hundred fifty (450) of its existing parking spaces in the parking garage (“PC-1S”) located at 1531 Western Avenue, Seattle, Washington (“CURRENT PROPERTY”) to short-term parking at on-street rates under the Amended Restrictive Covenant (defined below and attached as Exhibit B) in exchange for monetary compensation from the STATE, which parking restriction mitigates against the loss of on-street short-term parking caused by the Project; and

WHEREAS, the STATE and PPMPDA are parties to Cooperative Agreement – UCB1124, dated June 13, 2013 (“ORIGINAL AGREEMENT”), as amended by the First Amendment to Cooperative Agreement – UCB1124, dated December 2, 2014 (“FIRST AMENDMENT”), pursuant to which PPMPDA agreed to restrict four hundred fifty (450) of its existing parking spaces in the parking garage (“PC-1S”) located at 1531 Western Avenue, Seattle, Washington (“CURRENT PROPERTY”) to short-term parking at on-street rates under the Amended Restrictive Covenant (defined below and attached as Exhibit B) in exchange for monetary compensation from the STATE, which parking restriction mitigates against the loss of on-street short-term parking caused by the Project; and

WHEREAS, the CITY, a first class city organized under the laws of the State of Washington (the “CITY”), owns the parcel of real property legally described on the attached Exhibit A and located at 1901 Western Avenue, Seattle, Washington (“EXPANSION PROPERTY”), which property is designated as PC-1 North in the Pike Place Urban Renewal Plan (“Plan”) as amended in January of 1974, pursuant to Ordinance 102916, as extended by Ordinance 124361; and

WHEREAS, PPMPDA has operated surface-level parking on the EXPANSION PROPERTY since 1979 under a series of agreements with the CITY; and

WHEREAS, the Plan calls for the EXPANSION PROPERTY to be the location of public parking for Pike Place Public Market, among other uses that complement existing market activity; and

WHEREAS, PPMPDA and the CITY are parties to the MarketFront/PC-1 North Development Agreement, last executed on May 14, 2015, under which the CITY agreed to convey the EXPANSION PROPERTY to PPMPDA upon the satisfaction of certain conditions, and PPMPDA agreed to develop on the EXPANSION PROPERTY a new mixed-use structure, commonly known as the Pike Place MarketFront (“MarketFront”), including a new parking garage (“PC-1N”) to be associated with PC-1S on the CURRENT PROPERTY; and
WHEREAS, PPMPDA is willing to amend the Amended Restrictive Covenant to extend the TERM of the Restrictive Covenant (defined below), adjust the number of parking spaces subject to the Restrictive Covenant and make the EXPANSION PROPERTY subject to the Restrictive Covenant; and

WHEREAS, such an amendment to the Restrictive Covenant would further mitigate against the loss of on-street short-term parking caused by the Project; and

WHEREAS, in accordance with its Project commitments, the STATE desires to acquire such an amendment to the Amended Restrictive Covenant from PPMPDA in exchange for monetary compensation; and

WHEREAS, pursuant to RCW 47.12.010, the STATE is authorized to enter into this SECOND AMENDMENT, and PPMPDA is likewise authorized under its charter,

NOW, THEREFORE, in consideration of the above recitals that are incorporated herein as if fully set forth below, and the terms, conditions, covenants, and performances contained herein, as well as Exhibits A, B, and C which are attached and incorporated hereby, IT IS MUTUALLY AGREED AS FOLLOWS:

GENERAL

1. Definitions.

1.1 Agreement. As used herein, “AMENDED AGREEMENT” shall mean the ORIGINAL AGREEMENT as amended by the FIRST AMENDMENT; and “AGREEMENT” shall mean the AMENDED AGREEMENT as amended by this SECOND AMENDMENT.

1.2 Restrictive Covenant. As used herein, “Amended Restrictive Covenant” shall mean the Restrictive Covenant, dated June 13, 2013 and recorded on June 21, 2013 in King County under No. 20130621001129 (“Original Restrictive Covenant”), as amended by the First Amendment to Restrictive Covenant, dated December 2, 2014 and recorded on December 4, 2014 in King County under No. 20141204002071; and “Restrictive Covenant” shall mean the Amended Restrictive Covenant as amended by the Second Amendment to Restrictive Covenant, dated ________________ 2015 (“Second Amendment to Restrictive Covenant”), a copy of which is attached hereto as Exhibit C.

1.3 Other Defined Terms. Except as otherwise specifically defined herein, all capitalized terms shall have the meaning assigned to such terms in the AMENDED AGREEMENT.
2. **Second Amendment to Restrictive Covenant.** In consideration of the SECOND AMENDMENT MITIGATION PAYMENT (defined below), PPMPDA hereby agrees to amend the Amended Restrictive Covenant to (a) extend the TERM of the Restrictive Covenant by adding an additional five (5) years; (b) adjust the number of parking spaces subject to the Restrictive Covenant during the extended TERM; and (c) subject the EXPANSION PROPERTY to the Restrictive Covenant by executing and recording the Second Amendment to Restrictive Covenant attached hereto as Exhibit C following the conveyance of the EXPANSION PROPERTY from the CITY to PPMPDA. PPMPDA shall execute and record the Second Amendment to Restrictive Covenant within two (2) weeks of obtaining fee ownership of the EXPANSION PROPERTY. Notwithstanding anything to the contrary, PPMPDA reserves the right to make changes to the parking system at PC-1N and PC-1S as PPMPDA may deem necessary or reasonable from time to time, including without limitation, designating the location of the parking spaces hereinafter subject to the Restrictive Covenant entirely within PC-1N or PC-1S, or allocating such parking spaces within both PC-1N and PC-1S.

Effective as of the date on which the Second Amendment to Restrictive Covenant is recorded, the AMENDED AGREEMENT shall be modified as follows:

(i) the “TERM” of the Restrictive Covenant, as defined in the AGREEMENT, shall be modified to mean a period of twelve and one-half (12 ½) years, commencing on June 21, 2013, and expiring on December 21, 2025;

(ii) the number of parking spaces subject to the AGREEMENT shall be reduced from four hundred fifty (450) to three hundred (300) parking spaces after December 21, 2020; and

(iii) the block paragraph under Section 1.3 of the ORIGINAL AGREEMENT, as amended, is deleted and replaced with the following, effective December 22, 2020:

The use of three hundred (300) parking spaces located on the PROPERTY is restricted to short-term parking (no more than four (4) hours) that shall be offered to the public at then-current on street parking rates for the area around the PROPERTY; provided that OWNER shall not be required to charge less than four dollars ($4.00) per hour for such parking for the twelve month period commencing on June 21, 2013 and ending on June 20, 2014, with the option to increase such hourly rate by ten percent (10%) per hour on June 21, 2014 and thereafter as of each subsequent June 21st. This restriction shall terminate on December 21, 2025.

3. **Second Amendment Mitigation Payment.** In consideration of PPMPDA executing and recording the Second Amendment to Restrictive Covenant in favor of the STATE, the STATE shall pay to PPMPDA monetary consideration in the amount of Two
Million Five Hundred Thousand Dollars ($2,500,000.00) ("SECOND AMENDMENT MITIGATION PAYMENT") within thirty (30) days following the mutual execution and recording of the Second Amendment to Restrictive Covenant.

4. Intentionally Deleted.

5. PPMPDA Council Approval. Notwithstanding anything to the contrary, this SECOND AMENDMENT is subject to the approval of the PPMPDA council within the ninety (90) days following the mutual execution and delivery of this SECOND AMENDMENT. PPMPDA shall be entitled to terminate this SECOND AMENDMENT by written notice to the STATE at any time within the ninety (90) days following the mutual execution and delivery of this SECOND AMENDMENT if the PPMPDA council fails to approve this SECOND AMENDMENT. Upon any such termination, neither PARTY shall have any further rights or obligations under this SECOND AMENDMENT, including without limitation the payment obligation set forth in Section 3 above. Should PPMDA fail to provide a written termination notice as provided herein, PPMDA shall record the Second Amendment to Restrictive Covenant, and the STATE shall pay the SECOND AMENDMENT MITIGATION PAYMENT, as set forth in Section 3 of this SECOND AMENDMENT.

6. Term of the Agreement. Subject to Section 5, above, the expiration date of the AGREEMENT, as set forth in Section 6.1 of the ORIGINAL AGREEMENT and modified by Section 5 of the FIRST AMENDMENT, hereby is modified to be December 21, 2025 (i.e., the twelfth and one-half (12 ½) year anniversary of the date of recording the Original Restrictive Covenant).

7. Property. From and after the date on which the Second Amendment to Restrictive Covenant is recorded, the “PROPERTY” under the AGREEMENT shall consist of the CURRENT PROPERTY and the EXPANSION PROPERTY; provided that, and notwithstanding anything to the contrary, if the PPMPDA sells either the CURRENT PROPERTY or EXPANSION PROPERTY prior to the expiration or earlier termination of the TERM of the Restrictive Covenant, the PPMPDA shall comply with Sections 1.3 and 1.4 of the ORIGINAL AGREEMENT, as amended, with respect to the sale of such property.

8. Remedies for Default. If, following the payment of the SECOND AMENDMENT MITIGATION PAYMENT by the STATE, the STATE terminates the AGREEMENT due to a PPMPDA default pursuant to Section 7.1 or 7.2 of the ORIGINAL AGREEMENT, then in such circumstance the amount to be paid by the PPMPDA to the STATE shall be calculated as follows:

8.1 Termination date on or before June 21, 2016. The sum of (a) $1 million multiplied by a fraction in which the numerator is equal to the number of full calendar months remaining as of the termination date until June 21, 2016 and the denominator is equal
to 36, plus (b) the full refund of $2.5 million for the First Amendment Mitigation Payment and $2.5 million for the Second Amendment Mitigation Payment, and plus (c) “Termination Damages” (defined below) equal to five percent (5%) of the sum of (a) and (b) above.

8.2 Termination date after June 21, 2016 and on or before December 21, 2020. The sum of (a) $2.5 million multiplied by a fraction in which the numerator is equal to the number of full calendar months remaining as of the termination date until December 21, 2020, and the denominator is equal to 54, plus (b) the full refund of $2.5 million for the Second Amendment Mitigation Payment, and plus (c) “Termination Damages” equal to five percent (5%) of the sum of (a) and (b) above.

8.3 Termination after December 21, 2020 and on or before December 21, 2025. The sum of (a) $2.5 million multiplied by a fraction in which the numerator is equal to the number of full calendar months remaining as of the termination date until December 21, 2025 and the denominator is equal to 60 plus (b) “Termination Damages” equal to five percent (5%) of the product of (a) above.

8.4 Termination Payment. PPMPDA agrees to make payment to the STATE within thirty (30) calendar days after the date of termination for default. The ORIGINAL AGREEMENT hereby is modified by deleting (i) the last three (3) sentences of Section 7.1 and (ii) the words “and PPMPDA will pay/reimburse the STATE a pro rata amount of the MITIGATION PAYMENT and a TERMINATION PENALTY as set forth in Section 7.1” in Section 7.2. The FIRST AMENDMENT hereby is modified by deleting Section 6 in its entirety.

8.5 Termination Damages. The PARTIES agree that it would be difficult to calculate the STATE’s precise damages in the event that the STATE terminates the AGREEMENT due to a default by PPMPDA under the AGREEMENT. Therefore, the PARTIES agree that a fair and equitable estimation of the STATE’s damages is five percent (5%) as further described in this Section 8.

9. Entire Agreement. The AGREEMENT, as modified by the FIRST AMENDMENT and as modified by this SECOND AMENDMENT shall constitute the entire agreement between the STATE and PPMPDA.

10. Full Force and Effect. Except as specifically set forth herein, the AMENDED AGREEMENT is and remains in full force and effect and binding on the PARTIES.

11. Correction. ORIGINAL AGREEMENT Section 1.2 provides: “…PPMPDA Resolution No. 02-05, as adopted by PPMPDA on February 26, 2002…” This clause is deleted and replaced with “…PPMPDA Resolution No. 02-05, as adopted by PPMPDA on February 26, 2005….”
12. **Counterparts.** This SECOND AMENDMENT may be executed in one or more facsimile or PDF counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the PARTIES hereto have executed this SECOND AMENDMENT as of the Effective Date written above.

PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

________________________________  
Ben Franz-Knight  
Executive Director

Date __________________________

________________________________  
Todd Trepanier, PE  
Alaskan Way Viaduct Program Administrator

Date __________________________

APPROVED AS TO FORM:

________________________________  
Ann E. Salay  
Senior Assistant Attorney General

Date __________________________
EXHIBIT A

Legal Description of EXPANSION PREMISES

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

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

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

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

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

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

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

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

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

Amended Restrictive Covenant

<table>
<thead>
<tr>
<th>Return Address:</th>
<th>Pacifica Law Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>1191 2nd Avenue, Suite 2100</td>
<td>Rich Moore</td>
</tr>
<tr>
<td>Seattle, WA 98101-2945</td>
<td></td>
</tr>
</tbody>
</table>

**WASHINGTON STATE RECORDER’S COVER SHEET (RCW 63.04)**

<table>
<thead>
<tr>
<th>Document Title(s) (or transactions contained therein): (all areas applicable to your document must be filled in)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Restrictive Covenant</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reference Number(s) of Documents assigned or released:</th>
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</table>

<table>
<thead>
<tr>
<th>Additional reference #’s on page ___ of document – None</th>
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**Grantor(s) (Last name, first name, initials):**

<table>
<thead>
<tr>
<th>1. The Pike Place Market Preservation &amp; Development Authority</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Additional names on page ___ of document.</th>
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</table>

**Grantee(s) (Last name first, then first name and initials):**

<table>
<thead>
<tr>
<th>1. Washington State Department of Transportation,</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
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</table>

<table>
<thead>
<tr>
<th>Additional names on page ___ of document.</th>
</tr>
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</table>

**Legal description** (abbreviated; i.e. lot, block, plat or section, township, range)

<table>
<thead>
<tr>
<th>Unit No. 1 of P-C-I South Condominium</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Additional legal is on page A-1 of document.</th>
</tr>
</thead>
</table>

**Assessor’s Property Tax Parcel/Account Number**

| 6598350010 |

| The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein. |

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

| For Rich Moore at Pacifica Law Group |

| Signature of Requesting Party |
Please return to:
PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2100
Seattle, WA 98101
Attention: Richard Moore, Esq.

RESTRICTIVE COVENANT

Grantor: PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY
Grantee: WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

Legal Description
Abbreviated form: Unit No. 1 of PC-1 South Condominium

Additional legal on page A-1 of document

Assessor’s Property Tax Parcel Account Number(s): 659835-0010

Reference number(s) of documents being assigned or released and related documents: None
RESTRICTIVE COVENANT
Parking Mitigation

THIS RESTRICTIVE COVENANT (the “Restrictive Covenant” or “Covenant”) is entered into as of June 15, 2013, between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION (the “STATE”), and PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority (“PPMPDA”).

WITNESSETH:

WHEREAS, pursuant to RCW 47.12.010 the STATE is authorized to enter into this Covenant, and PPMPDA is likewise authorized under its charter; and

WHEREAS, the STATE is constructing and will continue to construct the Alaskan Way Viaduct Replacement Project (the “Project”); and

WHEREAS, PPMPDA currently offers public off-street parking in the Pike Place Market Historic District located at 1531 Western Avenue, Seattle, Washington (the “Property”); and

WHEREAS, the STATE and PPMPDA have entered into a Cooperative Agreement dated June 15, 2013 (the “Agreement”), pursuant to which PPMPDA has agreed to restrict four hundred fifty (450) of its existing parking spaces on the Property to short term parking at on-street rates by way of a restrictive covenant, in exchange for monetary compensation from the STATE, which parking restriction will mitigate against the loss of on-street short-term parking caused by the Project; and

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PPMPDA does hereby impose upon the Property the following covenants, restrictions, charges and easements, which shall run with the land and shall be binding and a burden upon the Property, for the length of time that this Restrictive Covenant shall be in full force and effect.

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof. Capitalized terms not defined herein shall bear the meaning given them in the Agreement.

“Covenant Period” means the period described in Section 3 hereof.

“Effective Date” means [date of recording].

“Parking Rate” means then-current hourly street parking rates for the area around the Property (downtown commercial core parking zone); provided that in no event shall PPMPDA be required to charge less than the then-applicable Rate Floor.

“Rate Floor” means an hourly rate equal to the following:

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Months 0-12, beginning on the Effective Date</td>
<td>$4.00</td>
</tr>
<tr>
<td>Months 13-24</td>
<td>$4.40</td>
</tr>
<tr>
<td>Months 25-36</td>
<td>$4.84</td>
</tr>
</tbody>
</table>

"Short-Term Parking" means the use of a parking space on the Property for up to, but no more than, four (4) consecutive hours.

Section 2. **Parking Restriction.** For purposes of satisfying the requirements of the Agreement, PPMPDA represents, warrants and covenants as follows:

(a) **Short-Term Parking.** During the Covenant Period, at least four hundred fifty (450) parking spaces in the Property shall be offered only for the purpose of Short-Term Parking at rates not to exceed the appropriate Parking Rate.

(b) **Recording.** This Restrictive Covenant shall be duly recorded at or before the Effective Date.

Section 3. **Covenant Period.** This Restrictive Covenant shall continue in full force and effect until the sooner of the date that is three (3) years following the Effective Date, upon which date this Restrictive Covenant shall terminate in its entirety or the date upon which PPMPDA is not currently meeting its rate covenants or other obligations to bondholders for the bonds authorized by PPMPDA Resolution No. 02-05, which is incorporated herein to this Restrictive Covenant.

Section 4. **Governing Law.** This Restrictive Covenant shall be governed by the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have caused this Covenant to be signed by their respective, duly authorized representatives, as of the day and year first written above.

**WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

By: [Signature]
Name: [Name]
Its: [Title]

PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority

By: [Signature]
Name: [Name]
Its: [Title]
STATE OF WASHINGTON  
) ss.

COUNTY OF KING  

I certify that I know or have satisfactory evidence that [Name Redacted] 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 [Title Redacted] of the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6/13/2013

[Signature]
Notary Public
Print Name: Lawrence D. Ellington
My commission expires 2-02-2016

STATE OF WASHINGTON  
) ss.

COUNTY OF KING  

I certify that I know or have satisfactory evidence that [Name Redacted] 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 [Title Redacted] of PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6/11/2013

[Signature]
Notary Public
Print Name: Katesha Atterberry
My commission expires 4-21-2017
EXHIBIT A

Legal Description of Property

Unit No. 1 of PC-1 South Condominium, according to the condominium plan and survey map delineating said unit recorded in Volume 100 page 44-50, inclusive, records of King County Condominiums.

Situate in the County of King, State of Washington.
FIRST AMENDMENT TO RESTRICTIVE COVENANT
Parking Mitigation

THIS FIRST AMENDMENT TO RESTRICTIVE COVENANT (the "First Amendment") is entered into as of [2/2/2014], by and between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION (the "STATE") and PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority ("PPMPDA").

