



SEATTLE CITY COUNCIL

Legislative Summary

CB 119045

Record No.: CB 119045

Type: Ordinance (Ord)

Status: Passed

Version: 2

Ord. no: Ord 125401

In Control: City Clerk

File Created: 07/13/2017

Final Action: 09/12/2017

Title: AN ORDINANCE relating to the sale and redevelopment of the former Public Safety Building block; authorizing the execution of an Amended and Restated Purchase and Sale and Development Agreement with Bosa Development US LLC, for the construction of a residential project with public parking, public open space and associated retail space; authorizing the acceptance of an easement from Bosa on that property; and authorizing the Director of Finance and Administrative Services to execute documents and take other actions in connection with this project.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att A - Amended and Restated Purchase and Sale and Development Agreement, Att B - Perpetual Easement for Public Access

Drafter: julie.tobin@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	07/18/2017	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	07/18/2017	sent for review	Council President's Office			

Action Text: The Council Bill (CB) was sent for review. to the Council President's Office

Notes:

- | | | | | | |
|---|--|------------|---------------------------------|--|------|
| 1 | Council President's Office | 07/25/2017 | sent for review | Affordable Housing, Neighborhoods, and Finance Committee | |
| | Action Text: The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee | | | | |
| | Notes: | | | | |
| 1 | Full Council | 07/31/2017 | referred | Affordable Housing, Neighborhoods, and Finance Committee | |
| 1 | Affordable Housing, Neighborhoods, and Finance Committee | 08/16/2017 | discussed | | |
| | Action Text: The Council Bill (CB) was discussed in Committee. | | | | |
| | Notes: | | | | |
| | <i>Councilmember O'Brien entered the Council Chamber at 10:41 a.m.</i> | | | | |
| 1 | Affordable Housing, Neighborhoods, and Finance Committee | 09/06/2017 | pass as amended | | Pass |
| | Action Text: The Committee recommends that Full Council pass the Council Bill (CB) as amended with a Divided Report. | | | | |
| | In Favor: 4 Chair Burgess, Vice Chair Herbold, Member Johnson, Alternate O'Brien | | | | |
| | Opposed: 1 Sawant | | | | |
| 2 | Full Council | 09/11/2017 | passed | | Pass |
| | Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill: | | | | |
| | Notes: | | | | |
| | In Favor: 7 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien | | | | |
| | Opposed: 1 Councilmember Sawant | | | | |
| 2 | Mayor | 09/12/2017 | Signed | | |
| 2 | City Clerk | 09/12/2017 | submitted for Mayor's signature | Mayor | |
| 2 | Mayor | 09/12/2017 | returned | City Clerk | |
| 2 | City Clerk | 09/12/2017 | attested by City Clerk | | |
| | Action Text: The Ordinance (Ord) was attested by City Clerk. | | | | |
| | Notes: | | | | |
-

CITY OF SEATTLE

ORDINANCE 125401

COUNCIL BILL 119045

AN ORDINANCE relating to the sale and redevelopment of the former Public Safety Building block; authorizing the execution of an Amended and Restated Purchase and Sale and Development Agreement with Bosa Development US LLC, for the construction of a residential project with public parking, public open space and associated retail space; authorizing the acceptance of an easement from Bosa on that property; and authorizing the Director of Finance and Administrative Services to execute documents and take other actions in connection with this project.

WHEREAS, following a public process, Triad Civic Center LLC (Triad) was selected to develop the Public Safety Building Site (Property) consistent with the City's Civic Center Master Plan for civic public open space, private development, underground parking, and pedestrian access to the Metro/Sound Transit bus tunnel and in 2008, the City and Triad executed a Purchase and Sale Agreement and a Project Agreement (City Agreements) for that development; and

WHEREAS, the transactions described in the City Agreements have not closed and Triad has requested the City's consent to a proposed assignment of its rights under the City Agreements to Bosa Development US LLC (Bosa); and

WHEREAS, under the terms of the proposed assignment and related transactions, Bosa would agree to enter into an Amended and Restated Purchase and Sale and Development Agreement (Amended Agreement) with the City by which Bosa would purchase the Property from the City on the terms and conditions stated therein, develop the project described in the following recital (Bosa's Project) and grant to the City a perpetual easement for public use of a public plaza to be constructed upon the Property in connection with Bosa's Project. In addition, Triad would provide the City with a release

1 of all potential claims arising from the City Agreements and Bosa would pay the City
2 cash consideration in the amount of \$16,000,000 and make an affordable housing
3 contribution to the City of not less than \$5,700,000; and

4 WHEREAS, Bosa's Project will include the following elements: (i) a below grade level parking
5 garage; (ii) an open space public plaza of a minimum 25,000 square feet (Plaza);
6 (iii) retail space, a portion of which will interface with the Plaza (Retail Space); and (iv) a
7 single residential tower; and

8 WHEREAS, Bosa has a history of successfully developing major residential projects, including
9 the recently completed Insignia Condominiums in Seattle and has made other significant
10 investments in the region, including downtown Seattle and Bellevue; and

11 WHEREAS, the Director of Finance and Administrative Services has determined that Bosa has
12 the resources to complete Bosa's Project and has determined that Bosa is a qualified
13 assignee of Triad's interest in the City Agreements and the Property; NOW,
14 THEREFORE,

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

16 Section 1. The Director of the Department of Finance and Administrative Services
17 (Director) or the Director's designee is authorized to execute and perform, for and on behalf of
18 The City of Seattle, an agreement (Amended Agreement) with Bosa Development US LLC
19 (Bosa) for the transfer and development, on the terms and subject to the conditions authorized in
20 this ordinance, of the following described property (Property):

21 Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 32, Addition to the Town of Seattle as laid out on
22 the claims of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C.
23 D. Boren's Addition to the City of Seattle), according to the plat recorded in Volume 1
24 of Plats, Page 25, in King County, Washington; Together with the vacated alley in
25 said Block adjoining said Lots; EXCEPT the southwesterly 9 feet of Lots 1, 4, 5 and 8,
26 condemned in King County Superior Court Cause Number 54135 for the widening of

1 Third Avenue as provided by Ordinance number 14345 of the City of Seattle; AND
2 EXCEPT the northeasterly 9 feet of Lots 2, 3, 6 and 7, condemned in King County
3 Superior Court Cause number 50320 for the widening of Fourth Avenue, as provided
4 by Ordinance Number 13074 of the City of Seattle.

5
6 The Amended Agreement shall be in the form attached to this ordinance as Attachment
7 A, with such revisions and additions, not inconsistent with the express terms of this ordinance or
8 with applicable law, as the Director may determine are reasonably necessary to carry out the
9 intent of this ordinance. In order to carry out the Amended Agreement for and on behalf of the
10 City, the Director is authorized to execute a deed for the Property in substantially the form
11 attached as Exhibit C to the Amended Agreement, and upon satisfaction or waiver of the
12 conditions precedent under the Amended Agreement, the Director is authorized to cause the deed
13 to be executed and delivered to Bosa and recorded in the real property records of King County.
14 Subject to Section 3 of this ordinance, the Director is further authorized to execute, deliver,
15 accept, record, modify, administer, and perform such other documents as he/she shall deem
16 necessary or advisable to implement the purpose of this ordinance, which may include
17 subordination agreements, priority agreements and amendments to the Amended Agreement, and
18 to grant, deny, or condition any consents or approvals required or allowed under the terms of the
19 Amended Agreement or related documents.

20 Section 2. As a condition to the transfer of the Property, Bosa shall deliver to the City a
21 perpetual easement for public use (Easement), substantially in the form of Attachment B to this
22 ordinance, granting to the City rights of public access in, on, across and through the public plaza
23 to be constructed on the Property, all as described in the form of the required Easement. At the
24 time the Easement is recorded in the real property records of King County, the Property shall not
25 be encumbered in any way except by instruments acceptable to the City and permitted under the


1 Amended Agreement. The Director is authorized to accept and record the Easement, and to
2 enforce and administer the rights of the City thereunder.

3 Section 3. As a condition to the transfer of the Property, Bosa shall enter into a Project
4 Labor Agreement (PLA) on terms reasonably satisfactory to the City, as determined by the
5 Director. The Director shall request that Bosa use the City's Community Workforce Agreement
6 as the starting point for negotiating the PLA, and shall review favorably a PLA that takes into
7 consideration the City's Priority Hire goals and contains a process to report progress toward
8 those goals to the City.

9 Section 4. The Cash consideration, when received, shall be deposited in Finance
10 General.

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

4 Passed by the City Council the 11th day of September, 2017,
5 and signed by me in open session in authentication of its passage this 11th day of
6 September, 2017.

7 
8 _____

8 President _____ of the City Council

9 Approved by me this 12th day of September, 2017.

10 
11 _____

11 Edward B. Murray, Mayor

12 Filed by me this 12th day of September, 2017.

13 
14 _____

14 Monica Martinez Simmons, City Clerk

15 (Seal)
16
17
18
19

20 Attachments:

21 Attachment A – Amended and Restated Purchase and Sale and Development Agreement

22 Attachment B – Perpetual Easement for Public Access

**AMENDED AND RESTATED
PURCHASE AND SALE AND DEVELOPMENT AGREEMENT**

by and between

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

and

**BOSA DEVELOPMENT US LLC,
a California limited liability company**

1. Defined Terms	2
2. Conditions Precedent to Effectiveness of Agreement	2
a. City Council Approval and Authorizing Ordinance	2
b. Triad to Bosa Assignment.....	2
c. Triad/City Mutual Release	2
3. Description of the Property	2
4. Agreement for Purchase and Sale	3
5. Title and Escrow	3
6. Consideration	3
a. Deposit	3
b. Purchase Price	3
c. Voluntary Affordable Housing Contribution	3
7. Treatment of Deposit	3
8. Prorations of Taxes and Assessments	3
9. Closing Costs	4
a. City's Closing Costs.....	4
b. Bosa's Closing Costs	4
10. Title Review.....	4
11. Access; Inspection	5
12. Certain Matters Related to Authorizing Ordinance	5
a. Pursuit of Authorizing Ordinance	5
b. Referendum.....	5
c. Litigation	6
13. Closing and Conveyance of Property	6
14. City's Closing Conditions.....	6
15. Bosa's Closing Conditions.....	7
16. City's Closing Deliverables	8
17. Bosa's Closing Deliverables	8
18. Condition of Property; Risk of Loss	9
19. 'AS IS' Sale	9
20. Waiver of Seller Disclosure Statement.....	9

21. City’s Representations and Warranties	9
22. Bosa’s Representations and Warranties	11
23. Development and Construction of the Project	11
a. Bosa’s Development Covenants	11
b. Development Schedule; Definitions	13
24. Claims of Force Majeure or Adverse Market Conditions.....	14
25. Use and Design of the Project.....	15
a. MUP Amendment and Project Redesign	15
b. Plaza Design.....	16
c. Easement for Public Access to Plaza	16
26. Completion Guaranty	16
27. Bosa Deed of Trust	16
28. Disclaimer	16
29. Default and Remedies	17
a. City’s Remedies for Bosa’s Default.....	17
b. Bosa’s Remedies for City’s Default Prior to Closing.....	18
30. Waiver of Subrogation	18
31. No Recourse to City of Seattle.....	18
32. Mutual Waiver of Consequential Damages	18
33. No Brokers	18
34. Assignment; Successors and Assigns	19
35. Expiration of Agreement.....	19
36. Confidentiality	19
37. Notice.....	20
38. Miscellaneous	21
a. No Joint Venture	21
b. No Third Party Beneficiaries	21
c. Interpretation	21
d. Captions	21
e. Business Day.....	21
f. Time is of the Essence	21
g. Amendments	21

h. Governing Law; Venue.....	21
i. Severability	22
j. Counterparts.....	22
k. Integration	22
39. Contracting and Labor Requirements	22
a. Project Labor Agreement	22
b. LEED™ Certification	22
40. Schedules and Exhibits	22

AMENDED AND RESTATED PURCHASE AND SALE AND DEVELOPMENT AGREEMENT

This Amended and Restated Purchase and Sale and Development Agreement (this "**Agreement**") is entered into and made as of this ____ day of July, 2017 (the "**Effective Date**") by and between THE CITY OF SEATTLE, a first class charter city of the State of Washington ("**City**") acting by and through its Department of Finance and Administrative Services, and BOSA DEVELOPMENT US LLC, a California limited liability company ("**Bosa**"). Bosa and City may each be referenced herein as a "**party**" or, collectively, as the "**parties**."

