

**SDOT and SPU AGREEMENT
FOR PAYMENT OF
REMEDICATION COSTS FOR RIGHTS-OF-WAY ADJACENT
TO SOUTH PARK LANDFILL**

This Agreement, entered the 26th day of January 2012 between the Seattle Department of Transportation (“SDOT”) and Seattle Public Utilities (“SPU”), governs each Department’s financial responsibilities for Remedial Action Costs including operation and maintenance costs incurred to remediate City-owned rights-of-way adjacent to the South Park Landfill.

TERMS

I. Definitions

1. “South Park Landfill” means the landfill generally located at 8100 and 8200 2nd Avenue South, Seattle, WA; County Assessor’s Parcel Numbers 7328400005 and 3224049005.
2. “Rights-of-way” for purposes of this Agreement means a portion of City-owned rights-of-way on or under which landfill refuse is located that will be remediated as part of an interim cleanup action by South Park Property Development, LLC (“SPPD”) or remediated as part of the final cleanup action as required by the Department of Ecology (“Ecology”). A portion of the rights-of-way are part of the South Park Landfill, contain underground refuse, and are contaminated with landfill-related pollutants. The rights-of-way are located along 5th Avenue South, South Sullivan Street, Occidental Avenue South, and potentially South Kenyon Street as depicted in the map attached to this Agreement as Exhibit 1.
3. “Remedial Action Costs” or “Costs of Remedial Action” means costs incurred by SPU for remediating landfill-related contamination in the rights-of-way that may be subject to cost recovery under the Model Toxics Control Act, Chapter 70.105D RCW (“MTCA”).
4. “Interim Action Agreement” means the executed agreement between SPPD, the City of Seattle, and King County governing interim remedial actions or elements occurring on the South Park Landfill and rights-of-way.
5. “Site” means the South Park Landfill and rights-of-way subject to final remedy approved by Ecology.
6. “South Park Property Development, LLC” or “SPPD” means the limited liability corporation that is the current owner and operator of Tax Parcel Number 3224049005.
7. “SPPD Property” means Tax Parcel Number 3224049005.

II. Interim Action Agreement Approval by SDOT and Remedial Action Costs Payment by SPU

The Department of Ecology designated the South Park Landfill as a Contaminated Site under MTCA. Under MTCA, the City of Seattle, as the former owner/operator of the landfill, is a potentially liable party for any necessary remedial actions associated with the landfill. Under MTCA, SPPD, as the current owner of Tax Parcel Number 3224049005, is also a potentially liable party for any necessary remedial actions.

In order to implement an interim action on the SPPD property and the rights-of-way before approval of the final remedy by Ecology, SPU is contemplating entering into an Interim Action Settlement Agreement ("IA Agreement") with SPPD where SPPD conducts interim remedial actions on SPPD property and in portions of the rights-of-way.

SDOT, having been briefed on the IA Agreement and on the conceptual approach for the final remedy, understands that: under the terms of the IA Agreement and as part of the final remedy as approved by Ecology, landfill refuse may be allowed to remain under the rights-of-way with a cap placed on top of the refuse; and other remedial actions or elements may occur in the rights-of-way, such as, but not limited to, installing portions of the landfill-gas-collection system.

SDOT consents to allowing refuse to remain in the rights-of-way and remedial elements to be placed in the rights-of-way as part of the interim and final remedy of the Site as approved by Ecology, on the condition that: as between SDOT and SPU, SPU shall be responsible for all Remedial Action Costs of constructing, operating, and maintaining any remedial actions related to landfill contamination that are located in the rights-of-way; and SDOT shall bear no financial responsibility for any of the Remedial Action Costs associated with the landfill remediation.

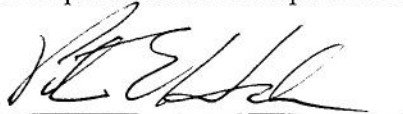
Nothing in this Agreement precludes SPU from seeking payment or reimbursement of its Remedial Action Costs from any entity other than SDOT.

III. Duration

This Agreement shall remain in effect in perpetuity; or until all legal and contractual obligations including any environmental covenants that require the presence and maintenance of remedial action elements in the ROWs have expired and are no longer enforceable.

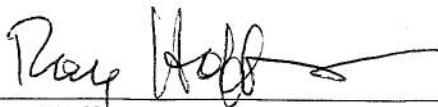
IV. Department Signatures

Seattle Department of Transportation



Peter Hahn
Director

Seattle Public Utilities



Ray Hoffman
Director

1/6/12