WITNESSETH:

WHEREAS, pursuant to RCW 47.12.010 the STATE is authorized to enter into this First Amendment, and PPMPDA is likewise authorized under its charter; and

WHEREAS, the STATE is constructing and will continue to construct the Alaskan Way Viaduct Replacement Project (the "Project"); and

WHEREAS, PPMPDA currently offers public off-street parking in the Pike Place Market Historic District located at 1531 Western Avenue, Seattle, Washington (the "Property"), as further described in Exhibit A attached hereto; and

WHEREAS, the STATE and PPMPDA have entered into the Cooperative Agreement – UCB1124 dated June 13, 2013, as amended by the FIRST AMENDMENT to Cooperative Agreement – UCB1124, dated [2/2/2014], pursuant to which PPMPDA has agreed to extend the Covenant Period for restricting four hundred fifty (450) of its existing parking spaces on the Property to short term parking at on-street rates by way of amending the Restrictive Covenant, dated June 13, 2013, and recorded in King County on June 21, 2013, under No. 20130621001129 ("Original Restrictive Covenant"), in exchange for monetary compensation from the STATE, which parking restriction will further mitigate against the loss of on-street short-term parking caused by the Project,

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PPMPDA does hereby agree to amend the Original Restrictive Covenant as follows:

This Instrument filed for record by
First American Title Insurance Company
As an accomodation only, it has not
been examined as to its execution or
As to its effect upon the title
1ST AM

After recording return document to:
State of Washington
Department of Transportation
Real Estate Services Office
P O Box 47338
Olympia WA 98504-7338

Document Title: RESTRICTIVE COVENANT
Reference number of related documents: 20130621001129
Grantor: PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY
Grantee: WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
Legal Description: Unit No. 1 of PC-1 South Condominium
Additional legal on page 4 of document
Assessor’s Property Tax Parcel Account Number(s): 659835-0010

FIRST AMENDMENT TO RESTRICTIVE COVENANT
Parking Mitigation

THIS FIRST AMENDMENT TO RESTRICTIVE COVENANT (the “First Amendment”) is
entered into as of 1/2/2014, by and between the WASHINGTON STATE DEPARTMENT OF
TRANSPORTATION (the “STATE”) and PIKE PLACE MARKET PRESERVATION &
DEVELOPMENT AUTHORITY, a Washington public development authority (“PPMPDA”).

WITNESSETH:

WHEREAS, pursuant to RCW 47.12.010 the STATE is authorized to enter into this First
Amendment, and PPMPDA is likewise authorized under its charter; and

WHEREAS, the STATE is constructing and will continue to construct the Alaskan Way Viaduct
Replacement Project (the “Project”); and

WHEREAS, PPMPDA currently offers public off-street parking in the Pike Place Market
Historic District located at 1531 Western Avenue, Seattle, Washington (the “Property”), as further
described in Exhibit A attached hereto; and

WHEREAS, the STATE and PPMPDA have entered into the Cooperative Agreement –
UCB1124 dated June 13, 2013, as amended by the FIRST AMENDMENT to Cooperative Agreement –
UCB1124, dated 1/2/2014, pursuant to which PPMPDA has agreed to extend the Covenant
Period for restricting four hundred fifty (450) of its existing parking spaces on the Property to short term
parking at on-street rates by way of amending the Restrictive Covenant, dated June 13, 2013, and
recorded in King County on June 21, 2013, under No. 20130621001129 (“Original Restrictive
Covenant”), in exchange for monetary compensation from the STATE, which parking restriction will
further mitigate against the loss of on-street short-term parking caused by the Project,

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and
sufficiency of which are hereby acknowledged, PPMPDA does hereby agree to amend the Original
Restrictive Covenant as follows:

This Instrument filed for record by
First American Title Insurance Company
As an accommodation only, it has not
been examined as to its execution or
As to its effect upon the title

Page 1 of 4
Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof. Capitalized terms not defined herein shall bear the meaning given them in the Original Restrictive Covenant. As used herein, “Restrictive Covenant” shall mean the Original Restrictive Covenant as modified by this First Amendment.

Section 2. Covenant Period. The Covenant Period of the Original Restrictive Covenant is hereby extended for an additional four and one-half (4 1/2) years, commencing on June 21, 2016, and continuing in full force and effect until the sooner of (a) the date that is seven and one-half (7 1/2) years following June 21, 2016, (i.e. December 21, 2020) upon which date this Restrictive Covenant shall terminate in its entirety or (b) the date upon which PPMPDA is not currently meeting its rate covenants or other obligations to bondholders for the bonds authorized by PPMPDA Resolution No. 02-05, which is incorporated herein to this Restrictive Covenant.

Section 3. Rate Floor. The term, “Rate Floor,” as defined in Section 2 of the Initial Covenant, is hereby modified to mean an hourly rate equal to the following:

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months 0-12, beginning on the Effective Date</td>
<td>$4.00</td>
</tr>
<tr>
<td>Months 13-24</td>
<td>$4.40</td>
</tr>
<tr>
<td>Months 25-36</td>
<td>$4.84</td>
</tr>
<tr>
<td>Months 37-48</td>
<td>$5.32</td>
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<tr>
<td>Months 49-60</td>
<td>$5.86</td>
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<td>Months 61-72</td>
<td>$6.44</td>
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<tr>
<td>Months 73-90</td>
<td>$7.08</td>
</tr>
</tbody>
</table>

Section 4. Governing Law. This First Amendment shall be governed by the laws of the State of Washington.

Section 5. Full Force and Effect. Except as specifically set forth herein, the Original Restrictive Covenant is and remains in full force and effect and binding on the State and PPMPDA.

Section 6. Counterparts. This First Amendment may be executed in one or more facsimile or PDF counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be signed by their respective, duly authorized representatives, as of the day and year first written above.

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

By: ____________________________

Name: Todd Trepanier, PE

Its: Alaskan Way Viaduct Program Administrator

Page 2 of 4
PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority

By: 
Name: Beth Frank-Knight
Its: Executive Director

STATE OF WASHINGTON )
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Todd 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 Executive Director of the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12/2, 2014.

Notary Public
Print Name: Lawrence N. Ellingon
My commission expires 02-02-2016

STATE OF WASHINGTON )
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 signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.


Notary Public
Print Name: Matthew Holland
My commission expires 10-31-2016

Page 3 of 4
EXHIBIT A
Legal Description of Property

Unit No. 1 of PC-1 South Condominium, according to the condominium plan and survey map delineating said unit recorded in Volume 100, Pages 44-50 inclusive, records of King County Condominiums.

Situate in the County of King, State of Washington.
EXHIBIT C

Second Amendment to Restrictive Covenant
SECOND AMENDMENT TO RESTRICTIVE COVENANT

Parking Mitigation

THIS SECOND AMENDMENT TO RESTRICTIVE COVENANT (the “Second Amendment”) is entered into as of ____________, 2015, by and between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION (the “STATE”), and PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY (the “PPMPDA”).

W I T N E S S E T H:

WHEREAS, pursuant to RCW 47.12.010 the STATE is authorized to enter into this Second Amendment, and PPMPDA is likewise authorized under its charter; and

WHEREAS, the STATE is constructing and will continue to construct the Alaskan Way Viaduct Replacement Project (the “Project”); and

WHEREAS, PPMPDA currently offers public off-street parking in the Pike Place Market Historic District in the existing parking garage located at 1531 Western Avenue, Seattle, Washington (“Current Property”); and

WHEREAS, PPMPDA shall offer additional public off-street parking in the Pike Place Market Historic District in an adjoining parking garage located at 1901 Western Avenue, Seattle, Washington (“Expansion Property”), as further described in Exhibit A attached hereto; and

WHEREAS, the STATE and PPMPDA have entered into the Cooperative Agreement – UCB1124 dated June 13, 2013, as amended by the First Amendment to Cooperative Agreement – UCB1124 dated December 2, 2014, and Second Amendment to Cooperative Agreement – UCB1124 dated ____________, 2015, pursuant to which PPMPDA has agreed to extend the Covenant Period of the Restrictive Covenant (defined below), adjust the number of parking spaces subject to
the Restrictive Covenant and subject the Expansion Property to the Restrictive Covenant by way of amending the Restrictive Covenant dated June 13, 2013, and recorded in King County on June 21, 2013 (“Effective Date”), under No. 20130621001129 (“Original Restrictive Covenant”), as amended by the First Amendment to Restrictive Covenant dated December 2, 2014, and recorded in King County on December 4, 2014, under No. 20141204002071 (“First Amendment”), in exchange for monetary compensation from the STATE, which amendment will further mitigate against the loss of on-street short-term parking caused by the Project; and

NOW, THEREFORE, in consideration of the above recitals, including the referenced documents which are incorporated herein as if fully set forth below or attached, and Exhibits A and B which are attached hereto and made a part hereof, as well as good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PPMPDA does hereby agree to amend the Amended Restrictive Covenant (defined below) as follows:

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof. Capitalized terms not defined herein shall bear the meaning given them in the Amended Restrictive Covenant. As used herein, “Amended Restrictive Covenant” shall mean the Original Restrictive Covenant as amended by the First Amendment; and “Restrictive Covenant” shall mean the Amended Restrictive Covenant as modified by this Second Amendment. A copy of the Amended Restrictive Covenant is attached hereto as Exhibit B.

Section 2. Covenant Period. The Covenant Period of the Restrictive Covenant hereby is extended for an additional five (5) years, such that the Covenant Period shall continue in full force and effect until the date that is twelve and one-half (12 ½) years following the Effective Date, upon which date this Restrictive Covenant shall terminate in its entirety.

Section 3. Property. The “Property” subject to this Restrictive Covenant is hereby modified to mean the Current Property and the Expansion Property.

Section 4. Rate Floor. The term, “Rate Floor,” as defined in Section 2 of the Original Restrictive Covenant, is hereby modified to mean an hourly rate equal to the following:

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 21, 2013 – June 20, 2014</td>
<td>$4.00</td>
</tr>
<tr>
<td>June 21, 2014 – June 20, 2015</td>
<td>$4.40</td>
</tr>
<tr>
<td>June 21, 2015 – June 20, 2016</td>
<td>$4.84</td>
</tr>
<tr>
<td>June 21, 2016 – June 20, 2017</td>
<td>$5.32</td>
</tr>
<tr>
<td>June 21, 2017 – June 20, 2018</td>
<td>$5.86</td>
</tr>
<tr>
<td>June 21, 2018 – June 20, 2019</td>
<td>$6.44</td>
</tr>
<tr>
<td>June 21, 2019 – June 20, 2020</td>
<td>$7.09</td>
</tr>
<tr>
<td>June 21, 2020 – June 20, 2021</td>
<td>$7.79</td>
</tr>
<tr>
<td>June 21, 2021 – June 20, 2022</td>
<td>$8.57</td>
</tr>
<tr>
<td>June 21, 2022 – June 20, 2023</td>
<td>$9.43</td>
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<tr>
<td>June 21, 2023 – June 20, 2024</td>
<td>$10.37</td>
</tr>
<tr>
<td>June 21, 2024 – June 20, 2025</td>
<td>$11.41</td>
</tr>
<tr>
<td>June 21, 2025 – Dec. 21, 2025</td>
<td>$12.55</td>
</tr>
</tbody>
</table>
Section 5. Parking Restriction.

(a) Short-Term Parking. From and after the mutual execution and recording of this Second Amendment to Restrictive Covenant, the number of parking spaces subject to the Restrictive Covenant shall be reduced from four hundred fifty (450) to three hundred (300) parking spaces after December 21, 2020.

(b) Reservation of Rights. Notwithstanding anything to the contrary, PPMPDA reserves the right to make changes to the parking system at the Property as PPMPDA may deem necessary or reasonable from time to time, including without limitation, designating the location of the parking spaces subject to the parking restriction for Short-Term Parking at rates not to exceed the appropriate Parking Rate entirely on the Current Property or Expansion Property or allocating such parking spaces across both properties.

Section 6. Governing Law. This Second Amendment shall be governed by the laws of the State of Washington.

Section 7. Full Force and Effect. Except as specifically set forth herein, the Amended Restrictive Covenant is and remains in full force and effect and binding on the State and PPMPDA.

Section 8. Counterparts. This Second Amendment may be executed in one or more facsimile or PDF counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to Restrictive Covenant to be signed by their respective, duly authorized representatives, as of the day and year first written above.

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

By: ________________________________
Name: Todd Trepanier, PE
Its: Alaskan Way Viaduct Program Administrator

PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority

By: ________________________________
Name: Ben Franz-Knight
Its: Executive Director
I certify that I know or have satisfactory evidence that Todd Trepanier 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 Alaskan Way Viaduct Program Administrator of the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: ______________, 2015.

Notary Public
Print Name
My commission expires

(Use this space for notarial stamp/seal)

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

Dated: ______________, 2015.

Notary Public
Print Name
My commission expires

(Use this space for notarial stamp/seal)
EXHIBIT A

Legal Description of Property

1531 WESTERN AVENUE, SEATTLE, WASHINGTON:

Unit No. 1 of PC-1 South Condominium, according to the condominium plan and survey map delineating said unit recorded in Volume 100, Pages 44-50 inclusive, records of King County Condominiums.

Situate in the County of King, State of Washington.

1901 WESTERN AVENUE, SEATTLE, WASHINGTON:

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

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

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

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

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

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

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

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

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

Return Address:
Pacifica Law Group
Attn: Rich Moore
1191 2nd Avenue, Suite 2100
Seattle, WA 98101-2945

Please print or type information

WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.04)

Document Title(s) (or transactions contained therein); all areas applicable to your document must be filled in:
1. Restrictive Covenant
2. 
3. 
4. 

Reference Number(s) of Documents assigned or released:
Additional reference #’s on page _____ of document – None

Grantor(s) (Last name, first name, initials)
1. The Pike Place Market Preservation & Development Authority
2. 
Additional names on page _____ of document.

Grantee(s) (Last name first, then first name and initials)
1. Washington State Department of Transportation,
2. 
Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)
Unit No. 1 of PC-1 South Condominium

Additional legal is on page A-1 of document.

Assessor’s Property Tax Parcel/Account Number
659830010

☐ Assessor Tax # not yet assigned

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

Handwritten:
For Rich Moore at Pacifica Law Group
Signature of Requesting Party
Please return to:
PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2100
Seattle, WA 98101
Attention: Richard Moore, Esq.

RESTRICTIVE COVENANT

Grantor: PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY
Grantee: WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

Legal Description
Abbreviated form: Unit No. 1 of PC-1 South Condominium

Additional legal on page A-1 of document

Assessor’s Property Tax Parcel Account Number(s): 659835-0010

Reference number(s) of documents being assigned or released and related documents: None
RESTRICTIVE COVENANT
Parking Mitigation

THIS RESTRICTIVE COVENANT (the "Restrictive Covenant" or "Covenant") is entered into as of June 15, 2013, between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION (the "STATE"), and PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority ("PPMPDA").

WITNESSETH:

WHEREAS, pursuant to RCW 47.12.010 the STATE is authorized to enter into this Covenant, and PPMPDA is likewise authorized under its charter; and

WHEREAS, the STATE is constructing and will continue to construct the Alaskan Way Viaduct Replacement Project (the "Project"); and

WHEREAS, PPMPDA currently offers public off-street parking in the Pike Place Market Historic District located at 1531 Western Avenue, Seattle, Washington (the "Property"); and

WHEREAS, the STATE and PPMPDA have entered into a Cooperative Agreement dated June 15, 2013 (the "Agreement"), pursuant to which PPMPDA has agreed to restrict four hundred fifty (450) of its existing parking spaces on the Property to short term parking at on-street rates by way of a restrictive covenant, in exchange for monetary compensation from the STATE, which parking restriction will mitigate against the loss of on-street short term parking caused by the Project; and

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PPMPDA does hereby impose upon the Property the following covenants, restrictions, charges and easements, which shall run with the land and shall be binding and a burden upon the Property, for the length of time that this Restrictive Covenant shall be in full force and effect.

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof. Capitalized terms not defined herein shall bear the meaning given them in the Agreement.

"Covenant Period" means the period described in Section 3 hereto.

"Effective Date" means [date of recording].

"Parking Rate" means then-current hourly street parking rates for the area around the Property (downtown commercial core parking zone); provided that in no event shall PPMPDA be required to charge less than the then-applicable Rate Floor.

"Rate Floor" means an hourly rate equal to the following:

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
</table>


“Short-Term Parking” means the use of a parking space on the Property for up to, but no more than, four (4) consecutive hours.

Section 2. Parking Restriction. For purposes of satisfying the requirements of the Agreement, PPMPDA represents, warrants and covenants as follows:

(a) Short-Term Parking. During the Covenant Period, at least four hundred fifty (450) parking spaces in the Property shall be offered only for the purpose of Short-Term Parking at rates not to exceed the appropriate Parking Rate.

(b) Recording. This Restrictive Covenant shall be duly recorded at or before the Effective Date.

Section 3. Covenant Period. This Restrictive Covenant shall continue in full force and effect until the sooner of the date that is three (3) years following the Effective Date, upon which date this Restrictive Covenant shall terminate in its entirety or the date upon which PPMPDA is not currently meeting its rate covenants or other obligations to bondholders for the bonds authorized by PPMPDA Resolution No. 02-05, which is incorporated herein to this Restrictive Covenant.

Section 4. Governing Law. This Restrictive Covenant shall be governed by the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have caused this Covenant to be signed by their respective, duly authorized representatives, as of the day and year first written above.

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

By: [Signature]
Name: Línea Línea
Its: Administrator

PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority

By: [Signature]
Name: Frank Frank
Its: Executive Director
STATE OF WASHINGTON  

COUNTY OF KING  

I certify that I know or have satisfactory evidence that Lawrence Dr. Ellington 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 President Admin. of the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.


[Signature]

Notary Public  
Print Name: Lawrence Dr. Ellington  
My commission expires: 2-22-2016

STATE OF WASHINGTON  

COUNTY OF KING  

I certify that I know or have satisfactory evidence that Pen Tran Bagger 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 Director of PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.


[Signature]

Notary Public  
Print Name: Pen Tran Bagger  
My commission expires: 4/30/17
EXHIBIT A

Legal Description of Property

Unit No. 1 of PC-1 South Condominium, according to the condominium plan and survey map delineating said unit recorded in Volume 100 page 44-50, inclusive, records of King County Condominiums.

Situate in the County of King, State of Washington.
FIRST AMENDMENT TO RESTRICTIVE COVENANT
Parking Mitigation

THIS FIRST AMENDMENT TO RESTRICTIVE COVENANT (the “First Amendment”) is entered into as of 1/2/2014, by and between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION (the “STATE”) and PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority (“PPMPDA”).

WITNESSETH:

WHEREAS, pursuant to RCW 47.12.010 the STATE is authorized to enter into this First Amendment, and PPMPDA is likewise authorized under its charter; and

WHEREAS, the STATE is constructing and will continue to construct the Alaskan Way Viaduct Replacement Project (the “Project”); and

WHEREAS, PPMPDA currently offers public off-street parking in the Pike Place Market Historic District located at 1531 Western Avenue, Seattle, Washington (the “Property”), as further described in Exhibit A attached hereto; and

WHEREAS, the STATE and PPMPDA have entered into the Cooperative Agreement – UCB1124 dated June 13, 2013, as amended by the FIRST AMENDMENT to Cooperative Agreement – UCB1124, dated 1/2/2014, pursuant to which PPMPDA has agreed to extend the Covenant Period for restricting four hundred fifty (450) of its existing parking spaces on the Property to short term parking at on-street rates by way of amending the Restrictive Covenant, dated June 13, 2013, and recorded in King County on June 21, 2013, under No. 20130621001129 (“Original Restrictive Covenant”), in exchange for monetary compensation from the STATE, which parking restriction will further mitigate against the loss of on-street short-term parking caused by the Project,

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PPMPDA does hereby agree to amend the Original Restrictive Covenant as follows:
FIRST AMENDMENT TO RESTRICTIVE COVENANT
Parking Mitigation

THIS FIRST AMENDMENT TO RESTRICTIVE COVENANT (the “First Amendment”) is entered into as of ________________, 2014, by and between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION (the “STATE”) and PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority (“PPMPDA”).