RECITALS

A. City and Triad Civic Center LLC ("**Triad**") are parties to the "**City Agreements**" referred to herein, pursuant to which City agreed to sell to Triad, and Triad agreed to purchase from City, the real property legally described on Exhibit A attached hereto (the "**Property**") and to develop such Property in the manner required under the City Agreements.

B. The transactions described in the City Agreements have not closed and Triad has requested the City's consent to a proposed assignment of its rights under the City Agreements to Bosa. Pursuant to such proposed assignment, Bosa would agree to enter into this Agreement by which it would purchase the Property from the City on the terms and conditions stated herein, and develop the "**Project**" described in Recital C below and grant to the City an easement for public use of a public plaza to be constructed upon the Property in connection with the Project.

C. Bosa's Project will include the following elements (collectively, the "**Project Features**"): (i) a below grade level parking garage; (ii) an open space public plaza comprised of a minimum of 25,000 square feet (the "**Plaza**"); (iii) retail space, a portion of which will interface with the Plaza (the "**Retail Space**"); and (iv) a single residential tower comprised of for-sale residential condominium units, to be located as generally depicted in Exhibit A-1, with a height of at least Five Hundred Seventy-Two (572) feet plus applicable additional bonus height (to the extent permitted by Applicable Law) for amenities and roof-top mechanical allowances to be provided, and with an average tower floor-plate size of ten thousand seven hundred (10,700) square feet (the "**Tower**"). The Plaza shall generally be located on the north and west portions of the Property and the Tower shall generally be located south and east of the Plaza, as generally depicted on Exhibit A-1, unless Bosa reasonably determines that subsurface conditions on the Property warrant or permitting considerations require an alternate location of the Plaza, the Tower or both. The parties anticipate that the Project will require either a major amendment to Triad's Master Use Permit or a new Master Use Permit.

D. Subject to satisfaction of the conditions precedent stated herein, this Agreement is intended to entirely amend and restate the City Agreements and bind Bosa to purchase the Property from City and develop the Project in a manner consistent with this Agreement pursuant to the "**Development Schedule**" attached hereto.

AGREEMENT

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

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings given to them in Schedule 1 attached hereto.

2. Conditions Precedent to Effectiveness of Agreement. The parties' respective rights and obligations under this Agreement, and the effectiveness of this Agreement, are conditioned upon satisfaction of the following conditions precedent:

a. City Council Approval and Authorizing Ordinance. The passage by City Council, no later than October 1, 2017, of an "**Authorizing Ordinance**" authorizing City's sale of the Property to Bosa on the terms and conditions described in this Agreement, or on such modified terms and conditions as may be approved by Bosa pursuant to Section 12(a), and such Authorizing Ordinance becoming effective law.

b. Triad to Bosa Assignment. On or before June 30, 2017 (the "**Target Assignment Date**"), Bosa and Triad shall have entered into one or more assignment agreement(s) by which Triad shall have agreed to assign to Bosa no later than the Closing Date all of its right, title, and interest in and to the City Agreements (the "**Assignment Documents**"). The executed Assignment Documents are subject to City's review and approval; provided that City acknowledges that (i) the Assignment Documents may be conditioned upon Closing occurring under this Agreement, and (ii) Triad and/or Bosa may elect to redact confidential or proprietary information from the executed Assignment Documents. If the Assignment Documents are not fully executed by the Target Assignment Date then, notwithstanding the parties' prior execution of this Agreement or anything contained herein to the contrary, City shall have the right to rescind its execution of this Agreement and, if City does so, this Agreement shall be of no force or effect, the Deposit shall be refunded to Bosa and neither party shall have any further rights or obligations under this Agreement.

c. Triad/City Mutual Release. On or before the Effective Date, Triad and City shall have executed and delivered to Escrow Agent a broad mutual release, which release shall be in the following form and effective upon satisfaction of the condition precedent described in Section 2(a):

Triad and the City, on behalf of themselves and their respective successors and assigns, release and forever discharge any and all actions, claims and damages either of them has or may have against the other and their respective officers, employees and agents, whether in contract, tort or equity, whether known or unknown, contingent or fixed, and whether or not matured, arising out of or related to the acts or omissions of the other or of any of the other's officers, employees' or agents prior to the effective date hereof.

3. Description of the Property. The Property consists of the unimproved real property legally described in Exhibit A attached hereto and incorporated herein, together with all rights and interests appurtenant thereto.

4. Agreement for Purchase and Sale. City agrees to sell the Property to Bosa, and Bosa agrees to purchase the Property from City, for the Purchase Price payable as provided below and subject to the terms and conditions of this Agreement.

5. Title and Escrow. The parties hereby nominate the Seattle office of Chicago Title Insurance Company, located at 701 Fifth Avenue, Suite 2700, to serve as title insurer and escrow officer for the transaction described in this Agreement ("*Escrow Agent*").

6. Consideration.

a. Deposit. Prior to the Effective Date, Bosa deposited with Escrow Agent an initial cash sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "*Initial Deposit*"). Within three (3) Business Days after the Effective Date, Bosa shall deposit with Escrow Agent an additional Five Hundred Eighty-Five Thousand and No/100 Dollars (\$585,000.00) (the "*Additional Deposit*" and together with the Initial Deposit, the "*Deposit*"). Bosa shall pay the Additional Deposit by wire transfer of immediately available federal funds. Escrow Agent shall hold the Deposit in an interest-bearing account with an FDIC insured bank and all interest thereon shall be maintained by Escrow Agent in such account and shall be disbursed pursuant to the terms and conditions of this Agreement. The Deposit shall be applied to the Purchase Price at Closing, except as otherwise provided in this Agreement.

b. Purchase Price. At Closing, Bosa shall pay City cash consideration of Sixteen Million and No/100 Dollars (\$16,000,000.00) (the "*Purchase Price*") less a credit for the Deposit and subject to any adjustments and pro-rations specified herein, by wire transfer of immediately available federal funds.

c. Voluntary Affordable Housing Contribution. At Closing, Bosa shall pay any applicable incentive zoning or mandatory housing affordability payment required under Applicable Law (collectively, the "*Affordable Housing Contribution*"). If the Affordable Housing Contribution is calculated under Applicable Law to be less than Five Million Seven Hundred Thousand and No/100 Dollars (\$5,700,000.00) then as additional consideration for purchase of the Property, Bosa agrees to pay City, at Closing, the amount, if any, by which the Affordable Housing Contribution is less than \$5,700,000.00 as a voluntary payment to City's affordable housing program.

7. Treatment of Deposit. The Deposit shall be fully refundable to Bosa until such time as all conditions precedent described in Section 2 have been fully satisfied. Thereafter, the Deposit shall be deemed "at risk" and, pursuant to Section 29 below, shall be the liquidated measure of damages for Bosa's default in its obligations to purchase the Property on the terms and conditions stated herein.

8. Prorations of Taxes and Assessments. All real and personal property taxes and assessments attributable to the year in which Closing occurs shall be prorated and adjusted as of the Closing Date (regardless of whether such taxes and special assessments are then due and payable or delinquent). Bosa acknowledges that pursuant to RCW 84.36.010 the Property is not currently subject to property tax because City is a public entity, and that, if Closing occurs hereunder, this public entity tax exemption will not extend to Bosa's ownership of the Property

under RCW 84.36.010. Bosa shall be responsible for any property taxes imposed as a result of the transfer of the Property or cessation of exempt use, including, without limitation, supplemental taxes imposed pursuant to statute, including without limitation RCW 84.40.360, none of which shall be prorated. City shall be responsible for payment of all taxes and assessments with respect to the Property relating to the period prior to Closing, including, without limitation, any special assessments or LID assessments, and Bosa shall be responsible for payment of all taxes and assessments with respect to the Property relating to the period after Closing, including, without limitation, any special assessments or LID assessments. If any tax or assessment for the year in which Closing occurs is not finally determined as of the Closing Date, then the tax figures for the immediately prior year shall be used for the purposes of proration on the Closing Date, and a further adjustment shall be made after Closing within sixty (60) days after the bills for the applicable period are received.

9. Closing Costs.

a. City's Closing Costs. At Closing, City shall pay: (i) all state, county and local transfer taxes with respect to the Property, including, but not limited to, any real estate excise tax due upon sale of the Property; (ii) the base premium for an ALTA 2006 standard coverage Owner's Policy of Title Insurance insuring Bosa's title to the Property in the amount of \$21,700,000.00; (iii) one-half (1/2) of any fees charged by Escrow Agent; (iv) recording charges for any instrument necessary to release and discharge any lien created or suffered by City and any other lien and/or title exceptions to be released by City pursuant to this Agreement, together with all other costs associated with releasing or discharging such liens and/or title exceptions; and (v) other closing expenses required to be paid by City under other provisions of this Agreement.

b. Bosa's Closing Costs. At Closing, Bosa shall pay: (i) all recording fees (other than those required to be paid by City above); (ii) the premiums for any extended title insurance coverage and any title insurance endorsements requested by Bosa or title insurance coverage exceeding \$21,700,000.00; (iii) one-half (1/2) of any fees charged by Escrow Agent; and (iv) other closing expenses required to be paid by Bosa under other provisions of this Agreement.

10. Title Review. Prior to the Effective Date, Bosa reviewed the Title Commitment and the parties have agreed that at Closing City shall convey title to the Property to Bosa subject to the matters described in Schedule 2 attached hereto and incorporated herein (the "**Permitted Exceptions**").

Notwithstanding the foregoing, if the Title Company issues any supplement ("**Supplement**") to the Title Commitment during the term of this Agreement, Bosa shall have ten (10) Business Days following delivery of such Supplement to Bosa to deliver an objection notice to City identifying any exceptions contained therein and not disclosed in the Title Commitment or any prior Supplement thereto to which Bosa objects. City shall have three (3) Business Days after receipt of such objection notice to give Bosa a title notice specifying City's proposed resolution of all matters identified in Bosa's objection notice. If City shall fail to timely provide a title notice as to any particular matter(s) described in Bosa's objection notice, then City shall be deemed to have declined to resolve such matter(s).

If City does not elect to resolve all objectionable matters, Bosa shall have five (5) Business Days from the date of City's title notice or, if City shall fail to timely provide a title notice, the expiration of the period for City to do so, (i) to elect by a title notice to proceed with the purchase (in which event all objectionable matters that City has not agreed to remove shall be deemed Permitted Exceptions), or (ii) to terminate this Agreement and obtain a refund of the Deposit. If Bosa shall fail to timely provide a title notice, Bosa shall be deemed to have elected to proceed with the purchase.

11. Access; Inspection. Prior to the Effective Date, the parties entered into that certain Access Agreement attached hereto as Exhibit B-1. The parties subsequently entered into a First Amendment to Access Agreement, a Second Amendment to Access Agreement, and a Third Amendment to Access Agreement, attached hereto as Exhibit B-2, Exhibit B-3, and Exhibit B-4, respectively (the Access Agreement, as so amended, is referred to herein as the "*Access Agreement*"). Bosa's access to the Property prior to Closing shall be governed solely by the Access Agreement.

12. Certain Matters Related to Authorizing Ordinance.

a. Pursuit of Authorizing Ordinance. No later than August 1, 2017, City shall submit to the Mayor for his transmittal to City Council a proposed Authorizing Ordinance with contemporaneous notice to Bosa of such submittal. Bosa acknowledges that approval of the Authorizing Ordinance is at the discretion of a majority of the members of City Council and failure of the Authorizing Ordinance to be passed by City Council and subsequently to become effective law shall not constitute a default by City under this Agreement. City shall keep Bosa reasonably informed as to the status of the Authorizing Ordinance. If the Authorizing Ordinance authorizes the City's sale of the Property to Bosa on terms and conditions that differ from those described in this Agreement in any manner, Bosa shall have a period of five (5) Business Days following passage of the Authorizing Ordinance to either approve or reject such modified terms and conditions. Bosa's failure to provide written notice to City that Bosa rejects the modified terms and conditions within such five (5) Business Day period shall constitute Bosa's approval of such modified terms and conditions. If Bosa rejects such modified terms and conditions, then the condition precedent described in Section 2(a) above shall be deemed unsatisfied, this Agreement shall terminate and the Deposit shall be returned to Bosa.

b. Referendum. If the Authorizing Ordinance is passed by City Council, but prior to the effectiveness thereof, a petition for referendum is filed with the City Clerk with respect to the Authorizing Ordinance, then (i) if the King County Records and Elections Division issues a determination that the petition is invalid or insufficient, the parties shall proceed to Closing (subject to the terms and conditions of this Agreement), or (ii) if the King County Records and Elections Division issues a Certificate of Sufficiency with respect to the petition for referendum, then either party may, by written notice to the other party delivered within ten (10) days following the issuance of the Certificate of Sufficiency, immediately terminate this Agreement. If neither party so terminates this Agreement, the Closing shall not occur until the public ballot vote on the Authorizing Ordinance. If the Authorizing Ordinance is approved by the public ballot vote, the parties shall proceed to Closing (subject to the terms and conditions of this Agreement); provided that the Closing shall not occur prior to the date the Authorizing Ordinance becomes effective. If either party terminates this Agreement pursuant to this Section 12(b) or if the Authorizing

Ordinance does not become effective, then this Agreement shall be of no force or effect, the Deposit shall be refunded to Bosa and neither party shall have any further rights or obligations under this Agreement.

c. Litigation. If the Authorizing Ordinance is passed by City Council but, prior to the Target Closing Date, litigation is filed seeking to invalidate or otherwise challenge the Authorizing Ordinance, then either party may (unless Closing has occurred), by written notice to the other party delivered within ten (10) days following receipt of notice of such litigation, immediately terminate this Agreement. If the Closing would otherwise occur in accordance with the terms and conditions of this Agreement prior to the expiration of such 10-day period, the Closing shall be automatically postponed for a sufficient period to accommodate such 10-day period. If either party elects to terminate this Agreement pursuant to this Section 12(c), this Agreement shall be of no force or effect, the Deposit shall be refunded to Bosa and neither party shall have any further rights or obligations under this Agreement.