WITNESSETH:

WHEREAS, pursuant to RCW 47.12.010 the STATE is authorized to enter into this First Amendment, and PPMPDA is likewise authorized under its charter; and

WHEREAS, the STATE is constructing and will continue to construct the Alaskan Way Viaduct Replacement Project (the “Project”); and

WHEREAS, PPMPDA currently offers public off-street parking in the Pike Place Market Historic District located at 1531 Western Avenue, Seattle, Washington (the “Property”), as further described in Exhibit A attached hereto; and

WHEREAS, the STATE and PPMPDA have entered into the Cooperative Agreement – UCB1124 dated June 13, 2013, as amended by the FIRST AMENDMENT to Cooperative Agreement – UCB1124, dated ________________, 2014, pursuant to which PPMPDA has agreed to extend the Covenant Period for restricting four hundred fifty (450) of its existing parking spaces on the Property to short term parking at on-street rates by way of amending the Restrictive Covenant, dated June 13, 2013, and recorded in King County on June 21, 2013, under No. 20130621001129 (“Original Restrictive Covenant”), in exchange for monetary compensation from the STATE, which parking restriction will further mitigate against the loss of on-street short-term parking caused by the Project;

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PPMPDA does hereby agree to amend the Original Restrictive Covenant as follows:
Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth below for the purposes hereof. Capitalized terms not defined herein shall bear the meaning given them in the Original Restrictive Covenant. As used herein, “Restrictive Covenant” shall mean the Original Restrictive Covenant as modified by this First Amendment.

Section 2. Covenant Period. The Covenant Period of the Original Restrictive Covenant is hereby extended for an additional four and one-half (4 1/2) years, commencing on June 21, 2016, and continuing in full force and effect until the sooner of (a) the date that is seven and one-half (7 1/2) years following June 21, 2016, (i.e. December 21, 2020) upon which date this Restrictive Covenant shall terminate in its entirety or (b) the date upon which PPMPDA is not currently meeting its rate covenants or other obligations to bondholders for the bonds authorized by PPMPDA Resolution No. 02-05, which is incorporated herein to this Restrictive Covenant.

Section 3. Rate Floor. The term, “Rate Floor,” as defined in Section 2 of the Initial Covenant, is hereby modified to mean an hourly rate equal to the following:

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months 0-12, beginning on the Effective Date</td>
<td>$4.00</td>
</tr>
<tr>
<td>Months 13-24</td>
<td>$4.40</td>
</tr>
<tr>
<td>Months 25-36</td>
<td>$4.84</td>
</tr>
<tr>
<td>Months 37-48</td>
<td>$5.32</td>
</tr>
<tr>
<td>Months 49-60</td>
<td>$5.86</td>
</tr>
<tr>
<td>Months 61-72</td>
<td>$6.44</td>
</tr>
<tr>
<td>Months 73-90</td>
<td>$7.08</td>
</tr>
</tbody>
</table>

Section 4. Governing Law. This First Amendment shall be governed by the laws of the State of Washington.

Section 5. Full Force and Effect. Except as specifically set forth herein, the Original Restrictive Covenant is and remains in full force and effect and binding on the State and PPMPDA.

Section 6. Counterparts. This First Amendment may be executed in one or more facsimile or PDF counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be signed by their respective, duly authorized representatives, as of the day and year first written above.

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

By: [Signature]

Name: Todd Trepainier, PE
Title: Alaskan Way Viaduct Program Administrator

Page 2 of 4
PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, a Washington public development authority

By: [Signature]
Name: Beth Frantz-Knight
Title: Executive Director

STATE OF WASHINGTON )
                     ) ss.
COUNTY OF KING )

I certify that I know or have satisfactory evidence that [Signature] 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 [Signature] of the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-31-2014.

[Notary Public]
Print Name: [Signature]
My commission expires 02-02-2016

STATE OF WASHINGTON )
                     ) ss.
COUNTY OF KING )

I certify that I know or have satisfactory evidence that [Signature] 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 [Signature] of PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-31-2014.

[Notary Public]
Print Name: [Signature]
My commission expires 12-31-2016
EXHIBIT A

Legal Description of Property

Unit No. 1 of PC-1 South Condominium, according to the condominium plan and survey map delineating said unit recorded in Volume 100, Pages 44-50 inclusive, records of King County Condominiums.

Situate in the County of King, State of Washington.
Section VI:

PDA Committee Minutes
Market Programs Committee
Draft Meeting Minutes

Pike Place Market Preservation and Development Authority (PDA)
Tuesday, June 9th, 2015
4:00 p.m. to 6:00 p.m.
The Classroom

Committee Members Present: Betty Halfon, Patrice Barrentine, Gloria Skouge, Ann Magnano, David Ghoddousi, Bruce Burger

Other Council Members Present:

Staff Present: Ben Franz-Knight, Kelly Lindsay, Scott Davies, Tamra Nisly

Others Present: Howard Aller

The meeting was called to order at 4:02 p.m. by Betty Halfon, Chair.

I. Administration
A. Approval of the Agenda
   The agenda was approved by Acclamation

B. Approval of the May 12th, 2015 Meeting Minutes.
   The minutes were approved by acclamation.

II. Announcements and Community Comments

III. Programs and Marketing Director’s Report
A. Programs & Promotions Update
   Kelly Lindsay presented a brief overview on recent Market media relations as well as programming activities in the Market.

Ann Magnano entered into the meeting at 4:15 p.m.

IV. Presentation and Discussion Items
A. Social Services
   Lillian Hochstein presented an annual overview of the work on the Market Social Services. She had also presented on the figures from the “Cut the Pie” awards event. She had noted that the Market Foundation had raised over $875,000 for the Market Social Services.

B. Special Event Budget Considerations
   Ben Franz-Knight reported back on a request from the committee the previous month in looking at event considerations for the Market. He brought back information regarding special budget considerations for events in the Market and information on what would it
realistically take to host a monthly event in the Market; a copy of the presentation was included in the PDA Council records. He reviewed case studies of current Market events as well as various types of events hosted. A summary of the presentation was included as follows:

Events General Categories
• Festivals
• Concerts
• Commemorative Events (Centennial)
• Promotions
• Radio stations
• Movies
• Parades
• Health and Fitness - Races/Runs
• Odd and quirky - Running of the piglet, singing in the rain, soap box derby
• Car Shows and Club Gatherings

Events – Purpose and Benefits
• Drive traffic
• Mark significant moments/holidays
• Raise awareness
• Raise money
• Activate public space
• Deepen sense of community/foster renewed sense of community
• Lengthen duration of stay
• Entertain
• It’s Tradition

Event Budget Planning
• Staffing
• Promotion
• Talent
• Out-sourced production
• Sponsorship and Partnership
• Size, duration, frequency (right sized regular frequency is more cost effective than occasional one-off)
• Current PDA Events and Promotion Budget - $52,500
• One major event a month - additional - $120,000 - $200,000
• Increase vendor produced events – revamp co-op advertising – current budget - $15,000

There was a discussion from the committee that followed.

C. 2015 Summer Farm Program
Zack Cook, Farm Manager had presented a preview on the 2015 Summer Farm Program; a copy of the presentation was included with the PDA Council records. He provided
highlights for 2015 in which he noted that attendance had increased by over 13.7 percent from the previous year. He said that there were 21 farmer visits for 2015 with two new farmers. He briefly spoke on the farmer outreach for this year with the work from the Farm Development Coordinator, Leigh Newman-Bell. A summary of the 2015 Summer Farm Presentation was included as follows:

Express Market Preview

- Virginia Mason: New day, location and partnership with Horizon House
- Pioneer Square: New location and partnership with CID
- Continuing markets at City Hall, South Lake Union and Microsoft Commons
- 28 farmers and artisans at 5 locations

CSA Program

- Partnership with King County Healthy Incentives
  - Atlantic Central Base
  - Downtown Public Health
  - Youth Services Center
- 11 confirmed CSA Delivery Sites
- Member Enrollment
  - 48 King County employees
  - 43 PDA and Market Foundation employees
  - 50+ members anticipated for the Food Access Program
- Duration: 15 weeks, from June 24th-September 30th
- 20+ participating Farmers
  - Fruits, vegetables, and several value-added farm products
- Engaging the larger Market Community
  - Senior Center- additional potential site
  - Partnership with the Food Bank
  - Volunteers from the Market community

Food Access Programs

- Market Bucks
  - Bike Benefits: Bikers with a special sticker will get $2
  - Market Fresh: An additional $5k will go to social services around our Express Markets. ($30k distributed to Market residents and services)
  - Fresh Bucks: EBT matching program. Full time AmeriCorps Summer Associate working on outreach and promotion
  - Student Coupon: $5 value for fresh produce for education program participants. Sent to 2,200 area students.

Family Farmers Market Day
• When: Third Sunday of the summer months, 10am-noon. (June 21st, July 19th, Aug 16th, Sept 20th)
• Where: North end of Pike Place Market, near the corner of Pike Pl and Stewart St.
• Who: Families and children ages 3-12.

Cooking Demonstrations
• Sunday Chef Demos: Program has been integrated with Atrium Kitchen demonstration program. Demonstrations no longer taking place on Pike Place.
• Thursday Classes by Diane LaVonne: Free for Market residents, sponsored by Food Access Program. Classes take place in Atrium Kitchen.

There was a brief discussion that followed by the Committee.

V. Action Items
None

VI. Resolutions to be added to Consent Agenda
None

VII. Concerns of Committee Members
None

VIII. Public Comment
None

IX. Adjournment
The meeting was adjourned at 5:56 pm by Betty Halfon, Chair

Meeting minutes submitted by:
Dianna Goodsell, Executive Administrator
CUT THE PIE CELEBRATION

TOTAL GRANTED: $875,000

NEIGHBORCARE HEALTH AT PIKE PLACE MARKET: $305,000
PIKE MARKET SENIOR CENTER: $200,000
PIKE MARKET FOOD BANK: $80,000
PIKE MARKET CHILDCARE & PRESCHOOL: $200,000
COMMUNITY SAFETY NET: $5,000
FOOD ACCESS PROGRAM: $50,000
HERITAGE HOUSE: $25,000
Tuesday, June 16, 2015
4:30 p.m. to 6:00 p.m.
The Classroom

Committee Members Present: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine,

Other Council Members Present: Patrick Kerr

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Tamra Nisly, Jennifer Maietta, John Turnbull, Jessica Carlson, Dianna Goodsell

Others Present: Joe Reed, Chris Scott, Howard Aller

The meeting was called to order at 4:02 p.m. by Gloria Skouge, Chair.

I. Administration
   A. Approval of the Agenda
      The agenda was approved by Acclamation
   
   B. Approval of the Finance & Asset Management Committee May 19, 2015 meeting minutes.
      The meeting minutes were approved by acclamation

II. Announcements and Community Comments
   None

III. Reports & Discussion Items
       Sabina Proto, PDA Director of Finance presented a review of the Preliminary Financial Statements for May 2015. Sabina Proto discussed the PDA Balance Sheet. She reported that there was a slight decrease from the prior month with Current Assets. Designated cash showed an increase from the prior month due to monthly contribution to CRRF. Restricted cash had increased due to the monthly contribution to Debt Service Accounts. Fixed Assets had increased due to the work completed under Capital Projects. Current Liabilities decreased mainly in the category of Accounts Payable. Long Term Debt had decreased due to the payments on our long term obligations. Our Net Position for the current year operating result was $1,752,579. Finally, under the Accounts Receivable Report, the accounts receivable increased on May compared to the balance of the prior month.
Under the PDA Operating Statement, the Total Revenue for the end of May 2015 was $6,945,260 or over budget by $355,684. The Total Operating Expense YTD was $4,982,946 or $295,357 under budget. The Net Operating Result YTD for the end of May was $1,962,314 or $651,041 over budget. The Net Result after Debt Service & Reserves including the following Annual Budget of $2,055,516 and for the end of May; the actual amount YTD was $874,188.

Lastly, Footnotes on the Operating Expenses reported the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent and Common Area charge. The Percent Rent spreadsheet showed $195,382 over budget for the period January through May 2015. Residential Revenue was on track for May. Surface Revenue was over budget and Garage Revenue was over budget by $150,491 due to increased parkers in the garage.

Ben Franz-Knight spoke of the changes for the Market parking garage and the proposed transit incentive as an offset.

Patrick Kerr asked about the possibility of increasing the parking hourly rates.

David Ghoddousi mentioned maintain sensitivity with our partners regarding parking including with the Seattle aquarium.

Ben Franz-Knight noted that we will see the CRRF balance reduced to 5 million next month due to the bond issuance for the MarketFront project.

I. Checking Account Activity Report
The Checking Account Activity Report for the month of April 2015 was distributed to Dianna Goodsell, Administrative Services Coordinator.

B. 2015 Strategic Issue - Commercial Tenant Leasing Guideline Review
John Turnbull, Director of and Jennifer Maietta, Commercial Portfolio Manager reviewed a draft version of the Lease Administration Guidelines, which included some of the restructuring of the document sections.

There were questions from the committee.

David Ghoddousi asked about the tenancy of lease terms including month to month leases.

Next steps would be to review the draft and come back next month to approve the changes within the document.

IV. Reports and Action Items
A. Action Item: Proposed Resolution 15-33: Pine Street Stair Enhancement Interior Painting - Novo Painting & Property Services
Tamra Nisly reviewed the resolution which states that the Pike Place Market Preservation and Development Authority (“PPMPDA”) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and, whereas in order to maintain the viability of the Pike Place Market, the PPMPDA Full Council identified Strategic Planning issues and opportunities for 2015 with the adoption of Resolution 14-80; and, whereas, the PDA Full Council determined that further analysis and effort should be devoted in 2015 to the identified Strategic Issues which included Western Avenue Activation Strategies, DownUnder Stair Activation, also referred to as the Pine Street Stair Enhancement; and, whereas, the PPMPDA has explored and identified a plan of action regarding the Pine Street Stair Enhancement and has determined that the painting of the interior, columns, railings, and stair stringers is necessary to the successful completion of this project; and, whereas, the PPMPDA has executed a bid process in accordance with its Purchasing Guidelines to repair and paint the stair interior and has selected Novo Painting and Property Services as the contractor for these services.

Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Novo Painting & Property Services, LLC in an amount not to exceed $30,000.

The funds from this project will be drawn from the Capital Projects Budget – Western Ave. Enhancement Projects: 163786-00.

Patrice Barrentine moved, David Ghoddousi seconded

There was a brief discussion that followed by the Committee.

For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine
Against: 0
Abstained: 0

Resolution 15-33: Pine Street Stair Enhancement Interior Painting - Novo Painting & Property Services passed unanimously by the committee by a vote of 4-0-0.


Tamra Nisly introduced the resolution which states that the Pike Place Market Preservation and Development Authority (“PPMPDA”) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and, whereas in order to maintain the viability of the Pike Place Market, the PPMPDA Full Council
identified Strategic Planning issues and opportunities for 2015 with the adoption of Resolution 14-80; and, whereas, the PDA Full Council determined that further analysis and effort should be devoted in 2015 to the identified Strategic Issues which included Western Avenue Activation Strategies, DownUnder Stair Activation, also referred to as the Pine Street Stair Enhancement; and, Whereas, the PPMPDA has explored and identified a plan of action regarding the Pine Street Stair Enhancement and has determined that adding signage consistent with the 2013 signage project is necessary for the completion of this project; and Whereas, in order to install signage that matched exactly with the current signs it is necessary to contract with the previously approved signage vendor, Trade-Marx Sign & Display, for an amount not to exceed $40,000 for the following items as identified in Attachment 1:

- Level 3 & 4 signage
- Two Orientation Maps
- Four Restroom Blades
- Directional Arrow
- Large Stenciled Graphic

Now, therefore be resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Trade-Marx Sign & Display in an amount not to exceed $40,000.

The funds from this project will be drawn from the Capital Projects Budget – Western Ave. Enhancement Projects: 163786-00.

Patrice Barrentine moved, David Ghoddousi seconded

There was a brief discussion that followed.

Patrick Kerr asked about the proposed one sided arrow and how that would affect the businesses oriented oppositely of the arrow.

There was a discussion on updating the arrow signage including updating the design to include a double sided arrow. Moving forward the arrow would be modified and submitted to the MHC for approval.

For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine
Against: 0
Abstained: 0

Resolution 15-38: Pine Street Stair Enhancement Signage - Trade-Marx Sign & Display Corp. passed unanimously by a vote of 4-0-0.

John Turnbull introduced the resolution which states that the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and, Whereas, in on-going management of the Pike Place Market, the PPMPDA has entered into leases for several commercial spaces in the First and Pine Building which will require tenants to perform their own tenant improvement work, requiring demolition, replacement and modification to existing electrical distribution systems, plumbing systems, heating and cooling systems and construction of storefronts, entries and other physical changes to the spaces; and, Whereas, the coordination of such work by tenant contractors is important to ensure continuity of services to existing tenants, minimization of disruption from construction impacts, maximum efficiency is cost and coordination with other capital repairs on the building to be done by the PDA; and, Whereas, the PPMPDA has determined the services of a professional project manager as owners representative is essential to the effective coordination of such work and has sought proposals from several experienced firms; and, Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Larry Barton d/b/a Barton Consulting Services in an amount not to exceed $25,000 for estimated time on an hourly basis through the remainder of 2015 to manage these improvements as an owners representative.

The funds for this project will be drawn from the Repair and Replacement Reserve: 110630-00.

David Ghoddousi moved, Patrice Barrentine seconded

For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine  
Against: 0  
Abstained: 0  

Resolution 15-44: Authorization for Contract Authority – Tenant Improvement Coordination - First and Pine Building passed unanimously by a vote of 4-0-0.

V. Property Management  
   A. Residential Property Management Report  
   John Turnbull presented the Residential Property Management Report for the month of May 2015. He noted that the Market-wide vacancy rate was roughly around 2 percent.

VI. Public Comment  
   None

VII. Closed Session  

The Committee entered into Closed Session at 5:08pm
I. Property Management Report - *Closed Session (RCW 42.30.110[c]*)

II. Review of Lease Proposals
   New Lease - Jarrbar - 1432 Western Ave
   Lease Renewal - Piroshky Piroshky - 1908 Pike Place

III. Review of Delinquency Report
   a. Vacancy Report
   b. Current Lease Negotiations

*The Committee entered into Open Session at 5:16pm*

VIII. **Open Session**
   A. **Action Item:** Proposed Resolution **15-43:** Lease Proposals - June 2015

   Jennifer Maietta introduced the resolution which states the lease proposals for June 2015 as follows:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Term</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jarrbar</td>
<td>Three (3) Years</td>
<td>July 1, 2015</td>
</tr>
<tr>
<td>BJ Communications, Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piroshky Piroshky</td>
<td>Five (5) Years</td>
<td>June 1, 2015</td>
</tr>
<tr>
<td>Oliver Kotelnikov &amp; Olga Sagan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   Patrice Barrentine moved, David Ghoddousi seconded

   For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine
   Against: 0
   Abstained: 0

   Resolution **15-43:** Lease Proposals - June 2015 passed unanimously by the Committee by a vote of 4-0-0.