13. Closing and Conveyance of Property. Subject to all closing conditions stated herein, the consummation of the transaction contemplated in this Agreement (the "**Closing**") shall occur on the Target Closing Date through an escrow closing arrangement at the offices of Escrow Agent. The date on which Closing actually occurs and City's deed to Bosa is recorded in the real property records of King County shall be the "**Closing Date**."

14. City's Closing Conditions. City's obligation to sell the Property to Bosa is subject to the following closing conditions (any of which may be waived in whole or in part by City in its discretion):

- a. All conditions precedent described in Section 2 above having been fully satisfied.
- b. All of Bosa's representations and warranties contained herein being true and correct in all material respects as of Closing.
- c. Bosa having entered into a Project Labor Agreement (as defined in Section 39 below) on terms reasonably satisfactory to the City, as determined by the Director of the City's Department of Finance and Administrative Services (or any applicable successor City department).
- d. Bosa having performed all of its covenants hereunder.

If the condition described in (a) above is not satisfied on the Target Closing Date, then this Agreement shall be deemed null and void and the Deposit shall be refunded to Bosa.

If either of the conditions described in (b) or (c) above is not satisfied on the Target Closing Date and City has performed all of its obligations hereunder, then City shall have the right to either (A) waive any unsatisfied condition and proceed with Closing, or (B) terminate this Agreement by providing written notice to Bosa, in which case the Deposit shall be forfeited to City and neither party shall have any further rights or obligations under this Agreement except those which expressly survive termination.

15. Bosa's Closing Conditions. Bosa's obligation to purchase the Property is subject to the following closing conditions (any of which may be waived in whole or in part by Bosa in its discretion):

- a. The condition precedent described in Section 2(a) above having been fully satisfied.
- b. The transaction contemplated by the Assignment Documents having been closed or being closed simultaneously with Closing.
- c. Bosa having received a MUP Decision and the MUP Approval having occurred.
- d. There shall be no litigation, administrative agency or other governmental proceeding of any kind whatsoever, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of Bosa to construct the Project.
- e. Title Company shall be irrevocably and unconditionally committed to issue to Bosa an ALTA owner's policy of title insurance insuring Bosa as the fee owner of the Property, subject only to the Permitted Exceptions and the standard terms and conditions of such policy (subject only to payment of the premium therefor).
- f. All of City's representations and warranties contained herein being true and correct in all material respects as of Closing.
- g. City having performed all of its covenants hereunder.

If either of the conditions described in (a) or (b) is not satisfied on the Target Closing Date, then this Agreement shall be deemed null and void and the Deposit shall be refunded to Bosa (unless the condition that is not satisfied is the condition described in (b) and such failure is due to Bosa's failure to perform its obligations under the Assignment Documents, in which case the Deposit shall be released to City).

If the MUP Decision described in condition (c) above includes conditions that (i) materially increase the costs, (ii) materially impair the functionality or marketability, or (iii) materially alter the design of the Project in ways that are unacceptable to Bosa, in Bosa's reasonable discretion, then Bosa shall have the right to either terminate this Agreement by providing written notice to City within five (5) Business Days after issuance of the MUP Decision, in which case the Deposit shall be released to City and neither party shall have any further rights or obligations under this Agreement except those which expressly survive termination, or waive such condition and proceed with Closing. If the MUP Decision is acceptable to Bosa, but is appealed, then (i) the Target Closing Date shall be automatically extended until there is a final, non-appealable adjudication of such appeal, and (ii) if the adjudication of the appeal fails to uphold the decision to the satisfaction of Bosa, Bosa shall have the right to either terminate this Agreement by written notice to City within five (5) Business Days after the final adjudication of such appeal, in which case the Deposit shall be refunded to Bosa and neither party shall have any further rights or obligations under this Agreement except those which expressly survive termination, or waive the MUP Approval condition and proceed with Closing.

If any of the foregoing conditions described in (d) through (g) is not satisfied on the Target Closing Date and Bosa has performed all of its obligations hereunder, then Bosa shall have the right to either (A) terminate this Agreement by providing written notice to City, in which case the Deposit shall be refunded to Bosa and neither party shall have any further rights or obligations under this Agreement except those which expressly survive termination, or (B) waive any unsatisfied condition and proceed with Closing.

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

a. A certified copy of the Authorizing Ordinance and such additional evidence reasonably satisfactory to Escrow Agent and Title Company of City's authority to convey the Property pursuant to this Agreement.

b. A duly executed and acknowledged bargain and sale deed in recordable form conveying the Property to Bosa in the form attached hereto as Exhibit C, subject to the Permitted Exceptions (the "**Deed**").

c. A duly executed counterpart Real Estate Excise Tax Affidavit (the "**REETA**").

d. A duly executed counterpart of the Development Covenant.

e. A duly executed counterpart of the Public Easement.

f. A duly executed counterpart of the Bosa Deed of Trust.

g. A certificate of non-foreign status acceptable to Escrow Agent.

h. Customary affidavits sufficient for Escrow Agent to issue extended coverage title insurance to Bosa.

i. A Certificate from City stating that all of City's representations and warranties set forth in this Agreement remain true, accurate and complete in all material respects as of the Closing Date.

j. Written instructions to release from escrow to Triad all earnest money, consisting of cash and a promissory note, and any other documents or instruments previously deposited by Triad in escrow pursuant to the City Agreements (including any personal guaranties of all or any portion of Triad's obligations under the City Agreements).

k. Such other instruments as Bosa, Title Company or Escrow Agent may reasonably require to perform the transaction contemplated by this Agreement without additional liability or expense to City.

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

- a. The Purchase Price by wire transfer in readily available funds (less the Deposit);
- b. To the extent not previously paid directly to City, that portion of the Affordable Housing Contribution, if any, required to then be paid under Applicable Law in readily available funds.
- c. A duly executed counterpart REETA.
- d. A duly executed counterpart of the Development Covenant.
- e. A duly executed counterpart of the Public Easement.
- f. A duly executed counterpart of the Bosa Deed of Trust.
- g. The duly executed Completion Guaranty.
- h. A Certificate from Bosa stating that all of Bosa's representations and warranties set forth in this Agreement remain true, accurate and complete in all material respects as of the Closing Date.
- i. Such other instruments as City, Title Company or Escrow Agent may reasonably require to perform the transaction contemplated by this Agreement without additional liability or expense to Bosa.

18. Condition of Property; Risk of Loss. City shall convey the Property to Bosa at Closing in substantially the same physical condition the Property is in as of the Effective Date, ordinary wear and tear excepted. City shall bear the risk of physical loss or damage to the Property until the Closing Date. Thereafter, Bosa shall bear the risk of physical loss or damage to the Property.

19. "AS IS" Sale.

a. The Property shall be conveyed AS-IS, WHERE-IS, WITH-ALL-FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR BOSA'S INTENDED USES AND PURPOSES.

20. Waiver of Seller Disclosure Statement. Bosa hereby waives any right it may have under Applicable Law to receive the Seller Disclosure Statement described in Ch. 64.06 RCW, and City represents and warrants to Bosa that it would not be required to answer "yes" to any question contained therein related to environmental matters; provided, however, that the foregoing waiver shall not preclude City from voluntarily delivering to Bosa any Seller Disclosure Statement that may be required under Ch. 64.06 RCW.

21. City's Representations and Warranties. As of the Effective Date, City represents and warrants to Bosa as follows:

a. City is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Washington.

b. This Agreement does not violate any provision of any agreement, law or judicial order to which City is a party or the Property is subject.

c. Subject to the Authorizing Ordinance becoming effective law, the individual(s) executing this Agreement and the documents to be executed by City referenced herein on behalf of City has the legal power, right and actual authority to bind City to the terms and conditions thereof.

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

e. Except for the Permitted Exceptions, there are no leases, subleases, rental agreements, licenses, occupancy or similar agreements or tenancies creating or granting possessory interests in the Property.

f. There are no management or service contracts or other agreements relating to the operation or management of the Property.

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

h. City has not entered into any consent decree or administrative order for any alleged violation of Environmental Laws and has not received any written notice or communication from any governmental authority or other Person regarding any violation of or liability under Environmental Laws or relating to Hazardous Substance in regard to the Property; and except as disclosed in Schedule 3 attached hereto to City's knowledge, there has been no generation, storage, discharge, migration, disposal, arrangement for disposal, or release of any Hazardous Substance from, into, on, at, under or about the Property in violation of any applicable Environmental Law.

All of City's representations and warranties contained in this Section 21 shall survive for a period of one year after the Closing Date (the "***Survival Period***") and Bosa must bring any claim alleging City's breach of any representation or warranty prior to expiration of the Survival Period or such claim shall be forever barred. City's liability for any breach of the representations and warranties contained in this Section 21 shall not exceed the actual damages suffered by Bosa which are proximately caused by such breach and proven with reasonable certainty and shall be subject to the mutual waiver of consequential damages set forth in Section 32 below.

To the extent that any representation or warranty of City contained herein is qualified by or limited to City's "knowledge" or "actual knowledge" such phrases shall mean the actual knowledge (as opposed to the imputed knowledge), without inquiry or investigation, of the fact or

condition by the following people: Fred Podesta, Chris Potter, Bill Craven and Hillary Hamilton (collectively, "*City's Representatives*"). City represents and warrants to Purchaser that City's Representatives are the primary City personnel involved with, and responsible for, managing the transactions described in this Agreement and the operation of the Property.

22. Bosa's Representations and Warranties. As of the Effective Date, Bosa represents and warrants to City as follows:

a. Bosa is a duly organized and validly existing limited liability company in good standing under the laws of the State of California qualified to do business in the State of Washington; this Agreement and all documents executed by Bosa which are to be delivered to City at Closing will be duly authorized, executed and delivered by Bosa, and do not and at the time of Closing will not, violate any provisions of any agreement or judicial order to which Bosa is subject.

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

c. The individual executing this Agreement and the instruments and documents that are to be executed by Bosa referenced herein on behalf of Bosa has the legal power, right and actual authority to bind Bosa to the terms and conditions thereof.

d. Bosa has sufficient funds to pay the Purchase Price and otherwise perform all its obligations under this Agreement.

e. Bosa has not, and as of the Closing, Bosa shall not have (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Bosa's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Bosa's assets, which remains pending as of such time, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Bosa's assets, which remains pending as of such time, (v) admitted in writing its inability to pay its debts as they come due or (vi) made an offer of settlement, extension or composition to its creditors generally.

23. Development and Construction of the Project.

a. Bosa's Development Covenants. From and after the Effective Date, Bosa covenants to do the following with respect to its development and construction of the Project:

i. Promptly apply for the MUP and diligently pursue the MUP Approval and the issuance of all other permits and approvals necessary for the development and construction of the Project in accordance with this Agreement, the Development Schedule and Applicable Law.

ii. Engage one or more qualified contractors to design, develop, manage and construct the Project in a workmanlike, lien-free manner and diligently prosecute the Plaza and Project to completion in accordance with the Development Schedule, the Project Permits and Applicable Law.

iii. Diligently enforce all construction warranties and indemnity obligations of all contractors and subcontractors engaged to construct any portion of the Plaza.

iv. Contemporaneously with their production, deliver to City copies of the Project Permits.

v. Inform City and its designated representative of the time and place of all meetings involving Bosa, the design team members as approved by Bosa, or the proposed or selected general contractor(s) (if any) at which the design and construction of the Plaza and the interface of the Plaza with the remainder of the Project is to be reviewed, and to provide City periodic reports addressing issues discussed and decisions reached at such meetings.

vi. At such time as the Authorizing Ordinance shall become effective (following the favorable resolution of any challenges to the same, as described in Sections 12(b) and (c)), Bosa shall assume sole responsibility for monitoring and maintaining the integrity of the shoring system then in place with respect to the Property consistent with the requirements of shoring reports provided to Bosa by City prior to the Effective Date (the "**Shoring Reports**") and, in connection therewith, shall provide to City periodic status reports on the status of the shoring system not less frequently than quarterly.

vii. Provide to City periodic status reports on the status of construction of the Project not less frequently than quarterly. Prior to Bosa and its general contractor ("**General Contractor**") entering into the general construction contract ("**General Construction Contract**") for the Project (if any), City shall have the right to view, for its own information, the proposed General Construction Contract solely for the purpose of determining that the proposed General Construction Contract is consistent with the requirements of this Agreement, the Project Permits and the Development Schedule.

viii. Diligently prosecute construction of the Project in accordance with the Development Schedule to complete the work necessary to obtain a final certificate of occupancy for the Plaza (unless no certificate of occupancy is legally required for the Plaza) and the Tower. Bosa shall not be required to obtain a certificate of occupancy for any other portion of the Project in order to satisfy this covenant.

ix. Except as set forth in this paragraph, Bosa shall not sell or otherwise transfer the Property prior to Substantial Completion of the Tower without the prior written consent of City. The following transfers shall be permitted without such consent: (i) transfers to an Affiliate of Bosa, (ii) transfers or assignments for financing purposes in connection with construction of the Project, and (iii) sales of individual condominium units in the Project.

All of the foregoing covenants shall survive Closing and none of them shall merge or be deemed to have merged with the Deed or any other document to be delivered by either party under this Agreement. At Closing, the Property shall be encumbered by a Development Covenant to be executed by Bosa in the form attached hereto as Exhibit D (the "**Development Covenant**"). The Development Covenant shall be recorded at Closing immediately following the recording of the Deed and shall be deemed to incorporate all of the foregoing covenants of Bosa, shall be superior to any deed of trust or mortgage encumbering the Property and shall not be subordinated to the

lien of Bosa's construction financing for the Project (if any). In connection with Bosa's development and construction of the Project, one or more deeds of trust or mortgages in favor of a lender or lenders (the "**Project Lender**") will be recorded against the Property as security for the repayment of Project financing. In the event that, as a consequence of Bosa's default, the Project Lender or an affiliate takes title to the Property, the Project Lender shall take title subject to the Development Covenant but shall have no obligation to perform the covenants of Bosa contained in the Development Covenant or this Section 23(a). At such time as the Project Lender thereafter transfers title to the Property to an unaffiliated third party, such transferee shall take title subject to the Development Covenant and shall be obligated to perform the covenants of Bosa contained therein and in this Section 23(a); provided that such transferee and the City shall endeavor in good faith to agree upon a substitute Development Schedule that affords such transferee an adequate period of time within which to commence or resume and complete construction of the Project and the Plaza. Notwithstanding the foregoing, at any time following Substantial Completion of the Plaza, Bosa (or any successor-in-interest to Bosa's interest in the Property) may satisfy all then-outstanding obligations under the Development Covenant and all obligations to pay Delay Damages under this Agreement by paying to the City the sum of Seven Million and 00/100 dollars (\$7,000,000.00) (the "**Release Price**") whereupon the City shall execute a recordable termination of the Development Covenant releasing all obligations arising thereunder.

b. Development Schedule; Definitions. The parties hereby agree to the Development Schedule attached hereto as Exhibit E. For purposes of the Development Schedule, the following definitions shall apply:

i. Bosa will be deemed to have "**Commenced Construction**" if it has mobilized the site and commenced shoring and excavation of the Property after issuance of all permits required to perform such shoring and excavation.

ii. The Plaza will be deemed to have achieved "**Substantial Completion**" when all of the following have occurred:

1) Notice to City. Bosa shall have notified City in writing that the Plaza has been substantially completed in accordance with the Project Permits.

2) Contractor Certification. Each contractor providing construction services with respect to the Plaza shall have issued its "Certificate of Substantial Completion" (AIA Document G704 or its substantial equivalent) as relates to construction of the Plaza.

3) Architect's Certification. The Project architect shall have issued its "Certificate of Substantial Completion" (AIA Document G704 or its substantial equivalent) stating that the Plaza is substantially complete in substantial accordance with the Project Permits.

4) Certificate of Occupancy. The City of Seattle shall have issued a certificate of occupancy for the Plaza (if one is legally required). Bosa shall not be required to obtain a certificate of occupancy for any other portion of the Project in order to satisfy this condition.

5) City Acceptance. City shall have accepted the Plaza as substantially complete, subject to completion of normal punch list items.

6) Removal of Staging. Bosa shall have removed from the Plaza any construction equipment and materials, unless otherwise agreed by City.

iii. The Tower will be deemed to have achieved "**Substantial Completion**" when the City of Seattle shall have issued a certificate of occupancy, either temporary or final, for the Tower.

iv. "**Force Majeure**" means any of the following occurrences which result in an unavoidable delay of any party's performance of any of its obligations under the Agreement if such occurrences are not reasonably foreseeable and beyond such party's reasonable control: (a) strike, lock-out or other labor troubles, (b) failure or shortage of electrical power, water, fuel oil, or other utility or service, (c) riot, war, insurrection, terrorism, or other national or local emergency, (d) accident, flood, fire, or other casualty, or (e) acts of God. A circumstance shall not be deemed Force Majeure if such circumstance is due to the negligence or willful misconduct of the party claiming Force Majeure.

v. "**Permitting Delay**" means Department of Construction and Inspections' ("**DCI's**") failure to conduct its review and ultimate issuance of the Project Permits in accordance with the Development Schedule, provided Bosa has made timely application for all Project Permits in accordance with the Development Schedule.

Permitting Delay shall not include any delay in the Substantial Completion of the Plaza caused by the lawful, normal and customary enforcement of building, health and safety codes, ordinances and regulations applicable to the Project, but will include delays on DCI's part in issuing permit approvals.

vi. "**Adverse Market Conditions**" means that credit conditions are sufficiently adverse that Bosa would be unable to secure conventional construction financing for the Project in an amount equal to or greater than seventy percent (70%) of the cost of construction, at interest rates that do not exceed the then London Interbank Offer Rate (LIBOR) plus five percent (5%) per annum, and on other terms that are commercially reasonable.

24. Claims of Force Majeure or Adverse Market Conditions. If either party, because of a Force Majeure event, is rendered wholly or partly unable to perform any of its obligations under this Agreement (other than an obligation to pay money when due), that party shall be excused from whatever performance is affected by the Force Majeure event to the extent so affected. In the event of the presence of Adverse Market Conditions, Bosa shall be excused from fulfilling the covenants set forth in Section 23(a) for so long as the Adverse Market Conditions persist, up to a maximum period of twelve (12) months. All claims of Force Majeure or Adverse Market Conditions shall be subject to the following conditions, as applicable:

a. The party claiming Force Majeure or Adverse Market Conditions shall provide written notice, no later than seven (7) days after the beginning of the claimed Force Majeure event or presence of Adverse Market Conditions and, in the case of Force Majeure, delineate its effect on that party's performance including its specific effect on critical activities

and when (date and time) the non-performing party anticipates that it will be able to resume performance.

b. The period of non-performance (and any relief granted under the Development Schedule) shall be of no greater scope than is required by the Force Majeure event and no longer duration than is required by the Force Majeure event or Adverse Market Conditions.

c. The party claiming Force Majeure shall use all reasonable efforts to limit delays caused by such Force Majeure event.

d. When the party claiming Force Majeure or Adverse Market Conditions is able to resume performance of its obligations under this Agreement that party shall give the other party written notice to that effect.

e. It is the duty of the party claiming Force Majeure to prove all the elements of Force Majeure including (a) specific action taken to work around or mitigate the impact, (b) specific event dates, durations and logic to support the claim and (c) specific cause for the claim of Force Majeure and to provide written documentation of such proof to the other party as soon as reasonably possible.

f. If Bosa claims the presence of Adverse Market Conditions, then: (i) such claim shall be made in writing and shall be accompanied by a non-refundable cash payment to the City calculated as follows: (a) Four Hundred Fifty Thousand and 00/100 dollars (\$450,000.00), plus (ii) One Hundred Thousand and 00/100 dollars (\$100,000.00) for each month in excess of six (6) months for which the City and Bosa agree that the Substantial Completion Deadline (for the Plaza or the Tower, as the case may be) set forth in the Development Schedule shall be adjusted due to Adverse Market Conditions, and (ii) representatives of Bosa and City shall meet to discuss and agree upon appropriate revisions to the Development Schedule and plans for resumption of development and/or construction activity once Adverse Market Conditions cease to exist.

g. If Bosa is the party claiming Force Majeure or Adverse Market Conditions, Bosa shall upon City's request, provide (1) the most recent project schedule prepared prior to the Force Majeure event or presence of Adverse Market Conditions (the "**Old Project Schedule**"), (2) data sufficient to support the Old Project Schedule, (3) a revised project schedule prepared after such Force Majeure event or Adverse Market Conditions cease to exist (the "**New Project Schedule**"), (4) data sufficient to support the New Project Schedule and (5) information concerning all changes, events and occurrences affecting Bosa's project schedule from the date of the Old Project Schedule through the date of the New Project Schedule.

25. Use and Design of the Project.

a. MUP Amendment and Project Redesign. City acknowledges that Bosa will seek either a major amendment to or replacement of the Master Use Permit previously issued to Triad for the project described in the City Agreements and Closing shall be conditioned upon occurrence of the MUP Approval. City agrees that Bosa's pursuit of the MUP Approval will not impair Triad's rights under the City Agreements, or any permit applications or permits issued to Triad in connection therewith, all of which shall be governed solely by their terms and Applicable Law.

b. Plaza Design. The Plaza shall be comprised of a minimum 25,000 square feet and its design shall be approved through the Master Use Permit process for the Project. The Plaza shall generally be located on the north and west portions of the Property and the Tower shall generally be located south and east of the Plaza, as generally depicted on Exhibit A-1, unless Bosa reasonably determines that subsurface conditions on the Property warrant or permitting considerations require an alternate location of the Plaza, the Tower or both. In the development of the Project and design and construction of the Plaza, Bosa shall not be required to modify the existing entrances to the Transit Tunnel located on Third Avenue.

c. Easement for Public Access to Plaza. Bosa acknowledges that, upon Substantial Completion of the Plaza (subject to closures required to accommodate on-going construction activities relating to other aspects of the Project), the general public shall have access to the Plaza pursuant to the terms and conditions of an easement in the form attached hereto as Exhibit F (the "**Public Easement**"). The Public Easement shall be superior to any deed of trust or mortgage encumbering the Property and shall not be subordinated to the lien of Bosa's construction financing for the Project (if any). The Public Easement shall be recorded at Closing immediately following the recording of the Development Covenant. Following Substantial Completion of the Plaza, if there is construction occurring on the Project during periods when the Plaza is open to the general public, Bosa will secure other portions of the Project site so that they are not accessible to the general public and, to the extent construction activities are not on-going on such portions, maintain them so that no exposed rebar is visible from street level and they are not otherwise unsightly. If, following Substantial Completion of the Plaza, Bosa (or any successor to Bosa's interest in the Project) fails to proceed with construction of the remainder of the Project pursuant to the Development Schedule, then Bosa (or its successor, if applicable) shall take reasonable measures to cause the Plaza to be accessible and functional for public use and aesthetically compatible with its intended purpose as a public plaza.

26. Completion Guaranty. As a material inducement to City's agreement to enter into this Agreement, Bosa agrees to cause to be executed and delivered at Closing a Completion Guaranty in the form attached hereto as Exhibit G (the "**Completion Guaranty**"), pursuant to which an Affiliate of Bosa agrees to cause the timely Substantial Completion of the Plaza pursuant to the Development Schedule, the Project Permits and Applicable Law, and to perform such other obligations and agreements as more particularly stated therein (including the obligation, if any, to pay Delay Damages).