IX. **Resolutions to be added to the Consent Agenda**

   Proposed Resolutions **15-33:** Pine Street Stair Enhancement Interior Painting - Novo Painting & Property Services, **15-38:** Pine Street Stair Enhancement Signage - Trade-Marx Sign & Display Corp. **15-44:** Authorization for Contract Authority - Install Garbage Room Exhaust and **15-43:** Authorization for Contract Authority – Tenant Improvement Coordination - First and Pine Building were added to the June 25th PDA Council meeting Consent Agenda.

X. **Concerns of Committee Members**

   None
XI. **Adjournment**

The meeting was adjourned at 5:23p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Executive Administrator
LEASE ADMINISTRATION GUIDELINES

for

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY
COMMERCIAL PROPERTY MANAGEMENT DEPARTMENT

Revised _________________ (TBD)

The following draft edition of the PDA Leasing Guidelines has been updated to reflect current operating practice.
The prior versions anticipated the temporary disruptions to commercial spaces that were associated with renovation
during 2009-2012.

No significant changes in substance or procedures are proposed. This edition of the Leasing Guidelines primarily
reflects textual editing, reorganization of content and clarification of language. For example, the introductory
section has been rewritten to show more accurately references to the PDA charter and how the Charter Purposes
guide decision of the PDA in commercial leasing practice. The primary purpose of the guidelines is to provide a
reference and explanation of how the PDA manages its commercial property to fulfill the purposes of the PDA
Charter, the Historical District Ordinance and maintain appropriate protocols for the administration of public
property.

This edition is in draft form for review and discussion.
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(The following is a revised ordering of existing guidelines)

I. INTRODUCTION TO PDA LEASE ADMINISTRATION GUIDELINES
   A. Background and Purpose
   B. PDA Leasing, Retention and Business Development Policy Overview

II. APPLICATIONS AND SALE OF BUSINESS
   A. Applications for New Businesses and Buying a Market Business
   B. [Sale of Business]
   C. Requirements for All Applicants
   D. Tenant selection Criteria, Purchase and Sale of Business / Assignment of Lease

III. LEASE NEGOTIATION
   A. Statement of Philosophy Regarding Commercial Rents
      General Parameters
   B. Common Lease Provisions and Conditions
   C. Special Lease Conditions Affecting Individual Tenants
   D. Base Rents
   E. Percentage Rent
   F. Assessment of Common Area Charges (CAC)
   G. Length of Commercial Lease Term
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   I. Confidentiality

IV. LEASE ENFORCEMENT AND ADMINISTRATION
    A. General Guidelines
    B. General Enforcement / Resolution of Defaults
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    C. Added Fines and Penalties
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    D. Rent Delinquencies
       General Enforcement of Lease Defaults
       Less than 60 days
       Over 90 days
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    E. Payment Plan Criteria and Conditions
    F. Rent Reduction or Abatement Criteria
    G. Rent Reduction or Deferral Structure
    H. Termination of Tenancy

V. APPENDICES: REFERENCE MATERIALS (Available Upon Request from PDA Office)
   A. PDA Council Resolution # (TBD) re: revision of Lease Administration Guidelines
   B. Standard Lease Form
   C. Market Historical Commission Guidelines and Application Instructions
SECTION I: INTRODUCTION TO PDA LEASE ADMINISTRATION GUIDELINES

A. Background and Purpose

The PDA Lease Administration Guidelines provide additional explanation of how the PDA implements its Charter Purpose regarding commercial enterprises.

... Employing the unique powers and capabilities conferred by State law and City ordinance, the PDA, as a public trustee with the mission to ensure that the traditional character of the Public Market is preserved, to perform the renewal, rehabilitation, preservation, restoration, development, and nonprofit management of structures and open spaces in the above-described areas in a manner that affords a continuing opportunity for Public Market farmers, merchants, residents, shoppers, and visitors to carry on their tradition and market activities. In addition to upgrading structures and public amenities in and around the Market Historical District, the PDA will initiate programs to expand food retailing in the Market Historical District, especially the sale of local farm produce; to preserve and expand the residential community, especially for low-income people; to promote the survival and predominance of small shops, marginal businesses, thrift shops, arts and crafts, and other enterprises, activities, and services which are essential to the functioning of the Public Market. - PDA Charter- emphasis added

The Pike Place Market PDA Lease Administration Guidelines represent the general policies and standards used by the PDA for administration of commercial properties in its commercial leasing and lease administration activities. These Guidelines, provide the basic framework for PDA management decisions and PDA Council actions and, provide tenants and the public with a general understanding of the PDA's commercial leasing. The Guidelines are not, absolute or rigid and standards to be applied without regard to the facts and circumstances of individual situations.

The PDA will manage the market to respect historical traditions, maintain its authenticity as a place for independent family own businesses and to retain economic stability for businesses and general operations. As a practical management matter, perhaps the single most important standard for The PDA guidelines provide for fair and equitable treatment to all tenants. Tenants should find consistency in the handling of their lease and in resolving matters of default or dispute, not be competitively advantaged or disadvantaged one to the other because of unfair or differential application of leasing or rent policies. Accordingly, the PDA enters individual lease negotiations from a perspective of overall equity and some common parameters that serve as our touchstone guidelines and negotiates in good faith to take account of individual and extraordinary circumstances that may lead to variations around the standard guidelines to best achieve the PDA’s underlying principles.

The PDA Council reviews and votes upon all leases of longer than a year. Leases are reviewed in summary form as summaries negotiated by PDA staff with the tenant. As provided for in these Guidelines, the PDA Council is kept apprised of and must consent to on major lease changes such as changes of ownership, assignment, rent reductions, rent abatements, rent deferrals and lease terminations.

PDA Leasing Guidelines Review June 11, 2015
B. PDA POLICY DIRECTION FROM THE 2005 STRATEGIC PLAN LEASING, RETENTION AND
BUSINESS DEVELOPMENT POLICY OVERVIEW

PDA, Leasing, Retention and Business Development
Policy Overview

To serve as the umbrella for this revision of the PDA Lease Administration Guidelines, reference is made to the
2005 Pike Place Market Preservation and Development Authority Strategic Plan, specifically the PDA’s Charter
Purpose regarding commercial enterprises.

“Charter Purpose #4: Promote the survival of small shops, marginal businesses, thrift
shops, arts and crafts and other enterprises, activities and services which are essential to
the functioning of the Market.

The Pike Place Market has always provided an opportunity for small, owner-operated
business to have a retail presence in downtown Seattle. The PDA’s leasing policies and
Market Historic Commission Guidelines ensure that this will continue. Governing
documents state the Market shall be a venue for incubating small business, while at the
same be an economically viable marketplace.

To accomplish these dual objectives, the PDA must work with all tenants to ensure
individual business success and the success of the Market as a whole. The PDA provides
opportunity and incubates small businesses. The PDA can offer opportunity to new, small
businesses with lower rental terms and smaller spaces than they might be offered in other
areas of the downtown. The Pike Place Market provides an opportunity for small,
specialized businesses to succeed and thrive. Market Daystalls are a unique venue for small
and marginal business opportunities. Small commercial tenant space is another venue. At
the same time the PDA provides opportunity and incubates small businesses. The term
marginal business does not refer to underperforming businesses nor those businesses that
do not reinvest in themselves. Underperforming businesses that do not endeavor to
reinvest in their business or expand their sales opportunities should not be allowed to
continue to do business in the Market, as they do not contribute to the total Market
viability.

STRATEGIC APPROACH: After the initial lease term, or 2-3 years, the tenant should
expect to have developed a customer base large enough to support the target rent for the
location and to contribute to the Market as a whole. The PDA must continually manage its
tenant mix to ensure an economically viable Market, while at the same time maintaining
Market tradition of small, owner-operated business. This may mean asking tenants to
reinvest in their business and/or requiring sales performance targets. The Market must
remain economically viable, and that also means working with tenants to offer goods and
services that the consumer wants to buy.

The PDA will work to expand its diversity, selection and mix of products and services
available from Market merchants product base by finding opportunities for new and
unique vendors and businesses that address customer desires, especially those unmet by
the existing mix of businesses consistent with the market’s service to local residents. We
capitalize upon our reputation as a place for unique products and a unique experience and
to ensure the Market to the residents of Seattle as we move towards our Centennial in
2007—and build on the substantial investment made through public investment in our
facilities. renovation #The goal of the PDA and its commercial tenants is to ensure a
thriving and sustainable economic future for the Market.

The responsibility for the success of each business is with its owner and based upon
service to customers. PDA seeks to work with commercial tenants to identify opportunities for their business to become viable and succeed. The PDA supports continued operation of businesses to maintain authenticity and traditions while also making the most of opportunities to improve tenant mix and customer choices when space becomes available.
SECTION II. APPLICATIONS & SALE OF BUSINESS

A. Applications for New Businesses

When a retail or commercial space is available for lease, the PDA staff will review the established mix of uses and guidelines for types of business to determine the preferred type of business use for the space. Spaces available for lease will be identified by a sign in the space and by flyers posted in the PDA office. At the discretion of the staff, a notice may be published in the newspaper or otherwise circulated.

The PDA does not pay leasing commissions or finders’ fees to brokers or leasing agents, except if hired by the PDA.

The PDA also accepts applications from prospective tenants interested in space when it becomes available. Such applications will provide information concerning the proposed use, amount or type of space desired, and business financial information, including expected rent. The PDA may draw from an existing pool of tenant applications and/or advertise a space for lease in order to identify a proper use for any given location. However, each potential tenant must go through the formal application process as outlined in Section “C. Requirements for All Applicants” below.

The Application Process consists of the following steps:

- Application is reviewed by the Property Management staff to determine high priority applicants that most closely comply with the Market Historical Commission guidelines.
- The staff conducts an initial contact with the high priority applicant(s).
- General lease terms are reviewed with the prospective lessee, including owner-operator qualifications.
- Applicant prepares and submits a business plan, resume and proof of financials as outlined in Section C and, if applicable, sale documents.
- Review and agreement on permitted products.
- A credit check is performed on the proposed tenant and references are called.
- Preliminary agreement on rental rates and terms.
- Preparation and execution of proposed Lease Summary, which is presented to and reviewed by the PDA Council’s Operations and Communications Committee.
- Upon the Operations and Communications Committee recommendation for approval of the lease terms, the Committee’s recommendation is presented before the PDA Council for final approval.
- Presentation of application made to the Market Historical Commission for approval of owner and their product and design changes.
- After receiving both the PDA Council and Market Historical Commission approvals, the lease is executed.

When possible, the PDA prefers to base its selection of a preferred tenant from a pool of several qualified applicants, identified from applications submitted to the PDA and meeting the priorities of the Historical District. In specific cases the PDA will attempt to recruit new businesses for a location when the PDA believes that would add to a healthy mix of market uses at a specific location and extend new services or products to customers.

B. Requirements for All Applicants

Whether a prospective tenant is contemplating purchasing an existing Market business or starting a new business, approval is required from not only the PDA but the Market Historical Commission (MHC), a twelve member, citizens committee which reviews all Market uses and designs. Once the PDA has approved a new tenant, that tenant is presented by the PDA to MHC for approval as an applicant with a proposed use and design (if applicable).

The PDA requires all prospective new commercial tenants to submit the following documents which help the PDA assess the ability of the prospective new commercial tenant to succeed at the Market:
1. Business Plan
   a. Statement of use and mission for business
   b. Product service list or menu with price ranges
   c. Marketing Plan
   d. Tenant improvement and start-up costs to include any costs for design or equipment modifications or additions, purchase of start-up inventory, budget and time schedule
   e. Budget projection for three years, outlining sales and expenses by category. The first year is to be detailed on a monthly basis and the remaining two years to be annualized.
   f. Personal financial statement including verification of funds

2. Resume
   a. Work history
   b. Two Professional references

3. Credit Application
   a. Application Fee

4. Sale Documents (if applicable)
   a. Terms of sale form, sale agreement, and copy of note

C. Purchase and Sale of Business / Assignment of Lease

PDA tenants do not have the right to sell Market property, their business space, or their lease. They do have the right to sell their business -- that is the customer base they have developed, their inventory of equipment and goods, and the goodwill they have established.

The PDA’s principal interests in reviewing proposed business sales are for the overall welfare of the Market, for the ability of the new buyer to meet his/her financial obligations and for the ability of the new tenant to contribute to the overall market mix.

The PDA’s standard commercial lease provides that tenants must obtain written approval from the PDA prior to assigning their lease or in any manner transferring their interest in their lease. Furthermore, when a Market business changes hands, the Market Historic Commission also has an approval role, since the use certificate is not transferable and they must approve a use certificate for a new business owner, even if there is no change in use.

The following are the PDA’s key considerations in reviewing a proposed sale:
1. Prospective applicant’s experience, industry knowledge and acumen to operate a successful business in the Market’s retail environment;
2. The applicants ability and willingness to operate the business in accordance with the requirements of the Historic District ordinance and guidelines;
3. The applicant’s financial ability to purchase the business (including down payment and debt service), to pay the rent and other operating costs, to complete any planned or required tenant improvements; and/or to purchase the necessary equipment and merchandise/product on an on-going basis;
4. The applicants credit history and business plan for operating expense, revenues, and cash flow as well as sales projections; and
5. The cash flow adequacy after debt obligations and improvement requirements.

The business owner, with the prospective buyer, sets the price for the sale of business; the PDA does not set the price. However, the PDA will consider the business sales price in relation to the sales volume performance of the current owner. The PDA’s interest is in ensuring that the new owner has a realistic assessment of the existing
business cash flow and the wherewithal to meet both the terms of the sales agreement and the rental terms of the lease.

When reviewing a proposed sale with a prospective buyer and seller the PDA staff will ask the buyer questions similar to the following to confirm that they understand the implications of purchasing a business in the Market:

1. Have they seen the business books and records?
2. Do they know what the current rent obligations are for the business?
3. Does the purchase price include existing inventory, equipment and other assets?
4. Have they worked out an arrangement with the seller on who is responsible for paying any existing loans, debts, utility bills and accrued taxes?
5. Do they think that they have made realistic projections of the future cash flow of the business and will this cash flow cover all expected expenses, including projected rent?
6. Do they intend to operate the business themselves? Will they have to take a personal income from the business during the initial years of operation or do they have other sources of income?
7. What are their assumptions for how much new equipment or product changes need to be made in the business? How will these be accomplished?

Generally, the PDA prefers to raise these questions with both buyer and seller in the same room so each understands what has been said to the other. When the PDA detects that the buyer may be operating on faulty information, we will explain our specific concerns to the seller, not the buyer. We will not release records of business sales volume without a tenant’s prior consent.

Conditions are placed on the sale in response to concerns we have regarding either the financial capability of the buyer or the experience of the buyer. As a broad guideline, special conditions may also be applied to approval of sales where sales price exceeds 35% of the business’s prior year sales volume plus the current value of equipment and inventory. Special conditions could involve the following:

1. When the prospective buyer has little experience in the business, the existing owner may be required to train the new operator for a period of time;
2. When there is uncertainty that the new owner will be able to meet rental payments from initial business cash flow, the first 6 to 12 months may be required to be placed on deposit;
3. Where the new owner may not be personally involved with customer service, a designated on-site manager may be required;
4. When new equipment or tenant improvements are needed, approval of the sale may be conditioned on the new owner’s commitment to make the improvements in a specified time period;
5. If the current owner’s lease is to be assigned, the current owner may be required to remain as a guarantor on the lease.

Sale of Business with Change of Use: While most proposals to purchase a business assume the continuation of the specialty use, in some instances the PDA may agree to proposal from a tenant to transfer their lease to a third party who would engage in a new type of business. In such instances the PDA will apply both the standards defined for review of new business application and sale of business to determine appropriateness of the proposed change.

III. LEASE NEGOTIATION

A. General Parameters for Negotiating Rent Levels

There are four key criteria the PDA reviews a number of criteria in selecting tenants making proposals and negotiating rent terms: The PDA seeks to match businesses with spaces and rents that are reasonable for that type of business and suitable for the general mix of market.

PDA Leasing Guidelines Review June 11, 2015
1. **Type of Business:** Types of business will be selected to provide a “harmonious mix of use” consistent with traditional uses of different locations and subject to Historical Commission guidelines. Preference is often given to continuation of traditional uses by qualified operators or new start up businesses reflecting a higher priority in the Historical District. The PDA will evaluate business proposals in terms of a reasonable expectation of sales performance by comparable businesses in that location.

2. **Business Location:** Locations with higher pedestrian traffic are more valuable for commercial retail functions. These spaces will have generally pay a higher base rent (“minimum monthly rent”, per the lease; also expressed as dollars per square foot), and, consequently, higher common area charges.

3. **Size of Space:** Smaller spaces generally pay a higher rate per square foot because they tend to be more efficient and generate a higher value of sales per square foot.

4. **Percentage based rent:** The appropriate level of percentage rent will vary by the type of retail business, as different types of business have differential operating margins, mark-ups and costs of business. All commercial retail and food service businesses will have leases that combine percentage rent offset by a monthly base rent. Standard industry references for percentage rents will be used when practical. Office businesses do not pay percentage rent. Type of Business.

5. **Length of Lease Term:**
   a. New business tenants who have yet to establish a track record of performance will often be offered a provisional lease term of one to two years and an option to renew.
   b. Tenants in good standing with a history of successful lease performance and business growth will often be offered a longer renewal term of 3 to 5 years with option.
   c. Tenants who will move into spaces requiring a significant capital investment in fixed upgrades to the building facilities and permanent infrastructure will be offered a longer term lease appropriate to amortization of the investment.
   d. In some cases, a longer term will be offered to a new tenant for space that has been difficult to rent in the past when the tenant has provided reasonable evidence of ability to meet this obligation.
   e. In other cases, the PDA may not offer a term lease to other than a Month-to-Month Agreement when there is uncertainty concerning the financial capacity of the tenant, lack of business experience, uncertainty if the proposed business will add to the beneficial mix of use or other relevant reason.

6. **Office businesses do not pay percentage rent, but:** Sales-based retail businesses pay percentage rent. Percentage rent is generally according to a schedule that identifies a specific rate for comparable businesses. Higher percentage rates are assessed to food service.

7. **Tenant Improvement Allowance:** A tenant improvement allowance may be included in lease negotiations provided the improvements are fixed assets that remain with the property. Tenant improvement allowances may specify specific improvements that will be provided by the PDA or reimbursed to the tenant upon completion. Other forms of allowance can include restructuring of rent and/or percentage rent during the initial term of a lease.

8. **Build-Out Schedule:** To prevent adverse impacts upon other businesses of long term tenancy, the PDA will require tenants proposing improvements to commit to a build-out schedule leading to a deadline date by which they will be open for business.

9. **Gross Rent to Gross Sales Ratio:** As a general rule, the cost of occupancy (i.e., base rent, Common
Area Charges (CAC), and percentage rent) for a retail business in the Market should represent a
percentage of sales that provides for reasonable business net income. The PDA acknowledges that
restrictions on business operations in the Historical District can limit the potential revenue
compared to other locations.