27. Bosa Deed of Trust. Bosa's potential obligation to pay Delay Damages (defined below) shall be secured by a first-lien position deed of trust to be granted by Bosa in favor of the City and recorded at Closing against title to the Property in the form attached hereto as Exhibit H (the "**Bosa Deed of Trust**"). Pursuant to the terms of the Bosa Deed of Trust, (i) City shall cause the Bosa Deed of Trust to be re-conveyed upon Substantial Completion of the Plaza and Bosa's payment of all sums then secured by such Deed of Trust, and (ii) City agrees to take any actions necessary to subordinate the Bosa Deed of Trust to the rights of the beneficiary under one or more deeds of trust or other security instruments recorded as an encumbrance(s) on the Property to secure financing arranged for development and construction of the Project.

28. Disclaimer. Notwithstanding any other provision of this Agreement to the contrary, City is under no obligation to, nor shall it construct or supervise the construction of the Project.

City's right to inspect the Plaza is for the sole purpose of protecting City's rights under this Agreement. Except as otherwise provided herein, no part of the cost of construction of the Project shall ever become an obligation of City. City is not responsible to any contractors or to any subcontractors under any subcontracts for design, development, repair, renovation or construction of the Project or any other third parties for any purpose whatsoever. Nothing contained in this Agreement shall be construed as the consent or request of City, express or implied, for the performance of any labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, repair or demolition of or to the Property (or any part thereof). Bosa shall include in the construction contracts and the contracts for architectural and engineering services the following or substantive equivalent disclaimer: **NOTICE IS HEREBY GIVEN THAT THE CITY OF SEATTLE WILL NOT BE LIABLE FOR ANY LABOR, SERVICES, MATERIALS OR EQUIPMENT FURNISHED OR TO BE FURNISHED TO BOSA, OR ANYONE HOLDING AN INTEREST IN THE PROPERTY (OR ANY PART THEREOF).**

29. Default and Remedies. If either party to this Agreement defaults in the performance of its obligations hereunder, the non-defaulting party may seek the remedies described below, subject to the mutual waiver of consequential damages set forth in Section 32 below and without prejudice to any party's rights to enforce any indemnity obligation of the other party hereunder.

a. City's Remedies for Bosa's Default.

i. Generally. In the event that Bosa defaults in its obligation to purchase the Property on the terms stated in this Agreement, City shall have the right to terminate this Agreement and terminate its obligation to sell the Property to Bosa, and shall be entitled to recover the Deposit as liquidated damages for such default. As to all other events of default by Bosa hereunder, City shall have the right to recover all damages proximately caused by such default, to the extent such damages are proven with reasonable certainty.

ii. Delayed Delivery of Plaza or Tower. In the event that Bosa defaults in its obligation to timely complete the Plaza or the Tower by the applicable Substantial Completion Deadline set forth in the Development Schedule (which shall be subject to extension for delay caused by Permitting Delay, Force Majeure, or Adverse Market Conditions) Bosa shall, in either case, pay to City liquidated delay damages according with the following schedule (the "**Delay Damages**"), and such Delay Damages shall be City's sole and exclusive remedy for Bosa's failure to timely deliver the Plaza or the Tower (as applicable):

Delay of 1 - 30 days	\$500 per day
Delay of 31 - 90 days	\$2,000 per day
Delay of 91 - 360 days	\$3,500 per day
Delay of 361+ days	\$5,000 per day

b. Bosa's Remedies for City's Default Prior to Closing. So long as Bosa has performed all of its obligations and is not in default hereunder beyond any applicable notice and cure period, if, at or prior to Closing, City fails to perform its obligations pursuant to this Agreement for any reason except failure by Bosa to perform its obligations hereunder, or if before Closing, City causes or permits any of City's representations or warranties to be untrue and fails, within five (5) days after Bosa's written notice thereof to City, to take further action necessary to make the applicable representation or warranty true and correct, then Bosa may, either: (i) terminate this Agreement by giving City written notice of its election and recover the Deposit, together with Bosa's actual, third-party costs not to exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00) incurred in connection with the negotiation and documentation of this Agreement, Bosa's conduct of inspections, tests and other due diligence activities relating to the Property and costs incurred by Bosa in preparation for Closing (which costs shall include, but not be limited to, Bosa's fees payable to its attorneys, engineers, surveyors and environmental consultants); or (ii) bring suit to compel specific performance of City's obligations under this Agreement. Any suit seeking specific performance of City's obligations under this Agreement must be commenced within forty-five (45) days after the scheduled date of Closing or shall thereafter be barred.

30. Waiver of Subrogation. Bosa hereby waives any claims, causes of action or other rights of any nature that Bosa may have against City arising out of property damage or bodily injury occurring in connection with the construction and development of the Project, to the extent that Bosa carries insurance against the risk of the matter giving rise to such claim. Bosa shall obtain any special endorsements required by its insurer to allow such waiver of rights of subrogation but the failure to obtain same shall not impair the effectiveness of this waiver and/or release between City and Bosa.

31. No Recourse to City of Seattle. Bosa shall have no recourse under this Agreement to any assets or property of City other than the Property and the proceeds from City's sale of the Property for the payment or collection of any judgment, arbitral award, fee or cost or for any other obligation or claim arising out of or based upon this Agreement requiring the payment of money by City. The provisions of this paragraph shall survive Closing or earlier expiration or termination of this Agreement.

32. Mutual Waiver of Consequential Damages. City and Bosa hereby mutually waive claims against each other for consequential damages arising out of or relating to this Agreement, which waiver includes, without limitation, damages incurred for loss of use, income, profit, financing, business and/or reputation, loss of management or employee productivity or of the services of such persons. The provisions of this paragraph shall survive Closing or earlier expiration or termination of this Agreement.

33. No Brokers. Bosa and City each warrants and represents to each other that neither of them has dealt with any real estate broker or similar intermediary in connection with the transactions described in this Agreement, and each of them shall hold harmless, indemnify and defend the other from and against any claim or loss arising from any alleged fact inconsistent with such party's warranty and representation contained in this Section 33. The foregoing indemnification obligations shall survive Closing or earlier expiration or termination of this Agreement.

34. Assignment; Successors and Assigns. Bosa may assign or transfer its rights under this Agreement only to an Affiliate, a joint venture entity in which it has a controlling interest, successor by operation of law, wholly owned subsidiary, entity controlled by Bosa or under common control with Bosa and to any entity owning or purchasing all or substantially all of the assets of Bosa; provided that Bosa shall first notify City of the proposed transfer and shall deliver to City such reasonable documentary evidence as City may request in order to confirm that Bosa's proposed assignment complies with the conditions described in this Section 34. As used herein, "**Affiliate**" shall mean (i) any Person that directly or indirectly controls, is controlled by or is under common control with Bosa, or (ii) any investment vehicle or entity (including, without limitation, an income trust, real estate investment trust or other publicly-traded or quasi-public entity), the sponsor of which is Bosa or any Person that directly or indirectly controls, is controlled by or is under common control with Bosa. For purposes hereof, "**control**" shall mean the right to directly or indirectly control the management and the day to day operation of the applicable entity, subject to customary "major decision" rights of investors in such entity. In the event that Bosa shall assign its rights and obligations hereunder, in no event shall Bosa be released from any obligation or liability arising hereunder. This Agreement shall be binding upon the successors and permitted assigns of the parties.

35. Termination of Agreement. Notwithstanding anything to the contrary contained elsewhere in this Agreement, in the event the Authorizing Ordinance fails to become effective law by December 31, 2018, or in the event that Closing has not occurred by December 31, 2019, either party may terminate this Agreement by written notice to the other party, whereupon the Deposit shall be refunded to Bosa and the parties shall have no further rights or obligations hereunder except those, if any, that expressly survive termination or expiration of this Agreement.

36. Confidentiality.

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

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

then City shall not release or disclose any of the Confidential Information pursuant to such order. Bosa acknowledges that City shall not assert an exemption or seek a protective order on Bosa's behalf. City shall not oppose Bosa's effort to seek any protective order or other restriction or limitation on the release or disclosure of the Confidential Information.

c. The provisions of this Section 36 shall survive the expiration or earlier termination of this Agreement and, if the Closing occurs hereunder, the Closing.

37. Notice. Any notice required or permitted to be delivered under this Agreement shall be in writing and shall be deemed given (i) when delivered by hand during regular business hours, (ii) three (3) days after being sent by United States Postal Service, registered or certified mail, postage prepaid, return receipt requested and first class mail, postage prepaid, (iii) the next Business Day if sent by a reputable national overnight express mail service that provides tracing and proof of receipt or refusal of items mailed, or (iv) when sent by facsimile during business hours, addressed to City or Bosa, as the case may be, at the address or addresses or facsimile number set forth below or such other addresses as the parties may designate in a notice similarly sent. Any notice given by a party to Escrow Agent shall be simultaneously given to the other party. Notices to City, Bosa and/or Escrow Agent shall be delivered as follows:

If to City: THE CITY OF SEATTLE
Department of Finance and Administrative Services
Attn: Director
701 Fifth Avenue, Suite 5200
Seattle, WA 98104
PO Box 94689
Seattle, WA 98124-4689
Phone: (206) 733-9238
Email: Bill.Craven@seattle.gov

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

With a copy to: The Seattle City Attorney's Office
Attn: Helaine Honig
Seattle City Attorney's Office
701 Fifth Avenue, Suite 2050
Seattle, WA 98104
Phone: (206) 684-8222
Email: Helaine.Honig@seattle.gov

If to Bosa: BOSA DEVELOPMENT US LLC
1300-2025 Willingdon Ave.
Burnaby, B.C., V5C 0J3
Attn: Richard Weir, Executive Vice President
Email: richardw@bosadev.com
Fax: 604.291.9120

With a copy to: McCullough Hill Leary, P.S.
701 Fifth Avenue, Suite 6600
Seattle, WA 98101
Attn: John C. McCullough
Email: jack@mhseattle.com
Fax: 206.812-3389

If to Escrow Agent: Chicago Title Insurance Company
701 Fifth Avenue, Suite 2700
Seattle, WA 98101
Attn: Michael Costello
Email: michael.costello@CTT.com
Fax: 206.628.8371

38. Miscellaneous.

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

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

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

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

e. Business Day. Unless otherwise expressly provided in this Agreement, all references to 'days' shall mean calendar days. In the event any date hereunder (including the Closing Date) falls on a Saturday, Sunday or any other day that is recognized as a holiday by the City of Seattle, the date applicable shall be the next Business Day.

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

g. Amendments. This Agreement may be amended only by a written instrument executed by City and Bosa (or Bosa's permitted assignee).

h. Governing Law; Venue. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Washington without regard to otherwise applicable principles of conflicts of laws. Any action arising out of this Agreement must be commenced in King County Superior Court or the United States District Court of Washington.

Each party consents to the jurisdiction of those courts in any such action and the laying of venue in the State of Washington.

i. Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

j. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be an original but such counterparts together shall constitute one and the same instrument.

k. Integration. This Agreement, including the Schedules and Exhibits attached hereto, embodies the entire agreement between City and Bosa with respect to the transactions contemplated in this Agreement. There are no understandings, covenants, agreements, representations or warranties between City and Bosa with regard to the Property or the transactions contemplated by this Agreement other than those set forth herein.

39. Contracting and Labor Requirements.

a. Project Labor Agreement. Bosa agrees to exercise diligence in negotiating the terms of a project labor agreement and, if terms acceptable to Bosa in its reasonable discretion are reached, to enter into a project labor agreement relating to the development of the Project (the "***Project Labor Agreement***").

b. LEED™ Certification. The General Construction Contract shall require that the Project be constructed in a manner consistent with the requirements of, but not necessarily apply for and secure certification under, the Leadership in Energy and Environmental Design ("LEED™", which is the copyrighted trademark of the Green Building Rating System 2.0, developed by the U.S. Green Building Council under contract with the U.S. Department of Energy) regime's gold LEED™ certification (with an aspiration to be consistent with the requirements of the LEED™ regime's platinum certification) following substantial completion of the Project.

40. Schedules and Exhibits. The following schedules and exhibits are attached to this Agreement and are hereby incorporated by reference:

Schedule 1 – Index of Definitions
Schedule 2 – Permitted Exceptions
Schedule 3 – City's Environmental Reports

Exhibit A – Legal Description of the Property
Exhibit A-1 – Depiction of Tower and Plaza locations
Exhibit B-1 – Access Agreement
Exhibit B-2 – First Amendment to Access Agreement
Exhibit B-3 – Second Amendment to Access Agreement
Exhibit B-4 – Third Amendment to Access Agreement
Exhibit C – Form of Bargain and Sale Deed
Exhibit D – Form of Development Covenant

- Exhibit E – Development Schedule
- Exhibit F – Form of Public Easement
- Exhibit G – Form of Completion Guaranty
- Exhibit H – Form of Bosa Deed of Trust

SIGNATURE PAGE TO PURCHASE AND SALE AND DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by each of its duly authorized officer or representative, as of the day and date first set forth above.

CITY:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: *Fred Podesta*
Name: Fred Podesta
Its: Director of Finance & Administrative Services

BOSA:

BOSA DEVELOPMENT US LLC,
a California municipal corporation

By: *Richard Weir*
Name: Richard Weir
Its: Vice President

SCHEDULE 1

Definitions

1. “**Applicable Law**” means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, directions, rules, administrative order, Environmental Law or other requirement of any federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Property, or both, including, without limitation, City of Seattle ordinances, the Revised Code of Washington, the Washington Administrative Code, United States Code, the Code of Federal Regulations, any regulation or order of a quasi-official entity or body (e.g. board of fire examiners or public utilities); building and Seattle Municipal Codes, and all rules, and regulations arising under Title III of the Americans With Disabilities Act (the “**ADA**”) and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities.

2. “**Business Day**” means a date that is not a Saturday, Sunday or any other day that is recognized as a holiday by the City of Seattle.

3. “**City Agreements**” means the following agreements between City and Triad: (i) Purchase and Sale Agreement, dated February 19, 2008, as amended by that certain First Amendment to the Purchase and Sale Agreement, dated July 2, 2009, and as further amended by that Second Amendment to the Purchase and Sale Agreement, dated January 17, 2014 and (ii) Seattle Civic Square Project Agreement dated February 19, 2008, as amended by that First Amendment to Project Agreement, dated July 2, 2009.

4. “**City Clerk**” means the Office of the City Clerk of the City of Seattle.

5. “**City Council**” means the City Council for the City of Seattle.

6. “**Development Schedule**” means the Development Schedule attached to this Agreement as Exhibit E.

7. “**Environmental Laws**” is defined within the definition of Hazardous Substance.

8. “**Hazardous Substance**” means inflammable explosives, radioactive materials, radon, asbestos, polychlorinated biphenyls, urea formaldehyde, lead, lead-based paint, under and/or above ground tanks, Hazardous Substance, hazardous wastes, hazardous substances, oil or other petroleum products or related materials, including any which are listed or regulated in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 6901, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 1401, et seq.), the Hazardous Substance Transportation Act (49 U.S.C. Section 1801, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), and any other applicable federal, state or local laws or regulations covering or relating to pollution or protection of the environment, public or worker healthy safety Hazardous Substance or environmental conditions (all of the foregoing, collectively, “**Environmental Laws**”) or any wastes, materials or substances for which standards of conduct or liabilities may be imposed

under any Environmental Laws. A list of all environmental reports, including all modifications, amendments and supplements thereto, in City's possession and control is set forth in Schedule 3 attached hereto.

9. "**Mayor**" means the Mayor of the City of Seattle.

10. "**MUP Approval**" means receipt of a MUP Decision in a form that does not attach conditions that materially (i) increase the costs, (ii) impair the functionality or marketability, or (iii) alter the design of the Bosa Project in ways that are unacceptable to Bosa in Bosa's reasonable discretion; provided that MUP Approval shall not have occurred until the period within which an appeal challenging the decision may be brought has expired or, if an appeal is brought within such period, until the appeal is resolved in a manner that upholds the decision.

11. "**MUP Decision**" means the publication by the City of the decision of DCI's Director approving the amended or replacement Master Use Permit for construction of the Project consistent with the Project Features.

12. "**Person**" means a natural person, corporation, trust, partnership, limited partnership, limited liability company or other legal entity or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality.

13. "**Project Permits**" means the Master Use Permit and building permits to be issued by the City to Bosa for construction and development of the Project.

14. "**Substantial Completion Deadline**" means the Substantial Completion Deadline stated in the Development Schedule.

15. "**Target Closing Date**" means the date that is ten (10) days after the MUP Approval, or the first Business Day thereafter.

16. "**Title Company**" means the downtown Seattle office of Chicago Title Insurance Company.

17. "**Title Commitment**" means that certain preliminary commitment for title insurance issued by Title Company under its Order No. 0084416-06 (Second Commitment) dated October 25, 2016.

SCHEDULE 2

Permitted Exceptions

1. Liens for taxes and assessments not yet due and payable.
2. Matters contained in that certain document

Entitled: Transit Way Station Entrance Easement and Construction Agreement
Executed by: The King County Department of Metropolitan Services and the City of Seattle
Recording Date: August 31, 1995
Recording No.: 9508310887
3. Lien and special assessments created under City of Seattle Ordinance Nos. 124175 and 124235, establishing a Downtown Parking and Business Improvement Area, and any amendments, renewals or replacements thereof (to the extent not yet due and payable).

SCHEDULE 3

List of Environmental Reports

EXHIBIT A

Legal Description of the Property

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 32, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THE SOUTHWESTERLY 9 FEET OF LOTS 1, 4, 5 AND 8, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 54135 FOR THE WIDENING OF THIRD AVENUE, AS PROVIDED BY ORDINANCE NUMBER 14345 OF THE CITY OF SEATTLE; AND

EXCEPT THE NORTHEASTERLY 9 FEET OF LOTS 2, 3, 6 AND 7, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

EXHIBIT A-1

Depiction of Tower and Plaza locations



EXHIBIT B-1
Access Agreement

ACCESS AGREEMENT

THIS ACCESS AGREEMENT (this "*Access Agreement*") is by and between the City of Seattle, acting by and through its Department of Finance and Administrative Services (the "*City*"), and Bosa Development US LLC, a California limited liability company ("*Licensee*").

RECITALS

WHEREAS, the City owns the real property commonly known as the Civic Square site and legally described below (the "*Property*").

WHEREAS, Licensee and the City are discussing the terms of a purchase and sale agreement and, in connection with the potential sale of the Property by the City to Licensee, Licensee desires to make certain inspections of the Property to determine if the Property is suitable for Licensee's purposes.

WHEREAS, in connection with the potential sale of the Property by the City to Licensee, the City desires to permit Licensee to access the Property for the purpose of inspections, all on the terms and conditions herein.

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

1. Effective Date. This Access Agreement shall be effective on the date when last signed by a representative of each party (the "*Effective Date*").

2. Description of the Property. The Property is legally described as follows:

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 32, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THE SOUTHWESTERLY 9 FEET OF LOTS 1, 4, 5 AND 8, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 54135 FOR THE WIDENING OF THIRD AVENUE, AS PROVIDED BY ORDINANCE NUMBER 14345 OF THE CITY OF SEATTLE; AND

EXCEPT THE NORTHEASTERLY 9 FEET OF LOTS 2, 3, 6 AND 7, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

3. Access. Subject to the terms and conditions of this Access Agreement, the City grants Licensee and its agents, contractors, consultants, employees and representatives (collectively, "*Permitted Invitees*") permission to enter upon the Property during normal business hours for the following purposes: to make non-invasive and non-destructive investigations, studies, and tests including, without limitation, surveys, engineering studies, and soil tests, all as Licensee deems reasonably necessary or advisable. Such entry and inspections may be conducted commencing on the Effective Date and terminating on December 31, 2016, unless Licensee's access rights are earlier terminated in accordance with Section 14 below. Licensee shall provide not less than twenty-four (24) hours' advance notice of its intention, or the intention of any other Permitted Invitee, to enter the Property, which notice may be given by electronic mail at the address set forth in Section 9 below. Licensee shall be solely responsible for paying the cost of all inspections, tests, investigations and analyses conducted pursuant to this Access Agreement. At the City's option, the City or its representative may accompany any Permitted Invitee while on the Property. In conducting any inspections, investigations or tests of the Property, Licensee and all other Permitted Invitees shall not: (i) unreasonably disturb or interfere with the City's use of the Property; (ii) unreasonably interfere with the operation and maintenance of the Property; (iii) damage any part of the Property or any personal property owned or held by the City or any other real or personal property owned by a third-party; or (iv) injure or otherwise cause bodily harm to the City, or its agents, guests, invitees, contractors or employees at the Property.

4. Invasive Testing. The access privileges granted to Licensee under this Access Agreement do not permit any Permitted Invitee to conduct invasive or intrusive inspections or tests of the physical condition of the Property unless Licensee first obtains the written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. At the City's request, Licensee shall provide the City information regarding the results of any invasive inspections or test, including but not limited to providing the City copies of any written data or reports prepared with respect to the Property (the "*Materials*"); provided that any such Materials will be delivered for informational purposes only and Licensee makes no representation or warranty, express or implied, as to the accuracy or completeness of any such Materials so delivered. The City agrees that it may not rely on the Materials for any purpose and shall not assert any claim against any preparer of the Materials alleging error or inaccuracy with regard to any of the Materials. The Materials shall not include any appraisals, budgets, internal reports, valuations, economic evaluations or market and economic feasibility studies of the Property, reports regarding the Property prepared by Licensee or any of Licensee's Representatives (as defined below) for the internal use or for the information of the investors in such party, partnership or entity, any

documents pertaining to equity financing, any documents or materials subject to nondisclosure and/or confidentiality agreements, any documents or materials subject to an attorney client privilege or the work product doctrine and any other proprietary information not related to the physical condition or operations of the Property. Licensee shall keep information contained in the Materials and the results of any invasive testing confidential and shall not disclose such data or information to any party or entity, provided that it may use or disclose any such data or information (a) which has been previously publicly disclosed (other than in breach of this Access Agreement), (b) to the extent legally compelled to do so, or (c) to its employees, agents, lenders, consultants, investors, prospective investors, members, partners, auditors, attorneys, accountants, advisors, and other professionals, and prospective lenders (and their advisors) (collectively, "*Representatives*") in connection with the parties' proposed business transaction with respect to the Property; provided that Licensee has directed each such Representative to comply with the provisions of this Section 4.

5. Insurance. Prior to entry upon the Property by Licensee or any other Permitted Invitee, Licensee shall obtain commercial general liability insurance coverage in the amounts described below and provide to the City a certificate of insurance issued by an insurance carrier having an AM Best rating of A-VII or better, naming the City as an additional insured, and evidencing the following coverage against any claims or damages arising from the presence of Licensee or any other Permitted Invitee on the Property pursuant to this Access Agreement: commercial general liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate and workers compensation insurance with minimum statutory limits and employers' liability insurance with minimum limits of not less than \$1,000,000. Licensee shall maintain the insurance coverage described in this section at all times as a condition of any entry onto the Property.

6. Damage; No liens. In conducting any inspections, investigations or tests of the Property in accordance with this Access Agreement, Licensee shall (i) pay when due the costs of all tests, investigations, and examinations done with regard to the Property; (ii) not permit any claim of lien to be filed against the Property, or lien to attach to the Property, arising from the exercise of Licensee's access rights hereunder; and (iii) fully restore any damage to the Property or any other real or personal property caused by a Permitted Invitee in connection with the exercise of Licensee's access rights hereunder to the condition in which it existed before any such inspection or tests were undertaken. The provisions of this Section 6 shall survive the expiration or earlier termination of Licensee's rights under this Access Agreement.

7. Indemnity and Release. Licensee hereby agrees to indemnify, defend and hold the City and all of its elected officials; officers, directors, agents, employees, attorneys, representatives and contractors, harmless from and against any and all liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys' fees) arising out of (i) any inspections or tests performed upon the Property pursuant to the access rights granted under this Access

Agreement or the presence of Licensee or any other Permitted Invitee upon the Property or (ii) any violation of the provisions of this Access Agreement; provided, however, such indemnity obligation of Licensee shall not make Licensee liable to remediate any pre-existing conditions or liabilities discovered by Licensee or any other Permitted Invitee and Licensee shall not be obligated to defend or indemnify any indemnified person for matters arising from such pre-existing conditions so long as the condition is not exacerbated by a Permitted Invitee. For the sole purpose of giving effect to Licensee's defense and indemnity obligations under this Section 7, Licensee hereby waives its industrial insurance immunity, if any, under Washington law for claims brought by its employees, but only with respect to and for the benefit of the City and its elected officials, officers, directors, agents, employees, representatives and contractors. The foregoing waiver has been mutually negotiated between the City and Licensee and is not intended to waive any immunity which Licensee may have for claims made directly against Licensee by its employees. All Permitted Invitees shall access the Property solely at their own risk and the City shall have no responsibility for any (i) damage to the personal property of any Permitted Invitee, or (ii) personal injury suffered by any Permitted Invitee, and Licensee, on behalf of itself and all other Permitted Invitees, hereby releases the City from any liability arising from such damage or injury, except to the extent proximately caused by the City's negligence. The provisions of this Section 7 shall survive the expiration or earlier termination of Licensee's rights under this Access Agreement.