10. Annual Escalations: The standard annual escalation for PDA leases is 3% or the Consumer Price
Index (CPI), whichever is greater, for multiple year term leases, and 5% annually for month-to-
month leases. The PDA may increase rents higher at the expiration of term leases and for month to
month agreements.

B. Common Lease Provisions and Conditions

The PDA has an obligation as the public trustee of the core parts of the Pike Place Market to manage the property in
a manner that achieves the public purposes of the Market Historical District and in a manner that makes good
business sense for both merchants and the continued operation of the Market.

Accordingly, there are standard policies and conditions that are usually common to commercial tenants lease
agreements and there are terms that are negotiated on a case-by-case basis consistent with general principles with
each commercial tenant. A standard retail lease is used for all retail tenants which will provide for percentage rents,
charging for utilities and common area expenses.

A standard office lease is used for all office and service tenants which will generally be “full service” without added
charges.

C. Special Lease Conditions Affecting Individual Lease Terms

1. Lease Terms Negotiated on an Individual Basis
   a. Base rent for location, size of space and type of business
   b. Percentage rent for type of business
   c. Annual escalations of base rent at either CPI or fixed rate
   d. Specific terms of permitted use
   e. Specific tenant improvement and sales target obligations

2. Special Considerations Negotiated in Selected Cases
   a. Extended lease term due to significant capital investment by tenant
   b. One-time rent discount for tenant improvements that become permanent fixtures
   c. Rent discount for special provision of goods/services to low and moderate-income customers
   d. Changes in permitted use (subject to Historical Commission approval)

3. Unique Policies/Procedures During Lease Term
   a. Specific guidelines for payment plans of delinquent rent or rent deferrals
   b. Specific guidelines for request of a reduction of rent due to ongoing claim of hardship

D. Base Rents

Base rent, that is the cost of the rented space per square foot per year, depends on location, size of space and type of
business operated. When a lease is negotiated, the current base rents for the location, size and type of business are
analyzed and used as comparables to determine the base rent structure.

E. Percentage Rent Charges
Besides base rent and common area maintenance and utility charges, the third component of rent included in all commercial retail leases is percentage rent; that is, a percentage of monthly gross sales revenue less monthly base rent. Percentage rent is calculated on all retail sales conducted from a tenant’s Market business premises. Whether percentage rent payments are owed or not, all retail tenants are required to report sales monthly and their sales reports are subject, under the lease, to audit by the PDA.

The PDA’s target percentage rents vary by product category and for the most part are slightly below ULI (Urban Land Institute) Guidelines. Thus, a business with high cost of goods, a high perishable rate, and low mark-up opportunity, such as produce, is assigned a lower percentage rent than higher margin businesses, such as fast foods and jewelry. When a lease is negotiated, the current percentage rent figures for comparable business types are analyzed and used as comparables to determine the percentage rent structure. Variations from the norm may be justified based on individual circumstances.

**DF. Assessment of Common Area Charges (CAUT/COMA)**

For the PDA, the amount each retail business is charged for common area maintenance (COMA) and common area utilities (CAUT) is a function of base rent, since these charges are assessed as a percentage of base rent. These common area and utility charges are independent of the cost paid by each business owner for his/her own business operations and service requirements, such as for electricity or water. Common area charges are not assessed separately to office and storage spaces as industry practice treats such rents as “full service.”

Within the property management industry, this method of assessing COMA and CAUT charges is unusual in two respects. First, the full cost of common area maintenance charges is not recovered through COMA/CAUT charges due to the high level of public use. Second, the PDA assesses COMA/CAUT charges as a common percentage against retail tenants base rent, irrespective of the building in which the business operates.

Replaced with:

**Common Area Charges**

This approach is based on two principles:

1. Higher trafficked areas which pay a higher base rent also impose higher common area cost and should bear a larger dollar share of those costs; and
2. Common area costs for commercial operations should be distributed for the Market as a whole among commercial tenants, instead of on a building-by-building basis, are used to recover the cost of operating and maintain the public spaces and public facilities of the Market. The Pike Place Market allocates these cost among tenants on the basis of monthly base rent, rather than on a square footage basis. This is moreThis has been determined to provide an equitable assessment of charges, recovering more of the shared costs from spaces with the highest use and income potential.

The PDA budgets for full recovery of utilities used on commercial areas of the Market - through Common Area Charges and direct billing to tenants for utilities used in the course of business operations. Additional common area revenue is according to the lease for operating services and overhead revenue is applied to operating services and overhead expenses defined in the lease.

Tenants are also billed separately for utility service used for their business operations. These services (gas, electric, water, garbage, etc) are either metered or estimated, and will vary by consumption. When tenant spaces are served by a meter shared with other users, the PDA will prorate costs in the most efficient manner. The PDA may utilize a third party service to provide these calculations.

**GE. Length of Commercial Lease Term**

The length of the lease term will vary from as short as month-to-month to as long as five years and options may be granted for a period of one year up to five years. The general standard that will apply to renewal of leases for
tenants who are consistently and fully in compliance with their lease terms and whose business economic performance is strong will be either a five year lease, or a three year lease with a two year option. For new tenants, the general standard shall be a one year lease with a two year option unless considerable financial contributions are incurred by tenant for purchase of business or improvements to business.

Key considerations for term length are as follows:

1. A tenant’s lease term may be less than standard due to:
   a. History of tenants' non-compliance with lease requirements, particularly with regards to rent payments, reporting of sales; and maintaining mandatory business hours;
   b. Weak business economic performance;
   c. Tenant desire for flexibility for future business decisions;
   d. Landlord desire for flexibility for major renovation or change of use; and
   e. Adequacy of premise maintenance by tenant and responsiveness to landlord requests for correction of problems with tenant’s equipment, facilities, or business practices that interfere with the operation of other tenants or adversely affect the soundness of the Market facilities and building systems.

2. A tenant’s lease term may be longer than standard due to:
   a. Reinvestment plans by the business require terms allowing appropriate amortization and payback, and the reinvestment plans are likely to enhance the business's sales performance;
   b. Fixed capital investments for operation of the business are substantial and the tenant therefore requires the security of a lease in excess of the general standard.
   c. The landlord desires the security of a long term lease to meet its financial requirements.

The standard for new tenants is a 1 year lease with a 2 year option. Several considerations, however, will affect whether the PDA is willing to grant a lease term of this length. Additional Considerations for New Tenants:

1. The prior business experience, credit record and financial strength of the tenant;
2. The extent to which the proposed use contributes positively to the mix of the Market's businesses; and
3. The level of investment in equipment, inventory, and business fixtures the applicant must make.

A standard practice of the PDA will be to agree with the new tenant on business economic performance targets and to monitor with the new operator their success against those targets. Business economic performance against plans will be an important consideration for the PDA and the tenant in the potential extension of initial lease terms.
**II. Holdover Tenancy**

The lease provides that upon the expiration of the lease, the tenant may continue to occupy the premises on a month to month basis. As an incentive to negotiate a lease extension, the lease permits the PDA to increase the tenant's rent up to 50% beginning the first month following the expiration of the holdover lease. The PDA requires tenants with expired leases to sign month to month agreements using the most current lease document.

The end of a term lease provides the opportunity for both the tenant and the PDA to evaluate the past performance of the business. The PDA may require the tenant to identify future business plans and performance targets as a condition of a renewal. In some cases the PDA may conclude that tenancy should be best continued on a month-to-month basis while concerns of business performance are worked on.

Generally in actual practice, base rent increases on holdover month to month leases are five percent. In select cases the amount of increase is higher depending upon the nature of the business and comparable rents paid for similar businesses in similar locations.

**IG. Confidentiality**

In accordance with RCW 42.30.110 [c], all discussions, negotiations and final decisions concerning individual lease matters are considered to be proprietary business information and as such are confidential and not subject to public disclosure. PDA staff will not discuss financial aspects of any individual lease with other tenants or members of the public.

PDA Council members shall not discuss financial aspects of any individual tenant lease except within the special closed session of Operations and Communications Committee meetings or other similarly restricted meeting as designated by the Council Chair.

Tenants and prospective tenants may seek the advice and personal assistance of others to aid them in lease negotiations at their own discretion. However, PDA staff will not discuss financial terms of such leases with any representative of the tenant without the tenant's prior agreement. If such representative is not professionally bound to maintaining such discussion confidential (i.e. tenant's attorney or accountant) the PDA shall require such representative to sign a statement agreeing to respect the confidential nature of such discussion.

In the event that the PDA is served with a formal legal request to release confidential information concerning a tenant's lease or file, the PDA will inform the tenant of such request in a timely manner.
SECTION IV. LEASE ENFORCEMENT AND ENFORCEMENT AND ADMINISTRATION

A. General Guidelines

The standard PDA commercial lease provides significant detail concerning requirements of Tenants to operate their business in a manner that provides for good customer service, care of the property and respect for neighbors. These provisions are followed by all tenants.

B. Rent Delinquencies, Payment Plans and Deferrals

The PDA Council expects the PDA's property management administration to ensure regular collection and payment of all rental charges and submittal of related reports from commercial tenants as required under leases. Rent delinquencies should not be allowed to languish and chronic rent delinquencies should not occur if the tenant expects to continue its tenancy in the Market. Delinquent accounts shall be reviewed monthly by the Operations and Communications Committee in closed session and directions provided to collection of delinquencies.

Delinquencies are managed as follows:

1. Tenants who are delinquent in regular monthly charges or percentage rent payments, but for less than 30 days, will be assessed a late charge of the greater of five percent (5%) of unpaid balance of current charges or twenty five dollars ($25.00).
2. Tenants who are regularly delinquent and/or are more than 60 days delinquent may receive a three day pay or vacate notice; if payment in full is not received, enforcement action authorized per the lease and commercial property law may be pursued.
3. Tenants who are regularly and chronically delinquent, defined as late four times in the prior twelve months (per the lease), are subject to receiving notice of incurable default under which their lease may be terminated.

C. Monetary Penalties and Charges

Per the standard lease The PDA will assess may also impose monetary penalties and charges for delinquent sales reports and for not maintaining mandatory business hours as defined in the Lease. Tenants who fail to submit required reports and pay percentage rent on time or for whom percentage rent is not owed but who fail to submit monthly sales reports on time are assessed a charge of the greater of $25.00 or twenty percent (20%) of base rent per month or $25 for not reporting sales.

If a tenant fails to maintain the mandatory business hours, the PDA may impose a daily fine as defined in the Lease. Acceptable reasons for failure to meet mandatory business hours include the following provided the PDA was given advance notice:

1. Personal/family medical problems up to three weeks in one year for small business (one or no employees).
2. Personal vacation/leave up to two weeks in one year for small business with only one or no employees.
3. Inventory/minor remodeling up to five days/year.
4. Major construction/repair reviewed on a case-by-case basis.

PDA Leasing Guidelines Review June 11, 2015
Other charges assessed to tenants may include reimbursement for repair and services for which they are responsible but have been performed on their behalf by the PDA to maintain health and safety of the Market.

D. General Enforcement of Lease Defaults

Enforcement of specific leases is subject to the terms of each lease and state and local regulation. As a regular procedure, PDA commercial staff will first address issues of suspected non-compliance informally, meeting with the tenant to discuss and resolve the issue.

The standard practices is for the tenant to have the time right to cure defaults relating to payment of rent for a period of three (3) days after written notice from the PDA describing such default.

The standard practices is for the tenant to have the right to cure any other default within a period of ten (10) days after written notice from the PDA describing the nature of such default.

If the default is other than failure to pay rent, and by its nature cannot be cured within ten (10) days, then tenant shall have a total period of no more than thirty (30) days from the notice of default to cure such default; provided that tenant commences such cure within ten (10) days of the notice of default, and thereafter diligently prosecutes such cure to completion within such thirty (30) day period.

If the tenant receives more than three (3) notices of default within any twelve (12) month period, under any provision or provisions of the lease then regardless of whether such prior defaults have been timely cured, the fourth (4th) such default (even in of a different nature) shall constitute a non-curable default and the PDA may terminate the tenant’s lease by thirty (30) days written notice to tenant.

E. Payment Plan Criteria and Conditions

To ensure consistency in the treatment of all tenants, the following guidelines apply to requests for delayed payment of rent.

1. Payment plans may be required when a tenant is more than 60 days past due on regular monthly rental charges or when the tenant is habitually late in reporting sales and paying percentage rent.
2. Payment plans for delinquent rent shall have a maximum term of six months.
3. Late charges on past due accounts are assessed a standard late fee plus may be subject to monthly interest up to 1.5% on amounts over 30 days delinquent.
4. Payment plans shall provide for a fixed schedule of re-payment dates and amounts. Payment plans requiring in excess of 60 days for re-payment require the consent of the Operations and Communications Committee.
5. Payment plans in excess of 60 days will require tenant to sign an agreement recognizing the payment plan terms as a condition of lease continuation.
6. Upon entry of payment plans, all sales reports and recurring monthly lease obligations must be current and must remain current over the term of the payment plan or the outstanding balance due in full and the lease is in default.
7. All monthly rent payments and sales reports due subsequent to the date of the note must be paid/submitted on schedule or the outstanding balance is due in full and the lease is in default.
8. All note payments must be made on schedule or the balance is due in full on 3 days notice and the lease is subject to termination for cause.
9. No sale of business with rent owing will be approved without the PDA receiving all back rent and charges due prior to and as a condition of sales approval. The PDA shall inform any prospective buyer of obligations owing.
EF. Rent Reduction or Abatement Criteria

The PDA Council provides for hardship reductions or deferral of commercial tenant rents, as a means of assisting businesses to weather personal hardship and assisting distressed Market businesses in efforts to revitalize their business. Such approved reductions or deferrals are intended solely as temporary measures to help enable the business owner independently to renew his/her business. It is the responsibility of the business owner to make his/her business a success. It is not the intent of the Council through the hardship process to perpetuate poor business management practices or decisions.

The circumstances under which rent reductions/deferrals considered:

1. **Personal Hardship:** These instances involve owner operated businesses where a family death, major illness, or emergency condition has occurred and affects regular operation of the business, and where the owner seeks temporary assistance in the form of temporary rent reduction or deferral.

2. **Business Distress:** These instances involve businesses where the business, under the same continuing ownership has experienced significant reductions in sales performance over the immediately preceding twelve months by comparison to the prior twelve month period. What qualifies as a significant reduction in sales performance will vary by type of business, but will generally mean a drop in sales volume from one year to the next of 20 percent or more.

   New businesses and new owners of Market business are expected to provide sufficient resources to cover their initial operating costs for the term of their negotiated lease. The PDA does not expect to entertain rent reduction or deferral requests from new business owners during the initial term of their lease.

EG. Rent Reduction or Deferral Structure

All hardship reductions/deferrals require the consent of the Operations and Communications Committee, considered in closed sessions, usually with the tenant present.

The following are guidelines for the structure of rent reduction or deferral structure:

1. No rent reductions will be approved for a period in excess of one year if the tenant remains on a multi-year lease.
2. Any request for a rent reduction for an indefinite period or a period beyond one year requires conversion of an existing lease to a month-to-month basis. Review of the rent reduction and continued tenancy will occur not later than one year from approval of the rent reduction.
3. The maximum allowable reduction will be to a level equal to 33 percent of the amount paid in regular monthly charges on a per square foot basis for similar businesses in similar locations, based on leases approved within the last three years.
4. Any approved rent deferrals will require a signed payment plan for re-payment of the deferral in installments or a balloon. The deferral re-payment period shall not exceed nine months. Deferred amounts shall carry interest at a rate of up to 1.5% per month on the unpaid balance and late fees may/may not be waived.
5. Prior to approval, any rent reduction or deferral will require a business improvement plan and implementation schedule with measurable standards/milestones prepared by the business owner and against which the business owner reports progress monthly, i.e. product and display changes, advertising, staff changes, etc.
6. Prior to approval, any rent reduction or deferral may require submittal by the business owner of financial statements, tax records or similar form of documentation for the business for the prior two years.
7. Prior to approval, any rent reduction or deferral may require business sales performance standards based on achieving an average sales per square foot comparable to the average reported for similar businesses in similar locations and/or based on a minimum sales growth rate to achieve comparable average sales per square foot over a specified period.

8. All rent reductions or deferrals will require the tenant sign an agreement committing to the conditions for approval and terms, which may include provision of security for the deferral and/or amendment of the existing lease to reflect hardship approval terms.

**GH. Termination of Tenancy**

The PDA’s primary obligation is to maintain and enhance the health and mix of uses in the Pike Place Market in accordance with the priorities of the Market Historical District Ordinance and the PDA Charter. The ultimate success of a Market business, however, rests with the business owner.

The overall strength and success of the Market is adversely affected by mismanaged/poorly managed and failing businesses, poor customer service, unsafe and unhealthy business operations and other such issues. In an effort to prevent further adverse impacts the PDA may take the following steps to address chronically underperforming and/or struggling businesses which are unable to meet their lease obligations:

However, it is inevitable that businesses may fail to succeed or that a business tenant may not operate their business in accord with sound property management principles. These failures can adversely affect the success of other Market businesses and therefore the health of the Market overall.

- In such cases, the PDA will expect to First work with the tenant in a cooperative manner to identify and correct serious problems.
- Efficiently use PDA resources to fulfill the PDA’s obligation to provide a positive business environment for all tenants. May in some cases require that the business relationship with a specific tenant be terminated.
- Work with the tenant to set clearly defined criteria to judge the effectiveness of a tenant’s ability to correct serious problems. This can include establishing milestones for changes in business operation.
- Inform the PDA Council of the status of such corrective action plans which could lead to termination of tenancy for a commercial space. If the tenant does not satisfactorily remedy the situation and correct all defaults after appropriate notice, the PDA Executive Director will inform the Council and may proceed with termination of the lease.

The following non-payment of rent situations could lead to a decision to terminate a business tenancy for reason of default of lease:

1. Non-payment of rent after notice of default or failure to abide by payment plan for delinquent rent; and
2. Chronic late payment as defined as four late payments in a twelve month period.

Termination of lease for late payment alone will generally not be pursued except in cases where a tenant routinely has more than one month’s total charges over 30 days late or is in default of other lease provisions.

Other lease violations that can lead to termination are specified in the lease. The PDA will place an emphasis upon encouraging the tenant to correct a situation before using the threat of lease termination to cure a problem. However, serious problems other than non-payment of rent are likely to lead to termination of the lease, including underperformance, with due process in the following instances:

1. Instances of material misrepresentation, fraud and/or assaultive behavior toward shoppers, other tenants or PDA staff and the failure of the tenant to correct such problems;
2. Conduct of illegal activity on the business premises;
3. Failure to control fire, building or health safety violations on the leased premises after due notice;
4. Numerous customer service complaints; and
5. Not maintaining mandatory business hours.
In each of the above cases, the first steps the PDA will take will be, in accord with the lease, to notify the tenant of the problem, provide a written notice to correct the problem within an appropriate time period and to meet with the tenant to discuss if the corrective action is adequate.

If these steps to reach a mutual agreement fail, the PDA may establish minimum standards of performance related to the specific situation and inform the tenant in writing of these standards pursuant to the lease. If the tenant does not satisfactorily remedy the situation, the PDA will inform the Operations and Communications Committee and may proceed with termination of the lease or the PDA may permit the tenant to continue tenancy through the lease term but inform the tenant that an option to renew will not be executed or that their lease will not be renewed.