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

9. Notice. Any notice required under this Access Agreement shall be made in writing and served either personally or by recognized overnight courier service with confirmation of receipt on the representative below or to such other person or representative as the parties may designate in writing:

The City: THE CITY OF SEATTLE
Department of Finance and Administrative Services
Attn: Director
701 Fifth Avenue, Suite 5200
Seattle, WA 98104
PO Box 94689
Seattle, WA 98124-4689
Phone: (206) 733-9238
Email: Bill.Craven@seattle.gov

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

With a copy to: The Seattle City Attorney's Office
Attn: Helaine Honig
Seattle City Attorney's Office
701 Fifth Ave., Suite 2050
Seattle, WA 98104
Phone: (206) 684-8222
Email: Helaine.Honig@seattle.gov

Licensee: BOSA DEVELOPMENT US LLC
500 - 1901 Rosser Ave.
Burnaby, B.C., V5C 6S3
Attn: Richard Weir, Vice President & Secretary
Email: richardw@bosadev.com
Fax: 604.291.9120

With a copy to: McCullough Hill Leary, P.S.
701 Fifth Avenue, Suite 6600
Seattle, WA 98101
Attn: John C. McCullough
Email: jack@mhseattle.com
Fax: 206.812-3389

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

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

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

13. No Commitment for Sale. No agreement for sale of the Property will exist unless and until a definitive purchase and sale agreement has been executed and delivered by Licensee and the City. Unless and until a definitive purchase and sale agreement has been executed and delivered and except as may arise under that certain Escrow Agreement dated as of November 2, 2016, to which the City and Licensee are parties, neither Licensee nor the City has, other than as set forth in this Access Agreement, any legal obligation to the other of any kind with respect to any transaction involving the Property because of this Access Agreement or any other written or oral expression with respect to any proposed transaction. Either Licensee or the City may terminate negotiations at any time, for any reason or for no reason at all, with or without notice.

14. End of Access Rights. Licensee's access rights under this Access Agreement shall terminate on the earlier of (a) December 31, 2016, or (b) the date on which either Licensee or the City receives the other party's written election to terminate negotiations for the purchase and sale of the Property. In the event Licensee and the City execute and deliver a definitive purchase and sale agreement, then Licensee's access rights shall thereafter be governed by such purchase and sale agreement.

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

[SIGNATURE PAGES FOLLOW IMMEDIATELY]

SIGNATURE PAGE TO ACCESS AGREEMENT

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

CITY:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: Fred Podesta
Name: Fred Podesta
Its: Mayor of FAS

LICENSEE:

BOSA DEVELOPMENT US LLC,
a California limited liability company

By: Richard Weir
Name: Richard Weir
Its: Vice President & Secretary

EXHIBIT B-2

First Amendment to Access Agreement

**FIRST AMENDMENT
TO
ACCESS AGREEMENT**

This First Amendment to Access Agreement (this "*First Amendment*") is entered into and dated as of December 27, 2016 by and between the City of Seattle, acting by and through its Department of Finance and Administrative Services (the "*City*"), and Bosa Development US LLC, a California limited liability company ("*Licensee*").

RECITALS:

A. City and Licensee have entered into that certain Access Agreement (the "*Agreement*").

B. City and Licensee now desire to amend the Agreement as set forth herein to extend the term of the Agreement from December 31, 2016 to January 31, 2017.

AGREEMENT:

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

1. Recitals; Capitalized Terms. The foregoing Recitals are hereby incorporated into this First Amendment and made a part hereof. Capitalized terms not otherwise defined in this First Amendment shall have the same meanings as designated in the Agreement. City and Licensee agree that the "*Effective Date*" of the Agreement is November 21, 2016.

2. Sections 3 and 14. Subject to the terms and conditions of the Agreement, Licensee has the right to access the Property to make certain investigations until December 31, 2016. City and Licensee have agreed to extend this period of time for Licensee's access and investigation and, in furtherance thereof, the references to "December 31, 2016" in (a) the second sentence of Section 3 of the Agreement and (b) the first sentence of Section 14 of the Agreement are both hereby deleted in their entirety and replaced with "January 31, 2017."

3. Authority. Each of the parties represents and warrants that they have the full right and authority to enter into this First Amendment.

4. Entire Agreement. The Agreement, as amended by this First Amendment, constitutes the final, complete, and exclusive agreement between the parties concerning the subject matter hereof, and supersedes all prior and contemporaneous communications or agreements, written or oral. Except as specifically provided in this First Amendment, the terms and conditions of the Agreement continue to govern the rights and obligations of the parties hereto, and all terms and conditions of the Agreement, as amended by this First Amendment, remain in full force and effect. If there is any conflict or inconsistency between this First Amendment and the Agreement, then this First Amendment shall control and modify the Agreement.


5. Counterparts and Electronic Execution. This First Amendment may be executed in multiple counterparts and all such counterparts when taken together shall constitute one and the same instrument. This First Amendment and counterparts thereof, may be executed and delivered by facsimile or electronic mail with the same effect as an original executed First Amendment or counterpart.

[Remainder of Page Intentionally Left Blank; Signature Page Follows.]

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their duly authorized agents, effective as of the date set forth above.

CITY:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: 
Name: Fred Podorski
Its: Director of Finance & Admin. Services

LICENSEE:

BOSA DEVELOPMENT US LLC,
a California limited liability company

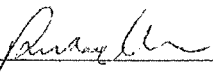
By: 
Name: Richard Weir
Its: Vice President & Secretary

EXHIBIT B-3

Second Amendment to Access Agreement

**SECOND AMENDMENT
TO
ACCESS AGREEMENT**

This Second Amendment to Access Agreement (this "*Second Amendment*") is entered into and dated as of January 27, 2017 by and between the City of Seattle, acting by and through its Department of Finance and Administrative Services (the "*City*"), and Bosa Development US LLC, a California limited liability company ("*Licensee*").

RECITALS:

A. City and Licensee have entered into that certain Access Agreement (the "*Agreement*").

B. City and Licensee now desire to amend the Agreement as set forth herein to extend the term of the Agreement from January 31, 2017 to February 28, 2017.

AGREEMENT:

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

1. Recitals; Capitalized Terms. The foregoing Recitals are hereby incorporated into this Second Amendment and made a part hereof. Capitalized terms not otherwise defined in this Second Amendment shall have the same meanings as designated in the Agreement.

2. Sections 3 and 14. Subject to the terms and conditions of the Agreement, Licensee has the right to access the Property to make certain investigations until January 31, 2017. City and Licensee have agreed to extend this period of time for Licensee's access and investigation and, in furtherance thereof, the references to "January 31, 2017" in (a) the second sentence of Section 3 of the Agreement and (b) the first sentence of Section 14 of the Agreement are both hereby deleted in their entirety and replaced with "February 28, 2017."

3. Authority. Each of the parties represents and warrants that they have the full right and authority to enter into this Second Amendment.

4. Entire Agreement. The Agreement, as amended by this Second Amendment, constitutes the final, complete, and exclusive agreement between the parties concerning the subject matter hereof, and supersedes all prior and contemporaneous communications or agreements, written or oral. Except as specifically provided in this Second Amendment, the terms and conditions of the Agreement continue to govern the rights and obligations of the parties hereto, and all terms and conditions of the Agreement, as amended by this Second Amendment, remain in full force and effect. If there is any conflict or inconsistency between this Second Amendment and the Agreement, then this Second Amendment shall control and modify the Agreement.


5. Counterparts and Electronic Execution. This Second Amendment may be executed in multiple counterparts and all such counterparts when taken together shall constitute one and the same instrument. This Second Amendment and counterparts thereof, may be executed and delivered by facsimile or electronic mail with the same effect as an original executed Second Amendment or counterpart.

[Remainder of Page Intentionally Left Blank; Signature Page Follows.]

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed by their duly authorized agents, effective as of the date set forth above.

CITY:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: 
Name: Fred Podesta
Its: Director, FAS

LICENSEE:

BOSA DEVELOPMENT US LLC,
a California limited liability company

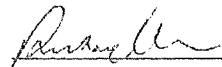
By: 
Name: Richard Weir
Its: Vice President & Secretary

EXHIBIT B-4

Third Amendment to Access Agreement

**THIRD AMENDMENT
TO
ACCESS AGREEMENT**

This Third Amendment to Access Agreement (this "*Third Amendment*") is entered into and dated as of February 28, 2017 by and between the City of Seattle, acting by and through its Department of Finance and Administrative Services (the "*City*"), and Bosa Development US LLC, a California limited liability company ("*Licensee*").

RECITALS:

- A. City and Licensee have entered into that certain Access Agreement (the "*Agreement*").
- B. City and Licensee now desire to amend the Agreement as set forth herein to extend the term of the Agreement from February 28, 2017 to June 30, 2017.

AGREEMENT:

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

1. Recitals; Capitalized Terms. The foregoing Recitals are hereby incorporated into this Third Amendment and made a part hereof. Capitalized terms not otherwise defined in this Third Amendment shall have the same meanings as designated in the Agreement.
2. Sections 3 and 14. Subject to the terms and conditions of the Agreement, Licensee has the right to access the Property to make certain investigations until February 28, 2017. City and Licensee have agreed to extend this period of time for Licensee's access and investigation and, in furtherance thereof, the references to "February 28, 2017" in (a) the second sentence of Section 3 of the Agreement and (b) the first sentence of Section 14 of the Agreement are both hereby deleted in their entirety and replaced with "June 30, 2017."
3. Authority. Each of the parties represents and warrants that they have the full right and authority to enter into this Third Amendment.

4. Entire Agreement. The Agreement, as amended by this Third Amendment, constitutes the final, complete, and exclusive agreement between the parties concerning the subject matter hereof, and supersedes all prior and contemporaneous communications or agreements, written or oral. Except as specifically provided in this Third Amendment, the terms and conditions of the Agreement continue to govern the rights and obligations of the parties hereto, and all terms and conditions of the Agreement, as amended by this Third Amendment, remain in full force and effect. If there is any conflict or inconsistency between this Third Amendment and the Agreement, then this Third Amendment shall control and modify the Agreement.

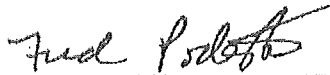
5. Counterparts and Electronic Execution. This Third Amendment may be executed in multiple counterparts and all such counterparts when taken together shall constitute one and the same instrument. This Third Amendment and counterparts thereof, may be executed and delivered by facsimile or electronic mail with the same effect as an original executed Third Amendment or counterpart.

[Remainder of Page Intentionally Left Blank; Signature Page Follows.]

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be executed by their duly authorized agents, effective as of the date set forth above.

CITY:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: 
Name: Fred Podesta
Its: Director, FAS

LICENSEE:

BOSA DEVELOPMENT US LLC,
a California limited liability company

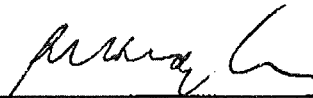
By: 
Name: RICHARD WEIR
Its: VICE PRESIDENT

EXHIBIT C

Form of Bargain and Sale Deed

RETURN ADDRESS:

BARGAIN AND SALE DEED
(Civic Square)

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

GRANTEE: BOSA DEVELOPMENT US LLC, a California limited liability company

ABBREVIATED LEGAL

DESCRIPTION: Lots: 1-8 Block: 32 CD BORENS ADD TO SEATTLE

See page 4 for full legal description

ASSESSOR'S TAX

PARCEL NO.: 570900-0065-05

BARGAIN AND SALE DEED

THE GRANTOR, THE CITY OF SEATTLE, a first class charter city of the State of Washington acting by and through its Department of Finance and Administrative Services, whose post office address is 700 Fifth Avenue, Suite 5200, Seattle, WA 98124-4689, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, bargains, sells and conveys to BOSA DEVELOPMENT US LLC, a California limited liability company, whose post office address is 1300-2025 Willingdon Avenue, Burnaby, B.C. V5C 0J3 the real estate legally described on Exhibit A attached hereto and by this reference made a part hereof.

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

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

Dated this ___ day of _____, 2017.