The standard PDA lease provides that tenant leases may be modified, interrupted and/or terminated in cases of major building renovations. In such cases the PDA will work with tenant in good faith to identify options for continuing their business in smaller premises or other locations, if available.

Rather than evict a tenant at the expiration of a term lease, the PDA may choose to place a lease on a month-to-month lease, determine that the lease with a business... performance (sales growth less than business average and less than annual rent escalations for a cumulative period), a failure of the tenant to... improvements and new inventory... of lease defaults, or merchandise inventory should not be renewed. Such decisions should be with the full advice and consent of the Operations and Communications Asset Management Committee. This temporary action may allow the PDA to identify an alternative location for the business or suited to its character of use.

**Termination by mutual agreement:** In some instances, a significant change in circumstances may lead a tenant requesting early termination of their lease. The PDA will entertain such requests but generally require that the tenant continue to be responsible for rent payments remaining due, unless addressed as a hardship matter.
Section VII:
Financials & Additional Enclosures
## PIKE PLACE MARKET PDA
### BALANCE SHEET
#### May 31, 2015

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<thead>
<tr>
<th>ASSETS</th>
<th>Note</th>
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<th>Prior Month</th>
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<tr>
<td>N/P City of Seattle - Senior Center</td>
<td></td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td>Pine Building Bond Payable-HSB</td>
<td></td>
<td>2,132,624</td>
<td>2,137,652</td>
</tr>
<tr>
<td>Pine Bldg Commercial Mortgage Payable</td>
<td></td>
<td>3,177,554</td>
<td>3,184,563</td>
</tr>
<tr>
<td>QB2 Deferred Master Lease Payment</td>
<td></td>
<td>23,860,655</td>
<td>23,860,655</td>
</tr>
<tr>
<td>Current Portion - Long Term Debt</td>
<td></td>
<td>(6,469,831)</td>
<td>(6,469,831)</td>
</tr>
<tr>
<td><strong>Total Long Term Debt</strong></td>
<td></td>
<td>29,014,396</td>
<td>29,026,433</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>40,419,103</td>
<td>41,152,417</td>
</tr>
</tbody>
</table>

| Capital                                     |      |               |             |
| Contributed Capital                          |      | 11,818,935    | 11,818,935  |
| Prior Years' Results                        |      | 96,993,522    | 96,993,497  |
| Current Year Operating Results               |      | 1,752,579     | 1,317,119   |
| Other Revenues                              |      | 156,758       | 128,980     |
| **Net Operating Capital**                   |      | 110,721,794   | 110,258,531 |

| TOTAL LIABILITIES AND CAPITAL                |      | 151,140,897   | 151,410,948 |
Pike Place Market, PDA
Footnotes to Balance Sheet
May 31, 2015

Note 1: Accounts Receivable

<table>
<thead>
<tr>
<th>Category</th>
<th>Previous Month Balance</th>
<th>Total Current Charges</th>
<th>Total Current Receipts</th>
<th>Current Month Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Revenue</td>
<td>114,151</td>
<td>880,612</td>
<td>855,569</td>
<td>139,194</td>
</tr>
<tr>
<td>Day Stall Revenue</td>
<td>99,946</td>
<td>104,941</td>
<td>85,605</td>
<td>119,282</td>
</tr>
<tr>
<td>Residential Rent (excluding HUD)</td>
<td>12,094</td>
<td>220,290</td>
<td>218,736</td>
<td>14,278</td>
</tr>
<tr>
<td>HUD Subsidy</td>
<td>1,716</td>
<td>91,534</td>
<td>89,655</td>
<td>3,595</td>
</tr>
<tr>
<td>Total</td>
<td>227,907</td>
<td>1,298,007</td>
<td>1,249,565</td>
<td>276,349</td>
</tr>
</tbody>
</table>
## PIKE PLACE MARKET PDA - OPERATING BUDGET COMPARISON STATEMENT

Period Ending May 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Current Year</th>
<th>Variance</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YTD Actual</td>
<td>YTD Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>4,122,255</td>
<td>3,957,032</td>
<td>165,223</td>
<td>4.2%</td>
</tr>
<tr>
<td>Net Result-Transactions with PPM QALICB</td>
<td>8,056</td>
<td>14,214</td>
<td>(6,158)</td>
<td>-43.5%</td>
</tr>
<tr>
<td>Net Result-Transactions with PPM QALICB2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Residential</td>
<td>1,100,204</td>
<td>1,097,974</td>
<td>2,230</td>
<td>0.2%</td>
</tr>
<tr>
<td>Daystay</td>
<td>360,948</td>
<td>354,715</td>
<td>6,233</td>
<td>1.8%</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>174,276</td>
<td>154,519</td>
<td>19,757</td>
<td>12.8%</td>
</tr>
<tr>
<td>Garage</td>
<td>941,593</td>
<td>791,102</td>
<td>150,491</td>
<td>19.0%</td>
</tr>
<tr>
<td>Events</td>
<td>91,899</td>
<td>64,990</td>
<td>26,909</td>
<td>41.4%</td>
</tr>
<tr>
<td>Market Foundation</td>
<td>-</td>
<td>6,250</td>
<td>(6,250)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>146,049</td>
<td>148,780</td>
<td>(2,731)</td>
<td>-1.8%</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>6,945,260</td>
<td>6,589,576</td>
<td>355,684</td>
<td>5.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Management</td>
<td>471,816</td>
<td>492,501</td>
<td>20,685</td>
<td>4.2%</td>
</tr>
<tr>
<td>Marketing &amp; Programs</td>
<td>541,142</td>
<td>642,799</td>
<td>101,657</td>
<td>15.8%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>4,982,946</td>
<td>5,278,303</td>
<td>295,357</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>NET OPERATING RESULTS</strong></td>
<td>1,962,314</td>
<td>1,311,273</td>
<td>651,041</td>
<td>49.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DEBT SERVICE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Principal and Interest Payment PDA</td>
<td>197,824</td>
<td>197,824</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Bond Principal and Interest Payment GAR</td>
<td>367,788</td>
<td>367,788</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Bond Principal and Interest Payment Pine Bldg</td>
<td>70,745</td>
<td>70,745</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Bond Payment Pine Building Commercial</td>
<td>106,710</td>
<td>106,710</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL DEBT SERVICE</strong></td>
<td>743,067</td>
<td>743,067</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESERVES - DESIGNATED</strong></td>
<td>345,000</td>
<td>345,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>LIH Interest to Reserve</td>
<td>59</td>
<td>105</td>
<td>(46)</td>
<td>-43.8%</td>
</tr>
<tr>
<td><strong>TOTAL DESIGNATED RESERVES</strong></td>
<td>345,059</td>
<td>345,105</td>
<td>(46)</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Net Results after Debt Service &amp; Reserves</strong></td>
<td>874,188</td>
<td>223,101</td>
<td>651,087</td>
<td>291.8%</td>
</tr>
<tr>
<td><strong>CAPITAL RESERVE CONTRIBUTION</strong></td>
<td>856,465</td>
<td>856,465</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Contribution - Capital Projects/CRBF</td>
<td>856,465</td>
<td>856,465</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL RESERVES &amp; CONTRIBUTIONS</strong></td>
<td>856,465</td>
<td>856,465</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Net Results after Capital Reserves</strong></td>
<td>17,723</td>
<td>(633,364)</td>
<td>551,087</td>
<td>23,997</td>
</tr>
</tbody>
</table>

**2015 Approved Budget**

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Current Month</th>
<th>Prior Month</th>
<th>2015 Approved Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YTD Actual</td>
<td>YTD Budget</td>
<td>YTD Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Commercial</td>
<td>863,268</td>
<td>825,538</td>
<td>816,380</td>
<td>10,427,872</td>
</tr>
<tr>
<td>Net Result-Transactions with PPM QALICB</td>
<td>(8,850)</td>
<td>(8,800)</td>
<td>(9,302)</td>
<td>(80,920)</td>
</tr>
<tr>
<td>Net Result-Transactions with PPM QALICB2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Residential</td>
<td>227,386</td>
<td>220,076</td>
<td>214,445</td>
<td>2,639,102</td>
</tr>
<tr>
<td>Daystay</td>
<td>106,939</td>
<td>97,142</td>
<td>97,361</td>
<td>1,531,887</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>35,152</td>
<td>17,882</td>
<td>51,095</td>
<td>284,348</td>
</tr>
<tr>
<td>Garage</td>
<td>230,450</td>
<td>174,751</td>
<td>195,540</td>
<td>2,198,070</td>
</tr>
<tr>
<td>Events</td>
<td>13,575</td>
<td>12,996</td>
<td>14,380</td>
<td>155,869</td>
</tr>
<tr>
<td>Market Foundation</td>
<td>-</td>
<td>6,250</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>15,309</td>
<td>16,258</td>
<td>16,870</td>
<td>278,356</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE**

|                      | 1,483,189    | 1,362,093    | 1,396,769   | 17,047,584           |

**TOTAL OPERATING EXPENSES**

|                      | 1,012,183    | 1,078,869    | 1,052,963   | 12,863,616           |

**NET OPERATING RESULTS**

|                      | 471,006      | 283,224      | 343,806     | 4,183,968            |

**DEBT SERVICE**

|                      | 39,598       | 39,598       | 39,598      | 475,172              |
| Bond Principal and Interest Payment PDA | 39,598 | 39,598 | 39,598 | 475,172 |
| Bond Principal and Interest Payment GAR | 73,512 | 73,512 | 73,512 | 882,140 |
| Bond Principal and Interest Payment Pine Bldg | 14,149 | 14,149 | 14,149 | 169,790 |
| Bond Payment Pine Building Commercial | 21,342 | 21,342 | 21,342 | 256,100 |

**TOTAL DEBT SERVICE**

|                      | 148,601      | 148,601      | 148,601     | 1,783,202            |

**RESERVES - DESIGNATED**

|                      | 345,000      | 345,000      | -           | 345,000              |
| Pension Contribution | 15           | 21           | 15          | 250                  |

**TOTAL DESIGNATED RESERVES**

|                      | 345,059      | 345,105      | (46)        | 345,250              |

**Net Results after Debt Service & Reserves**

|                      | 322,390      | 134,602      | 195,190     | 2,055,516            |

**CAPITAL RESERVE CONTRIBUTION**

|                      | 171,293      | 171,293      | 171,293     | 2,055,516            |

**TOTAL RESERVES & CONTRIBUTIONS**

|                      | 171,293      | 171,293      | 171,293     | 2,055,516            |

**Net Results after Capital Reserves**

|                      | 151,097      | (36,691)     | 23,897      | -                    |
### Fourth Page

<table>
<thead>
<tr>
<th>Note 1 Commercial Revenue</th>
<th>2015 Total Budget</th>
<th>YTD 2015 ACTUAL</th>
<th>YTD 2015 BUDGET</th>
<th>YTD 2015 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>% YTD</td>
<td>May Budget</td>
<td>% YTD</td>
</tr>
<tr>
<td></td>
<td>Comm Rev</td>
<td>Actual</td>
<td></td>
<td>Comm Rev</td>
</tr>
<tr>
<td>Base Rent - Retail</td>
<td>33.2%</td>
<td>1,590,939 (33.7%)</td>
<td>1,425,000 (36.0%)</td>
<td>(34,961)</td>
</tr>
<tr>
<td>Base Rent - Office</td>
<td>4.7%</td>
<td>201,815 (4.9%)</td>
<td>203,300 (5.1%)</td>
<td>(1,485)</td>
</tr>
<tr>
<td>Prep Space</td>
<td>0.5%</td>
<td>20,496 (0.5%)</td>
<td>22,950 (0.6%)</td>
<td>(2,454)</td>
</tr>
<tr>
<td>Additional Rent</td>
<td>0.0%</td>
<td>3,057 (0.1%)</td>
<td>3,061 (0.1%)</td>
<td>(4)</td>
</tr>
<tr>
<td>Common Area</td>
<td>19.6%</td>
<td>834,241 (20.3%)</td>
<td>810,000 (20.5%)</td>
<td>26,241</td>
</tr>
<tr>
<td>Direct Operating Exp (LB)</td>
<td>0.3%</td>
<td>12,083 (0.3%)</td>
<td>12,081 (0.3%)</td>
<td>2</td>
</tr>
<tr>
<td>Total Rent Revenue</td>
<td></td>
<td>2,464,631</td>
<td>2,476,392</td>
<td>(11,761)</td>
</tr>
<tr>
<td>Percentage Rent (1)</td>
<td>32.4%</td>
<td>1,275,382 (30.9%)</td>
<td>1,080,000 (27.3%)</td>
<td>195,382</td>
</tr>
<tr>
<td>Direct Utilities</td>
<td>7.3%</td>
<td>296,301 (7.2%)</td>
<td>318,590 (8.1%)</td>
<td>(22,289)</td>
</tr>
<tr>
<td>Storage/Cooler</td>
<td>1.6%</td>
<td>68,679 (1.7%)</td>
<td>69,780 (1.8%)</td>
<td>(1,101)</td>
</tr>
<tr>
<td>Tenant Work Reimbursements</td>
<td>0.1%</td>
<td>1,127 (0.0%)</td>
<td>3,530 (0.1%)</td>
<td>(2,403)</td>
</tr>
<tr>
<td>Late Fees</td>
<td>0.2%</td>
<td>16,135 (0.4%)</td>
<td>8,740 (0.2%)</td>
<td>7,395</td>
</tr>
<tr>
<td>Total Commercial Revenue</td>
<td></td>
<td>4,122,255</td>
<td>3,957,032</td>
<td>165,223</td>
</tr>
</tbody>
</table>

(1) See attachment for Percentage Rent revenue data by month.

<table>
<thead>
<tr>
<th>Note 2 Residential Revenue</th>
<th>2015 Total Budget</th>
<th>YTD 2015 ACTUAL</th>
<th>YTD 2015 BUDGET</th>
<th>YTD 2015 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>% YTD</td>
<td>May Budget</td>
<td>% YTD</td>
</tr>
<tr>
<td></td>
<td>Res Rev</td>
<td>Actual</td>
<td></td>
<td>Comm Rev</td>
</tr>
<tr>
<td>Residential Rents</td>
<td>98.3%</td>
<td>1,080,642 (98.2%)</td>
<td>1,079,184 (98.3%)</td>
<td>1,458</td>
</tr>
<tr>
<td>Laundry Net of Taxes</td>
<td>0.8%</td>
<td>8,829 (0.8%)</td>
<td>8,205 (0.7%)</td>
<td>624</td>
</tr>
<tr>
<td>Other(1)</td>
<td>0.9%</td>
<td>10,733 (1.0%)</td>
<td>10,585 (1.0%)</td>
<td>148</td>
</tr>
<tr>
<td>Total Residential Revenue</td>
<td>100%</td>
<td>1,100,204</td>
<td>1,097,974</td>
<td>2,230</td>
</tr>
</tbody>
</table>

(1) Other includes maintenance services, storage, rental screening & late fees.

<table>
<thead>
<tr>
<th>Note 3 Day Stall Revenue</th>
<th>2015 Total Budget</th>
<th>YTD 2015 ACTUAL</th>
<th>YTD 2015 BUDGET</th>
<th>YTD 2015 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>% YTD</td>
<td>May Budget</td>
<td>% YTD</td>
</tr>
<tr>
<td></td>
<td>Day Rev</td>
<td>Actual</td>
<td></td>
<td>Day Rev</td>
</tr>
<tr>
<td>Daily Craft</td>
<td>67.2%</td>
<td>228,899 (63.3%)</td>
<td>242,400 (68.3%)</td>
<td>(14,011)</td>
</tr>
<tr>
<td>Daily Farmer</td>
<td>19.2%</td>
<td>77,290 (21.4%)</td>
<td>59,500 (16.8%)</td>
<td>17,790</td>
</tr>
<tr>
<td>Remote Markets</td>
<td>3.6%</td>
<td>- (0.0%)</td>
<td>- (0.0%)</td>
<td>- (0.0%)</td>
</tr>
<tr>
<td>Cooler / Locker Rent</td>
<td>6.7%</td>
<td>32,584 (9.0%)</td>
<td>29,830 (8.4%)</td>
<td>2,754</td>
</tr>
<tr>
<td>Permits &amp; market bags</td>
<td>2.1%</td>
<td>16,310 (4.5%)</td>
<td>17,485 (4.9%)</td>
<td>(1,175)</td>
</tr>
<tr>
<td>Late Fees</td>
<td>1.2%</td>
<td>6,375 (1.8%)</td>
<td>6,500 (1.6%)</td>
<td>875</td>
</tr>
<tr>
<td>Total Day Stall Revenue</td>
<td>100%</td>
<td>360,948 (100%)</td>
<td>354,715 (100%)</td>
<td>6,233</td>
</tr>
</tbody>
</table>
### Note 5: Surface Revenue

<table>
<thead>
<tr>
<th></th>
<th>2015 Total Budget</th>
<th>YTD 2015 ACTUAL</th>
<th>YTD 2015 BUDGET</th>
<th>YTD 2015 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>May % YTD</td>
<td>May % YTD</td>
<td>$ %</td>
</tr>
<tr>
<td>Surf Rev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surface Parking Net of Taxes</td>
<td>163.6%</td>
<td>293,186 169.4%</td>
<td>235,457 132.4%</td>
<td>59,731 25%</td>
</tr>
<tr>
<td>Bridge Maintenance Reserve</td>
<td>-1.4%</td>
<td>(4,000) -2.3%</td>
<td>(4,000) -2.6%</td>
<td>-0%</td>
</tr>
<tr>
<td>City Share of Revenues</td>
<td>-62.5%</td>
<td>(116,912) -67.1%</td>
<td>(76,938) -49.8%</td>
<td>(39,974) 52%</td>
</tr>
<tr>
<td>Total Surface Revenue</td>
<td>100%</td>
<td>174,276 100%</td>
<td>154,519 100%</td>
<td>19,757 13%</td>
</tr>
</tbody>
</table>

### Note 6: Garage Revenue

<table>
<thead>
<tr>
<th></th>
<th>2015 Total Budget</th>
<th>YTD 2015 ACTUAL</th>
<th>YTD 2015 BUDGET</th>
<th>YTD 2015 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>May % YTD</td>
<td>May % YTD</td>
<td>$ %</td>
</tr>
<tr>
<td>Gar Rev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Revenue Net of Taxes</td>
<td>92.1%</td>
<td>868,666 92.3%</td>
<td>729,531 92.2%</td>
<td>139,135 19.1%</td>
</tr>
<tr>
<td>Parking Reimbursement</td>
<td>0.5%</td>
<td>4,340 0.5%</td>
<td>4,300 0.6%</td>
<td>(40) -1.1%</td>
</tr>
<tr>
<td>Garage Commercial Revenue</td>
<td>6.4%</td>
<td>68,244 7.2%</td>
<td>56,994 7.2%</td>
<td>11,250 19.7%</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.0%</td>
<td>343 0.0%</td>
<td>189 0.0%</td>
<td>154 81.5%</td>
</tr>
<tr>
<td>Total Garage Revenue</td>
<td>100%</td>
<td>941,593 100%</td>
<td>791,102 100%</td>
<td>150,491 19%</td>
</tr>
</tbody>
</table>

### Note 7: Events Revenue

<table>
<thead>
<tr>
<th></th>
<th>2015 Total Budget</th>
<th>YTD 2015 ACTUAL</th>
<th>YTD 2015 BUDGET</th>
<th>YTD 2015 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>May % YTD</td>
<td>May % YTD</td>
<td>$ %</td>
</tr>
<tr>
<td>Evt Rev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference Rooms net of tax</td>
<td>100.0%</td>
<td>91,899 9.8%</td>
<td>64,990 100.0%</td>
<td>26,909 41.4%</td>
</tr>
<tr>
<td>Total Events Revenue</td>
<td>100%</td>
<td>91,899 10%</td>
<td>64,990 100%</td>
<td>26,909 41%</td>
</tr>
</tbody>
</table>

### Note 8: Miscellaneous Revenue

<table>
<thead>
<tr>
<th></th>
<th>2015 Total Budget</th>
<th>YTD 2015 ACTUAL</th>
<th>YTD 2015 BUDGET</th>
<th>YTD 2015 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>May % YTD</td>
<td>May % YTD</td>
<td>$ %</td>
</tr>
<tr>
<td>Gar Rev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security Service Contracts</td>
<td>13.9%</td>
<td>19,480 13.3%</td>
<td>19,280 13.0%</td>
<td>200 1.0%</td>
</tr>
<tr>
<td>SPO Security Contracts</td>
<td>4.8%</td>
<td>5,530 3.8%</td>
<td>5,805 3.9%</td>
<td>(275) -4.7%</td>
</tr>
<tr>
<td>Management Fees(1)</td>
<td>29.8%</td>
<td>24,498 16.6%</td>
<td>24,500 16.5%</td>
<td>(2) 0.0%</td>
</tr>
<tr>
<td>Investment Income/Interest</td>
<td>6.7%</td>
<td>8,257 5.7%</td>
<td>8,100 5.4%</td>
<td>157 1.9%</td>
</tr>
<tr>
<td>Film-License Revenue</td>
<td>8.6%</td>
<td>8,325 5.7%</td>
<td>10,400 7.0%</td>
<td>(2,075) -20.0%</td>
</tr>
<tr>
<td>Other Revenues(2)</td>
<td>34.3%</td>
<td>79,959 54.7%</td>
<td>80,695 54.2%</td>
<td>(736) -0.9%</td>
</tr>
<tr>
<td>Total Miscellaneous Revenue</td>
<td>100%</td>
<td>146,049 100%</td>
<td>148,780 100%</td>
<td>(2,731) -1.8%</td>
</tr>
</tbody>
</table>

(1) Management fees from LaSalle Senior Housing LLC
(2) Other Revenues includes Constituency Revenue, Misc Non-taxable Revenue, Key and Access Cards, Trademark/Royalties and rummage hall less sales tax.

---

PDA Council Packet 6.25.15 - 135
### Note 9: Property Management Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD 2015 ACTUAL</th>
<th></th>
<th>YTD 2015 BUDGET</th>
<th></th>
<th>YTD 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May</td>
<td>PM Exp</td>
<td>May</td>
<td>PM Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>162,260</td>
<td>17.7%</td>
<td>172,060</td>
<td>19.2%</td>
<td>9,800</td>
<td>5.7%</td>
</tr>
<tr>
<td>Residential</td>
<td>220,600</td>
<td>24.1%</td>
<td>231,655</td>
<td>25.9%</td>
<td>11,055</td>
<td>4.8%</td>
</tr>
<tr>
<td>Daystaff</td>
<td>88,956</td>
<td>9.7%</td>
<td>88,786</td>
<td>9.9%</td>
<td>(170)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>58,174</td>
<td>6.4%</td>
<td>37,415</td>
<td>4.2%</td>
<td>(20,759)</td>
<td>-55.5%</td>
</tr>
<tr>
<td>Garage</td>
<td>384,622</td>
<td>42.1%</td>
<td>363,986</td>
<td>40.7%</td>
<td>(20,636)</td>
<td>-5.7%</td>
</tr>
<tr>
<td><strong>Total Property Management Expenses</strong></td>
<td>914,612</td>
<td>100%</td>
<td>893,902</td>
<td>100%</td>
<td>(20,710)</td>
<td>-2.3%</td>
</tr>
</tbody>
</table>

### Note 10: Operations Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD 2015 ACTUAL</th>
<th></th>
<th>YTD 2015 BUDGET</th>
<th></th>
<th>YTD 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May</td>
<td>Ops Exp</td>
<td>May</td>
<td>Ops Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>614,129</td>
<td>22.4%</td>
<td>633,417</td>
<td>21.8%</td>
<td>19,288</td>
<td>3.0%</td>
</tr>
<tr>
<td>Security</td>
<td>501,740</td>
<td>18.3%</td>
<td>543,152</td>
<td>18.7%</td>
<td>41,412</td>
<td>7.6%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>400,496</td>
<td>14.6%</td>
<td>422,076</td>
<td>14.6%</td>
<td>21,580</td>
<td>5.1%</td>
</tr>
<tr>
<td>Capital Management</td>
<td>76,274</td>
<td>2.8%</td>
<td>78,976</td>
<td>2.7%</td>
<td>2,702</td>
<td>3.4%</td>
</tr>
<tr>
<td>Utilities</td>
<td>969,658</td>
<td>35.3%</td>
<td>1,024,427</td>
<td>33.3%</td>
<td>54,769</td>
<td>5.3%</td>
</tr>
<tr>
<td>Insurance</td>
<td>182,504</td>
<td>6.6%</td>
<td>197,830</td>
<td>6.8%</td>
<td>15,326</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Total Operations Expenses</strong></td>
<td>2,744,801</td>
<td>100%</td>
<td>2,699,878</td>
<td>100%</td>
<td>155,077</td>
<td>5.5%</td>
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</tbody>
</table>

### Note 11: Administration Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD 2015 ACTUAL</th>
<th></th>
<th>YTD 2015 BUDGET</th>
<th></th>
<th>YTD 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May</td>
<td>Adm Exp</td>
<td>May</td>
<td>Adm Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>322,527</td>
<td>41.2%</td>
<td>340,014</td>
<td>40.4%</td>
<td>17,487</td>
<td>5.1%</td>
</tr>
<tr>
<td>Finance</td>
<td>116,128</td>
<td>14.8%</td>
<td>140,940</td>
<td>16.7%</td>
<td>24,812</td>
<td>17.6%</td>
</tr>
<tr>
<td>Office Administration</td>
<td>168,435</td>
<td>21.5%</td>
<td>176,539</td>
<td>21.0%</td>
<td>8,104</td>
<td>4.6%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>46,800</td>
<td>6.0%</td>
<td>48,300</td>
<td>5.7%</td>
<td>1,500</td>
<td>3.1%</td>
</tr>
<tr>
<td>Information Services</td>
<td>128,501</td>
<td>16.4%</td>
<td>135,931</td>
<td>16.1%</td>
<td>7,430</td>
<td>5.5%</td>
</tr>
<tr>
<td><strong>Total Administration Expenses</strong></td>
<td>762,391</td>
<td>100%</td>
<td>841,724</td>
<td>100%</td>
<td>39,333</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

### Note 12: Programs expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD 2015 ACTUAL</th>
<th></th>
<th>YTD 2015 BUDGET</th>
<th></th>
<th>YTD 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May</td>
<td>Prg Exp</td>
<td>May</td>
<td>Prg Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>166,039</td>
<td>30.7%</td>
<td>247,749</td>
<td>38.5%</td>
<td>81,710</td>
<td>33.0%</td>
</tr>
<tr>
<td>Farm Program</td>
<td>91,464</td>
<td>16.9%</td>
<td>107,059</td>
<td>16.7%</td>
<td>15,595</td>
<td>14.6%</td>
</tr>
<tr>
<td>Community Events &amp; Programs</td>
<td>98,326</td>
<td>18.2%</td>
<td>97,725</td>
<td>15.2%</td>
<td>(601)</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Market Foundation</td>
<td>185,313</td>
<td>34.2%</td>
<td>190,266</td>
<td>29.6%</td>
<td>4,953</td>
<td>2.6%</td>
</tr>
<tr>
<td><strong>Total Program Expenses</strong></td>
<td>541,142</td>
<td>100%</td>
<td>642,799</td>
<td>100%</td>
<td>101,657</td>
<td>15.8%</td>
</tr>
</tbody>
</table>
### 2015 Calendar Year

#### Percentage Rent Revenue by Month of Sales

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>187</td>
<td>285</td>
<td>3,634</td>
<td>15,266</td>
<td>311,595</td>
<td>188,131</td>
<td>19,229</td>
<td>180,079</td>
<td>624</td>
<td>90</td>
<td>251,186</td>
<td>429</td>
<td>3,661</td>
<td>9,600</td>
<td>23,675</td>
</tr>
</tbody>
</table>

### 2014 Calendar Year

#### Percentage Rent Revenue by Month of Sales

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>187</td>
<td>285</td>
<td>3,634</td>
<td>15,266</td>
<td>311,595</td>
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<td>180,079</td>
<td>624</td>
<td>90</td>
<td>251,186</td>
<td>429</td>
<td>3,661</td>
<td>9,600</td>
<td>23,675</td>
</tr>
</tbody>
</table>

### 2013 Calendar Year

#### Percentage Rent Revenue by Month of Sales

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>187</td>
<td>285</td>
<td>3,634</td>
<td>15,266</td>
<td>311,595</td>
<td>188,131</td>
<td>19,229</td>
<td>180,079</td>
<td>624</td>
<td>90</td>
<td>251,186</td>
<td>429</td>
<td>3,661</td>
<td>9,600</td>
<td>23,675</td>
</tr>
</tbody>
</table>

### 2012 Calendar Year

#### Percentage Rent Revenue by Month of Sales

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>187</td>
<td>285</td>
<td>3,634</td>
<td>15,266</td>
<td>311,595</td>
<td>188,131</td>
<td>19,229</td>
<td>180,079</td>
<td>624</td>
<td>90</td>
<td>251,186</td>
<td>429</td>
<td>3,661</td>
<td>9,600</td>
<td>23,675</td>
</tr>
</tbody>
</table>

---

PDA Council Packet 6.25.15 - 137
Capital Replace Reserve Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>Anticipated Year end Balance</th>
<th>Current YTD Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 1/1/2015</td>
<td>9,503,672</td>
<td>9,503,672</td>
</tr>
<tr>
<td>Surplus allocation of the prior year</td>
<td>1,214,623</td>
<td>1,214,623</td>
</tr>
<tr>
<td>Budget 2015 Contribution:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Reserve - PDA and Gar</td>
<td>2,055,516</td>
<td>856,465</td>
</tr>
<tr>
<td></td>
<td>2,055,516</td>
<td>856,465</td>
</tr>
<tr>
<td>Capital Projects Budget 2015 (PC-I North Project Excluded)</td>
<td>(1,715,065)</td>
<td>(275,743)</td>
</tr>
<tr>
<td>Capital Projects Carried Over from 2014 to 2015</td>
<td>(384,749)</td>
<td>(296,415)</td>
</tr>
<tr>
<td>Capital Projects Total Costs</td>
<td>(2,099,814)</td>
<td>(572,158)</td>
</tr>
<tr>
<td>Total CRRF Capital Reserve Balance</td>
<td>10,673,997</td>
<td>11,002,602</td>
</tr>
<tr>
<td>BLDG</td>
<td>Code</td>
<td>Project Name</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>las</td>
<td>163227-00</td>
<td>Roof &amp; Gutter</td>
</tr>
<tr>
<td>lei l</td>
<td>163667-00</td>
<td>Repair/restore market signs</td>
</tr>
<tr>
<td>ste</td>
<td>163753-00</td>
<td>STE - Upgrade HVAC</td>
</tr>
<tr>
<td>ste</td>
<td>163754-00</td>
<td>STE - Craft Storage</td>
</tr>
<tr>
<td>fal</td>
<td>163756-00</td>
<td>FAI-Modernize freight elevator</td>
</tr>
<tr>
<td>comcar</td>
<td>163759-00</td>
<td>Retrofit Market Clocks</td>
</tr>
<tr>
<td>comgar</td>
<td>163760-00</td>
<td>Garage entry design</td>
</tr>
<tr>
<td>soa</td>
<td>163763-00</td>
<td>Courtyard excavate shorin</td>
</tr>
<tr>
<td>pdc</td>
<td>163765-00</td>
<td>Security camera server/system</td>
</tr>
<tr>
<td>las</td>
<td>163769-00</td>
<td>Las - Painting</td>
</tr>
<tr>
<td>lei</td>
<td>163777-00</td>
<td>Hillclimb Skybridge</td>
</tr>
<tr>
<td>vary</td>
<td>163778-00</td>
<td>Commercial Tenant Bathroom</td>
</tr>
<tr>
<td>soa</td>
<td>163779-00</td>
<td>SOA - wood floors</td>
</tr>
<tr>
<td>pdc</td>
<td>163783-00</td>
<td>COMFAI- Trash room floor</td>
</tr>
<tr>
<td>pdc</td>
<td>163785-00</td>
<td>COMGAR- Lighting rebate program</td>
</tr>
<tr>
<td>pdc</td>
<td>163786-00</td>
<td>Western Ave Enhancement Project</td>
</tr>
<tr>
<td>pdc</td>
<td>163700-00</td>
<td>2015 Approved Capital Projects</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td></td>
</tr>
</tbody>
</table>

**MISCELLANEOUS (Tenant Compensations and Commercial Tenant Improvements)**

<table>
<thead>
<tr>
<th>Code</th>
<th>Tenant Compensation - Commercial</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>Tenant Compensation - Residential</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Code</td>
<td>Tenant Improvement</td>
<td>125,000</td>
<td>125,000</td>
<td>47,316</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>125,000</td>
<td>125,000</td>
<td>47,316</td>
</tr>
</tbody>
</table>

**CONTINGENCY**

<table>
<thead>
<tr>
<th>Code</th>
<th>Contingency for Known Projects</th>
<th>63,813</th>
<th>63,813</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>Contingency for Unknown Projects</td>
<td>50,000</td>
<td>50,000</td>
<td>2,056</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>113,813</td>
<td>113,813</td>
<td>2,056</td>
</tr>
</tbody>
</table>

**A&E - ARCHITECTURAL, ENGINEERING, DESIGN & APPLICATION CONTRACTING - OUTSOURCED**

<table>
<thead>
<tr>
<th>Code</th>
<th>A&amp;E - Architectural Design</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>A&amp;E - Feasibility Studies</td>
<td>0</td>
<td>0</td>
<td>2,035</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>0</td>
<td>0</td>
<td>2,035</td>
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</tbody>
</table>

**CAPITAL INVENTORY**

<table>
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<tr>
<th>Code</th>
<th>Capital inventory (listing on next page)</th>
<th>200,000</th>
<th>200,000</th>
<th>162,402</th>
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<td>Sub-Total</td>
<td>200,000</td>
<td>200,000</td>
<td>162,402</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>608,850</td>
<td>1,715,065</td>
<td>2,323,915</td>
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</tbody>
</table>
June 2015

Permitting
- Master Use Permit – issued June 15, 2015
- Early Works Permit – anticipated mid-June
- Building Permit – anticipated mid-June
- South Site Permit – currently in review
- Street Improvement Permit – 90% currently in review

Bidding
- All bidding for south site and base building work is complete.
- Bidding for housing to occur 4th Quarter 2015.

Construction Progress
- Notice to Proceed for Sellen was issued June 9, 2015.
- Substantial Completion is December 2, 2016
- Sellen mobilized to the site June 15, 2015.

Project Photos – June 2015

...
Project Flow of Funds

- On the next page is a high level outline of the projected flow of funds for the project through project completion. Flow of funds will continue to be updated as the project progresses.

Project Budget Summary

- Following the Flow of Funds is the project budget summary to be updated monthly as the project progresses.
### PROJECT FLOW OF FUNDS

#### PROJECT SUMMARY SCHEDULE

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
<th>1Q14</th>
<th>2Q14</th>
<th>3Q14</th>
<th>4Q14</th>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
<th>4Q16</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDA Bond Sales</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$880,891</td>
<td>$652,880</td>
<td>$652,880</td>
<td>$652,880</td>
<td>$2,801,387</td>
<td>$2,639,203</td>
<td>$2,639,203</td>
<td>$2,639,203</td>
<td>$343,000,000</td>
<td>$343,000,000</td>
<td>$343,000,000</td>
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#### ACTUAL CASH FLOW

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<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
<th>1Q14</th>
<th>2Q14</th>
<th>3Q14</th>
<th>4Q14</th>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
<th>4Q16</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDA Bond Sales</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$880,891</td>
<td>$652,880</td>
<td>$652,880</td>
<td>$652,880</td>
<td>$2,801,387</td>
<td>$2,639,203</td>
<td>$2,639,203</td>
<td>$2,639,203</td>
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<td>$343,000,000</td>
<td>$343,000,000</td>
<td>$343,000,000</td>
<td>$343,000,000</td>
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#### FLOW OF FUNDS

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<tr>
<th>Year</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
<th>1Q14</th>
<th>2Q14</th>
<th>3Q14</th>
<th>4Q14</th>
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<th>4Q15</th>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
<th>4Q16</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Market Tax Credit (funds available)</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<td>$</td>
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<td>$</td>
<td>$</td>
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</table>

May 31, 2015

(GL thru May '15)
# MarketFront

PROJECT FLOW OF FUNDS (Construction Start Delayed to May/June 2015)

May 31, 2015
(GL thru May ’15)

## EXPENDITURES (Planned vs Actual) AND AVAILABLE FUNDS (from Sources)

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<thead>
<tr>
<th>Year</th>
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<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
<th>1Q14</th>
<th>2Q14</th>
<th>3Q14</th>
<th>4Q14</th>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
<th>4Q16</th>
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<td>2015</td>
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<td>2016</td>
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</tbody>
</table>

### Fund Source Availability
- **Original Plan**
- **w/Start 3/2015**

### Expenditures
- **Original Plan**
- **Actual Billings (as INVOICED)**
- **Projected Expenditures (w/Start 3/2015)**
### Budget Report (Overall Integrated Summary)

Amount Earned to Date Reported as of May 31, 2015 (inasco update thru May-2015 G/L)

**MarketFront**

**TOTAL BUDGET SUMMARY**

<p>| | | | | |</p>
<table>
<thead>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>A (PAS)</td>
<td>B</td>
<td>C</td>
<td>E = (A-B)</td>
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<td>$27,448</td>
<td>$27,448</td>
<td>$27,448</td>
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<tr>
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<td>$977,768</td>
<td>$977,768</td>
<td>$977,768</td>
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</tr>
<tr>
<td>Architect/Design/CA (Other Hub)</td>
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<td>$4,097,363</td>
<td>$4,097,363</td>
<td>$3,232,155</td>
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<tr>
<td>Consultant Project Management</td>
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<tr>
<td>Commissioning</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$20,677</td>
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<tr>
<td>Miscellaneous</td>
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<td>$328,748</td>
<td>$20,677</td>
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</tr>
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<tr>
<td>Site Survey (AWF)</td>
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<tr>
<td>FF&amp;E</td>
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<tr>
<td>Building and General/Permitting</td>
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<td>$300,000</td>
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<td>$24,966</td>
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<td>Construction</td>
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<tr>
<td>Miscellaneous ODCs/Direct Costs</td>
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<td>Contingency</td>
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</tr>
<tr>
<td>Sub-TOTAL</td>
<td>$3,857,818</td>
<td></td>
<td>$4,540,716</td>
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<tr>
<td>Alternates &amp; OLW Impacts (w/WSST)</td>
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<tr>
<td>Environmental Consulting (CA)</td>
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<tr>
<td>Legal</td>
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</tr>
<tr>
<td>Land Use Attorney (NCP)</td>
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<tr>
<td>HAZMAT Remediation</td>
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<td>Builders Risk Insurance</td>
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<td>$150,000</td>
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<tr>
<td>Land Use Permit (MUP)</td>
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<td>$256,420</td>
<td>$77,501</td>
<td>$77,501</td>
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<tr>
<td>Contingency</td>
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<td>Sub-TOTAL</td>
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<tr>
<td>Sub-TOTAL</td>
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<td>$3,631,700</td>
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<td>Other Owners</td>
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<tr>
<td>Contingency</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Sub-TOTAL</td>
<td>$3,857,818</td>
<td></td>
<td>$4,540,716</td>
<td></td>
</tr>
<tr>
<td>Alternatives &amp; ULW Impacts (w/WSST)</td>
<td>$71,763,250</td>
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**PROJECT TOTAL COSTS**

$71,763,250 - $4,540,716 | $682,899 | $4,540,716 | $4,540,716 | $0

Steps to be funded by unspent contingency $2,492,923
### MarketFront

#### TOTAL BUDGET SUMMARY

**w/Updated 5-26-15 Construction MACC (Housing not yet bid)**

**Budget Report**

**Summary -w/Detailied Housing**

Amount Earned to Date Reported as of May 30, 2015 (w/empty update thru May-2015 6/2/15)

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Baseline Intra-Project Current Committed Amount Budget Amount Remaining Non-committed Budget</td>
<td></td>
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<tr>
<td></td>
<td>Budget (Nov-2014) Project Budget Transfers Commitment to Date Budget Amount Committed Amount Balance</td>
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<tr>
<td>1. 4 B Service</td>
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<tr>
<td>Architect/Consult Design (SRD)</td>
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<td>27,445</td>
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<td>Architect Design/CA (Miller Hull)</td>
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<td>2,981,079</td>
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<td>Site Surveys</td>
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<td>$20,677</td>
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<td>Miscellaneous</td>
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<td>179,748</td>
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<tr>
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<td>329,748</td>
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<td>329,748</td>
<td>20,677</td>
<td>$20,677</td>
</tr>
<tr>
<td>3. Land &amp; Permits</td>
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<td>9,970</td>
<td>$9,970</td>
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<td>Land Use Permit (MUP)</td>
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<td>816,420</td>
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<td>Building Risk Insurance</td>
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<td>150,000</td>
<td>30,000</td>
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<td>$9,070</td>
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<td>179,748</td>
<td>32,000</td>
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<td>Other Consultants (35% Services, Workorders)</td>
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<td>100,000</td>
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<td>Utilities/Utility Connections</td>
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<td>300,000</td>
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<td>Temporary Signage</td>
<td>150,000</td>
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<td>150,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FFE</td>
<td>300,000</td>
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<td>300,000</td>
<td>13,654</td>
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<td>10,228</td>
<td>$10,228</td>
</tr>
<tr>
<td>TI Owner Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TI (or Social Services Program)</td>
<td>257,090</td>
<td>-</td>
<td>257,090</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-TOTAL</td>
<td>2,768,800</td>
<td>-</td>
<td>150,000</td>
<td>2,818,800</td>
<td>692,289</td>
</tr>
<tr>
<td>6. Residential Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architect/Consult Design/CA (Miller Hull)</td>
<td>479,000</td>
<td>-</td>
<td>479,000</td>
<td>479,000</td>
<td>423,527</td>
</tr>
<tr>
<td>Construction</td>
<td>6,346,246</td>
<td>(1,106,929)</td>
<td>5,239,318</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction Sales Tax (32.8%)</td>
<td>652,853</td>
<td>(96,318)</td>
<td>556,535</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>634,625</td>
<td>(110,903)</td>
<td>523,722</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furnishings</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Permits, Fees, &amp; Hookups</td>
<td>338,197</td>
<td>-</td>
<td>338,197</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Developer/FM Fees (Beacon)</td>
<td>807,090</td>
<td>-</td>
<td>807,090</td>
<td>21,200</td>
<td>$21,200</td>
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<tr>
<td>Financing (Housing Only)</td>
<td>237,411</td>
<td>-</td>
<td>237,411</td>
<td>36,699</td>
<td>$36,699</td>
</tr>
<tr>
<td>Capitalized Reserves</td>
<td>124,564</td>
<td>-</td>
<td>124,564</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-TOTAL</td>
<td>5,782,767</td>
<td>(1,317,539)</td>
<td>4,465,228</td>
<td>542,329</td>
<td>473,590</td>
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<tr>
<td>7. Project Management/Consult</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expense &amp; Miscellaneous (NS)</td>
<td>1,864,662</td>
<td>-</td>
<td>1,864,662</td>
<td>955,040</td>
<td>$653,629</td>
</tr>
<tr>
<td>In-House/Other Development Management</td>
<td>552,853</td>
<td>(96,318)</td>
<td>456,535</td>
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<td>-</td>
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<tr>
<td>Legal (KPG/PLG)</td>
<td>250,000</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Sub-TOTAL</td>
<td>2,662,665</td>
<td>(1,106,929)</td>
<td>1,555,736</td>
<td>-</td>
<td>-</td>
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<tr>
<td>8. Owner's Contingency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (9%)</td>
<td>3,887,819</td>
<td>662,890</td>
<td>4,540,710</td>
<td>884,083</td>
<td>807,321</td>
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<tr>
<td>Sub-TOTAL</td>
<td>3,857,915</td>
<td>682,489</td>
<td>4,540,710</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**PROJECT TOTAL COSTS**

- **71,763,250** $ - 71,763,250 $ 7,751,867 $ 5,634,742 $2,716,326 $64,012,183

PDA Council Packet 6.25.15 - 145
### 5.1. Architecture

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount Earned to Date</th>
<th>Amount Committed</th>
<th>Amount Remaining</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arch. Design/CA (other NA)</td>
<td>$479,000</td>
<td>$479,000</td>
<td>$423,521</td>
<td>$55,479</td>
</tr>
</tbody>
</table>

**Sub-total**: $479,000

### 5.2. Construction

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount Earned to Date</th>
<th>Amount Committed</th>
<th>Amount Remaining</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$5,245,246</td>
<td>$4,298,318</td>
<td>$2,226,318</td>
<td>$479,000</td>
</tr>
<tr>
<td>WSST (90.6% Construction)</td>
<td>$602,893</td>
<td>$502,975</td>
<td>$502,975</td>
<td>$0</td>
</tr>
<tr>
<td>Furnishings</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>$634,625</td>
<td>$523,932</td>
<td>$523,932</td>
<td>$0</td>
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</table>

**Sub-total**: $7,608,764

### 5.3. Construction/Other Development Costs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount Earned to Date</th>
<th>Amount Committed</th>
<th>Amount Remaining</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities/Permits/Fees/Hookups</td>
<td>$338,197</td>
<td>$338,197</td>
<td>$338,197</td>
<td>-</td>
</tr>
<tr>
<td>Market Study</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>-</td>
</tr>
<tr>
<td>Boundary &amp; Topographic Survey</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Bidding Costs</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>-</td>
</tr>
<tr>
<td>Nonprofit Donation</td>
<td>$22,771</td>
<td>$22,771</td>
<td>$22,771</td>
<td>-</td>
</tr>
<tr>
<td>Accounting/Audit</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Marketing/Leasing Expenses</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
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</table>

**Sub-total**: $525,968

### 5.4. Project Management/Admin

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount Earned to Date</th>
<th>Amount Committed</th>
<th>Amount Remaining</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Fee (PDA)</td>
<td>$398,530</td>
<td>$398,530</td>
<td>$398,530</td>
<td>-</td>
</tr>
<tr>
<td>Financing (Construction &amp; Permanent)</td>
<td>$237,411</td>
<td>$36,829</td>
<td>$36,829</td>
<td>-</td>
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</table>

**Sub-total**: $1,044,471

### 5.5. Reserves

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount Earned to Date</th>
<th>Amount Committed</th>
<th>Amount Remaining</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized Reserves</td>
<td>$124,584</td>
<td>$124,584</td>
<td>$124,584</td>
<td>-</td>
</tr>
</tbody>
</table>

**Sub-total**: $124,584

### Total Costs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount Earned to Date</th>
<th>Amount Committed</th>
<th>Amount Remaining</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arch. Design/CA (other NA)</td>
<td>$479,000</td>
<td>$479,000</td>
<td>$423,521</td>
<td>$55,479</td>
</tr>
<tr>
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<td>$2,226,318</td>
<td>$479,000</td>
</tr>
<tr>
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<td>$502,975</td>
<td>$502,975</td>
<td>$0</td>
</tr>
<tr>
<td>Furnishings</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>$634,625</td>
<td>$523,932</td>
<td>$523,932</td>
<td>$0</td>
</tr>
<tr>
<td>Utilities/Permits/Fees/Hookups</td>
<td>$338,197</td>
<td>$338,197</td>
<td>$338,197</td>
<td>-</td>
</tr>
<tr>
<td>Market Study</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>-</td>
</tr>
<tr>
<td>Boundary &amp; Topographic Survey</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Bidding Costs</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>-</td>
</tr>
<tr>
<td>Nonprofit Donation</td>
<td>$22,771</td>
<td>$22,771</td>
<td>$22,771</td>
<td>-</td>
</tr>
<tr>
<td>Accounting/Audit</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Marketing/Leasing Expenses</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Developer Fee (PDA)</td>
<td>$398,530</td>
<td>$398,530</td>
<td>$398,530</td>
<td>-</td>
</tr>
<tr>
<td>Financing (Construction &amp; Permanent)</td>
<td>$237,411</td>
<td>$36,829</td>
<td>$36,829</td>
<td>-</td>
</tr>
<tr>
<td>Capitalized Reserves</td>
<td>$124,584</td>
<td>$124,584</td>
<td>$124,584</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total**: $9,782,767
### Pike Place MarketFront Capital Campaign Total as of 6.17.15

<table>
<thead>
<tr>
<th>Completion Date</th>
<th>Goal</th>
<th>Progress to Goal</th>
<th>% to Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2016</td>
<td>$9,000,000</td>
<td>$2,762,120</td>
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</table>

### Lead/Major Gifts Campaign Fundraising Goals

<table>
<thead>
<tr>
<th>Completion Date</th>
<th>Goal</th>
<th>Ready to Ask</th>
<th>Pending</th>
<th>Actual</th>
<th>Goal</th>
<th>Difference</th>
<th>% to Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2014</td>
<td>Lead</td>
<td>concluded</td>
<td>concluded</td>
<td>$1,818,618</td>
<td>$1,818,618</td>
<td>$0</td>
<td>100%</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>Major Gifts (Indv.)</td>
<td>$345,000</td>
<td>$1,285,000</td>
<td>$122,252</td>
<td>$1,681,382</td>
<td>$70,870</td>
<td>7%</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>Major Gifts (Corporate)</td>
<td>$560,000</td>
<td>$1,140,000</td>
<td>$280,000</td>
<td>$1,000,000</td>
<td>$980,000</td>
<td>28%</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>Grants</td>
<td>$900,000</td>
<td>$300,000</td>
<td>$50,000</td>
<td>$1,500,000</td>
<td>($250,000)</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$1,805,000</td>
<td>$2,725,000</td>
<td>$2,270,870</td>
<td>$6,000,000</td>
<td>$800,870</td>
<td>38%</td>
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</table>

### Community Campaign Fundraising Goals

<table>
<thead>
<tr>
<th>Completion Date</th>
<th>Action</th>
<th># of Charms</th>
<th># of Hoofprints</th>
<th>Actual</th>
<th>Goal</th>
<th>% to Goal</th>
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</thead>
<tbody>
<tr>
<td>12/31/2015</td>
<td>Q4 2014 - Actual</td>
<td>487</td>
<td>77</td>
<td>$236,317</td>
<td>$476,000</td>
<td>7%</td>
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<tr>
<td>6/17/2015</td>
<td>Actual To-Date</td>
<td>938</td>
<td>97</td>
<td>$415,640</td>
<td>--</td>
<td>12.22%</td>
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<tr>
<td>6/30/2015</td>
<td>Q2 Goals</td>
<td>1,775</td>
<td>212</td>
<td>--</td>
<td>$1,379,500</td>
<td>40.57%</td>
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<tr>
<td>9/30/2015</td>
<td>Q3 Goals</td>
<td>2,650</td>
<td>306</td>
<td>--</td>
<td>$2,007,000</td>
<td>59.03%</td>
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<tr>
<td>12/31/2015</td>
<td>Q4 Goals</td>
<td>5,000</td>
<td>500</td>
<td>--</td>
<td>$3,400,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>Stretch Goal Potential</td>
<td>13,653</td>
<td>1,200</td>
<td>--</td>
<td>$8,457,540</td>
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</tr>
</tbody>
</table>

### Sponsorship

- **Inkind Sponsorship to-date**: $345,162

KOMO4, Seattle Met, Seattle Times, McKinley Irvin, PSBJ, Slalom Consulting, Pike Brewing, Lance Wagner Photography, Traci Gushiken Productions, ASI, JIT Manufacturing, Print Co., Pike Street Press, 3Howls, RMB Vivid, PNWMF
A Suggestion for the Market PDA Board:
Create a Better Balance Between the Annual Budget Process and the PDA's Mission and Charter Purposes

For the past three years, the PDA Board has conducted a retreat in November/December, to address an outstanding issue/project or subject of concern. The annual budget process is completed by December. To me, the annual budget represents the dollars and cents of any organization. However, what one does not measure, one cannot understand if the goals are being met or not. The means to measure the mission and character goals is the common sense of any organization, which needs to drive the annual budget process. Currently, the annual budget is the driver. The PDA's mission and charter goals need to be the driving force for the annual budget process. Secondly, the Board retreat needs to be moved to no later than July, to be effective to mold/drive the annual budget priorities process. The movement of these parts/process, would allow the PDA's mission and charter goals to be stronger by allowing funds to be spent on these goals for the organization, in a measured way.

So, the question that need to be addressed is: How does one measure the effectiveness of the mission and charter goals each year? This is what the PDA staff needs to address for the retreat. Since, conserving energy, water, sewer, garbage is part of the goals, why not create a chart that would list the usage for the year, per month, and make comparisons from year to year, just like the accounting process has.

The larger question to measure is how does the 30 Year Assess Management Plan work within the budget each year? Is the Market being maintained each year on schedule or behind schedule??

Additionally, a larger question is: Are the overall surplus reserves 'enough to sustain' this Market?

Lastly, a larger question that needs to be addressed is: How to measure the gentrification of this Market?

I hope that you find this proposal a better means to fund the goals, mission and charter for your upcoming retreat. Joan Paulson, 206-954-5074-cell

May 28, 2015
The Pike Place Market Preservation and Development Authority

The Pike Place Market Preservation and Development Authority (PDA) is a non-profit public corporation chartered by the City of Seattle in 1973. As a public trustee, the PDA serves as the manager and steward of the city’s historic Public Market Center. The PDA’s mission and charter purposes are:

- **Preserving** the traditional character and uses of the Public Market;
- **Renewing**, rehabilitating, preserving, restoring and developing structures and open spaces in and around the Market Historical District;
- **Continuing** the opportunity for Public Market farmers, merchants, residents, shoppers and visitors to carry on traditional market activities;
- **Initiating** programs to expand food retailing in the District, especially the sale of local farm produce;
- **Providing** goods, services and housing to low and moderate income people;
- **Promoting** small-owner operated businesses that have the opportunity to thrive in a unique community where producers meet and interact with consumers;
- **Considering** the views of the public and the Market community in establishing policies, programs and budgets to further the preservation objectives of the Market.

**PDA Debt History and Financing Capacity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt</th>
<th>Total Revenue</th>
<th>Surplus Before Debt</th>
<th>Annual Debt Payment</th>
<th>Debt to Revenue</th>
<th>Debt Coverage</th>
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</thead>
<tbody>
<tr>
<td>1999</td>
<td>16,204,888</td>
<td>8,341,503</td>
<td>2,964,806</td>
<td>1,029,924</td>
<td>12%</td>
<td>288%</td>
</tr>
<tr>
<td>2000</td>
<td>15,723,766</td>
<td>8,686,924</td>
<td>2,893,851</td>
<td>1,162,816</td>
<td>13%</td>
<td>249%</td>
</tr>
<tr>
<td>2001</td>
<td>15,220,370</td>
<td>8,590,220</td>
<td>2,724,895</td>
<td>1,412,657</td>
<td>15%</td>
<td>193%</td>
</tr>
<tr>
<td>2002</td>
<td>15,048,925</td>
<td>9,073,650</td>
<td>2,724,738</td>
<td>1,413,722</td>
<td>15%</td>
<td>193%</td>
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<tr>
<td>2003</td>
<td>14,951,276</td>
<td>9,558,053</td>
<td>2,048,895</td>
<td>904,335</td>
<td>9%</td>
<td>227%</td>
</tr>
<tr>
<td>2004</td>
<td>14,399,831</td>
<td>10,564,385</td>
<td>2,847,044</td>
<td>1,367,523</td>
<td>13%</td>
<td>208%</td>
</tr>
<tr>
<td>2005</td>
<td>19,983,377</td>
<td>10,197,037</td>
<td>2,910,224</td>
<td>1,435,817</td>
<td>14%</td>
<td>203%</td>
</tr>
<tr>
<td>2006</td>
<td>19,646,111</td>
<td>11,487,409</td>
<td>3,895,342</td>
<td>1,761,162</td>
<td>15%</td>
<td>221%</td>
</tr>
<tr>
<td>2007</td>
<td>18,856,895</td>
<td>13,381,491</td>
<td>5,010,262</td>
<td>1,764,237</td>
<td>13%</td>
<td>284%</td>
</tr>
<tr>
<td>2008</td>
<td>18,056,828</td>
<td>13,122,078</td>
<td>4,327,653</td>
<td>1,762,137</td>
<td>13%</td>
<td>246%</td>
</tr>
<tr>
<td>2009</td>
<td>17,176,144</td>
<td>12,780,896</td>
<td>3,742,718</td>
<td>1,764,737</td>
<td>14%</td>
<td>212%</td>
</tr>
<tr>
<td>2010</td>
<td>16,389,940</td>
<td>13,308,748</td>
<td>3,519,122</td>
<td>1,762,137</td>
<td>13%</td>
<td>222%</td>
</tr>
<tr>
<td>2011</td>
<td>14,855,284</td>
<td>13,356,142</td>
<td>4,000,046</td>
<td>1,769,537</td>
<td>13%</td>
<td>226%</td>
</tr>
<tr>
<td>2012</td>
<td>13,505,233</td>
<td>14,368,566</td>
<td>3,970,911</td>
<td>1,766,667</td>
<td>12%</td>
<td>225%</td>
</tr>
<tr>
<td>2013</td>
<td>12,357,331</td>
<td>15,927,455</td>
<td>4,814,810</td>
<td>1,778,737</td>
<td>11%</td>
<td>271%</td>
</tr>
<tr>
<td>2014</td>
<td>11,057,947</td>
<td>17,078,687</td>
<td>5,042,570</td>
<td>1,784,073</td>
<td>10%</td>
<td>283%</td>
</tr>
</tbody>
</table>