GRANTOR:

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

By: _____

Name: Fred Podesta

Title: Director of Finance and
Administrative Services

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that FRED PODESTA 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, FINANCE AND ADMINISTRATIVE SERVICES OF THE CITY OF SEATTLE, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this ____ day of _____, 2017.

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

Exhibit A
Legal Description of the Property

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 32, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;
TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THE SOUTHWESTERLY 9 FEET OF LOTS 1, 4, 5 AND 8, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 54135 FOR THE WIDENING OF THIRD AVENUE, AS PROVIDED BY ORDINANCE NUMBER 14345 OF THE CITY OF SEATTLE;
AND

EXCEPT THE NORTHEASTERLY 9 FEET OF LOTS 2, 3, 6 AND 7, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

Exhibit B
Permitted Exceptions

1. Liens for taxes and assessments not yet due and payable.
2. Matters contained in that certain document
Entitled: Transit Way Station Entrance Easement and Construction Agreement
Executed by: The King County Department of Metropolitan Services and the City of Seattle
Recording Date: August 31, 1995
Recording No.: 9508310887
3. Lien and special assessments created under City of Seattle Ordinance Nos. 124175 124235, establishing a Downtown Parking and Business Improvement Area, and any amendments, renewals or replacements thereof (to the extent not yet due and payable).

EXHIBIT D

Form of Development Covenant

RETURN ADDRESS:

Brian L. Lewis, Esq.
Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, WA 98101-3034

DEVELOPMENT COVENANT

GRANTOR: BOSA DEVELOPMENT US LLC
GRANTEE: CITY OF SEATTLE
ABBREVIATED LEGAL DESCRIPTION: BLOCKS 31 AND 32, ADDITION TO TOWN OF SEATTLE (C.D. BOREN'S
ADD. TO CITY OF SEATTLE), VOL. 1, PG. 25
(SEE PAGES 6-7 FOR FULL LEGAL DESCRIPTION)
ASSESSOR'S TAX PARCEL NO(S): 094200-0810; 094200-0855

THIS DEVELOPMENT COVENANT (the "*Covenant*") is made and is effective as of the _____ day of _____, 2017, by BOSA DEVELOPMENT US LLC, a California limited liability company ("*Bosa*"), for the benefit of the CITY OF SEATTLE, a first class charter city of the State of Washington ("*City*").

RECITALS:

A. Pursuant to the terms of that certain Amended and Restated Purchase and Sale and Development Agreement dated _____, 2017 (the "*Agreement*"), Bosa is acquiring from the City certain unimproved real property comprised of a full city block located at the intersection of Third Avenue and James Street, Seattle, King County, Washington (the "*Property*"). The Property is legally described on Exhibit A attached hereto and incorporated herein by this reference.

B. City's sale of the Property to Bosa was authorized by City of Seattle Ordinance No. _____.

C. The City is the owner of certain real property located at 600 4th Avenue, Seattle, King County, Washington and legally described on Exhibit B attached hereto and incorporated herein by this reference (the "**City Hall Property**"). The City Hall Property is located across 4th Avenue from the Property.

D. The Agreement provides for the development and construction on the Property by Bosa of a single residential tower, below grade parking and a public plaza (the "**Plaza**" and, collectively with such other improvements, the "**Project**"). The anticipated Plaza development is shown on Exhibit C attached hereto and incorporated herein by this reference.

E. The Agreement also provides for the execution by Bosa of this Covenant, for the benefit of the City Hall Property.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the recitals, which are incorporated herein by this reference, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Defined Terms. Capitalized terms not otherwise defined in this Covenant shall have the meanings given to them in the Agreement.

2. Development Covenant. Bosa covenants and agrees that the Project shall be constructed consistent with the terms of the Agreement including all of Bosa's development covenants contained in Section 23(a) of the Agreement. This Covenant shall be superior to any deed of trust or mortgage encumbering the Property and such covenant shall survive Closing of the transactions described in the Agreement. In connection with Bosa's development and construction of the Project and the Plaza, one or more deeds of trust or mortgages in favor of a lender or lenders (the "**Project Lender**") will be recorded against the Property as security for the repayment of Project financing. In the event that, as a consequence of Bosa's default, the Project Lender or an affiliate takes title to the Property, the Project Lender shall take title subject to this Covenant but shall have no obligation to perform the covenants of Bosa contained herein or contained in Section 23(a) of the Agreement. At such time as the Project Lender thereafter transfers title to the Property to an unaffiliated third party, such transferee shall take title subject to this Covenant and shall be obligated to perform the covenants of Bosa contained herein and those contained in Section 23(a) of the Agreement; provided that such transferee and the City shall endeavor in good faith to agree upon a substitute Development Schedule that affords such transferee an adequate period of time within which to commence or resume and complete construction of the Project and the Plaza. Notwithstanding the foregoing, at any time following Substantial Completion of the Plaza, Bosa (or any successor-in-interest to Bosa's interest in the Property) may satisfy all then-outstanding obligations under this Covenant and all obligations to pay Delay Damages under the Agreement by paying to the City the Release Price described in the Agreement, whereupon the City shall execute a recordable termination of this Covenant releasing all obligations arising hereunder.

3. Design Documents. Bosa covenants and agrees that the Plaza portion of the Project shall be constructed in accordance with the Agreement, as provided under the Agreement. The Plaza shall be located in the location and shall contain the features as provided for in the Agreement and generally depicted on Exhibit C attached hereto.

4. Covenant to Benefit City Hall Property. This Covenant shall run for the benefit of the City Hall Property and shall be deemed to touch and concern both the City Hall Property and the Property.

5. Release of Covenant. Upon Substantial Completion of the Tower, or as otherwise provided under the Agreement, the parties shall execute and record a termination and release of this Covenant with the King County Recorder.

6. Successors and Assigns. Subject to the limitations set forth in Section 2 above, this Covenant shall be binding upon and inure to the benefit of Bosa and City, and each of their respective successors, assigns and successors-in-interest to their respective properties.

7. Severability. If any provision of this Covenant shall be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

8. Amendments. This Covenant shall be amended only by a written instrument executed by the parties hereto and duly recorded with the King County Recorder.

9. Governing Law. This Covenant shall be governed by the laws of the state of Washington.

10. Captions. The titles and headings of the sections of this Covenant have been inserted for convenience of reference only and are not to be considered a part hereof. They shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

11. No Third-Party Beneficiaries. This Covenant is made and entered into for the sole protection and benefit of the City, as the owner of the City Hall Property, and its successors and assigns. No other person shall have any right of action based on any provision of this Covenant.

12. Counterpart. This Covenant may be executed in two (2) or more counterparts, each of which shall be an original but such counterparts together shall constitute one and the same instrument notwithstanding that both Bosa and the City are not signatories to the same counterpart.

IN WITNESS WHEREOF, the parties have executed this Covenant on the date set forth above.

[Signatures follow on next page]

SIGNATURE PAGE TO DEVELOPMENT COVENANT

“BOSA”

BOSA DEVELOPMENT US LLC,
a California limited liability company

By _____
Name: _____
Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

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

“CITY”

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

By: _____
Name: FRED PODESTA
Title: Director of Finance and
Administrative Services

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that FRED PODESTA 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 FINANCE AND ADMINISTRATIVE SERVICES of the CITY OF SEATTLE, to be the free and voluntary act and deed of such municipal corporation, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

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

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 32, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THE SOUTHWESTERLY 9 FEET OF LOTS 1, 4, 5 AND 8, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 54135 FOR THE WIDENING OF THIRD AVENUE, AS PROVIDED BY ORDINANCE NUMBER 14345 OF THE CITY OF SEATTLE; AND

EXCEPT THE NORTHEASTERLY 9 FEET OF LOTS 2, 3, 6 AND 7, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

EXHIBIT B
LEGAL DESCRIPTION OF CITY HALL PROPERTY

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 31, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THAT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

EXHIBIT E

Development Schedule

<i>Date</i>	<i>Event</i>	<i>Comment</i>
10-3-17 (Target)	Early Design Guidance meeting	Assume only 1 EDG meeting; SDCI will hold date for potential 2nd EDG meeting approximately 2 months later NOTE: Entire schedule will be delayed 90 days if 2nd EDG meeting required
1-4-18 (Target)	Submit MUP application	
5-8-18 (Target)	DRB Recommendation meeting	Assume only 1 DRB meeting; SDCI will hold date for potential 2nd DRB meeting approximately 2 months later NOTE: Entire schedule will be delayed 90 days if 2nd DRB meeting required
8-6-18 (Target)	MUP decision published	
8-20-18 (Target)	End of MUP decision appeal period or, if MUP decision is challenged, date of final resolution of challenge(s) (MUP Approval)	
2-1-19 (Target)	Shoring and excavation permit issued	
Within 30 days of issuance of shoring and excavation permit	Commencement of Construction	
48 months after Commencement of Construction	Substantial Completion Deadline for Plaza	

<i>Date</i>	<i>Event</i>	<i>Comment</i>
72 months after Commencement of Construction	Substantial Completion Deadline for Tower	

EXHIBIT F

Form of Public Easement

After recording, return to:

THE CITY OF SEATTLE
Department of Finance and Administrative Services
Attn: Director
701 Fifth Avenue, Suite 5200
Seattle, WA 98104
PO Box 94689

PERPETUAL EASEMENT FOR PUBLIC ACCESS

GRANTOR: BOSA DEVELOPMENT US LLC

GRANTEE: THE CITY OF SEATTLE

SUMMARY LEGAL DESCRIPTION: Lots 1-8, Block 32, Volume 1 of Plats, Page 25

ADDITIONAL DESCRIPTION ON P. __

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(S): 094200-0855-07

PERPETUAL EASEMENT FOR PUBLIC ACCESS

THIS PERPETUAL EASEMENT FOR PUBLIC ACCESS (this “Easement”) is made effective as of the _____ day of _____, 2017, by and between BOSA DEVELOPMENT US LLC, a California limited liability company (“Grantor”) to the CITY OF SEATTLE, a first class charter city of the State of Washington (“City”).

RECITALS

A. Grantor is the owner of real property legally described on Exhibit 1, hereto (“Grantor’s Property”). Grantor acquired Grantor’s Property from City pursuant to that certain Amended and Restated Purchase and Sale and Development Agreement between Grantor and City dated _____, 2017 (the “Agreement”).

B. Grantor is developing Grantor’s Property with a project consisting of a single residential tower, a parking garage, retail spaces and a public plaza (“Grantor’s Project”).

C. Grantor acquired Grantor’s Property from the City subject to use and development restrictions requiring that a portion of Grantor’s Property be used and developed only for public open space, in perpetuity.

D. Grantor’s Project will provide public open space and an eventual interface with Seattle City Hall from Grantor’s Property via a public plaza on Grantor’s Project, as generally depicted on Exhibit 2.

E. Grantor is designing such plaza to satisfy the requirements of SMC 23.49.008.A. The final design of such plaza shall be approved in a Master Use Permit to be obtained by Grantor for Grantor’s Project (the “MUP”).

GRANT OF RIGHTS AND COVENANTS

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

1. Grant and Purpose. Grantor hereby grants and conveys to the City the non-exclusive perpetual right to public access, limited to pedestrian and wheelchair travel on, across, over and through the surface of the plaza located and to be located on Grantor’s Property, throughout the entire area shown by hatch marks on Exhibit 2 (“Public Access Area”). For purposes of this Easement, “wheelchair” includes any device for mobility of persons with disabilities allowed from time to time on public sidewalks in the City of Seattle. Such rights (referred to herein as the “Public Access Rights”) shall include the City’s right to install in the Public Access Area any directional signage that the City deems appropriate for the convenience of the public using the Public Access Area and that Grantor approves, which approval shall not unreasonably be withheld, conditioned or delayed. Except during times when the Public Access Area may be closed to the public under the terms hereof, the public shall, commencing upon Substantial Completion of the Plaza (as such phrase is defined in the Agreement), but not earlier, have free, open and continuous pedestrian and wheelchair access to and through the Public Access Area free of charge every day of the year, at least during the period beginning at 7:00 AM and ending at 10:00 PM local time, subject to

compliance with rules of conduct under Paragraph 6 below and all other terms and conditions of this Easement; provided that City employees in the performance of their official duties related to public safety may use the Public Access Area at all times. Grantor reserves the right to undertake measures to prevent public access onto Grantor's Property and Grantor's Project outside of the Public Access Area and to install measures reasonably intended to prevent use of or access to the Public Access Area during any times when public access is not permitted hereunder.

2. Grantor to Construct and Maintain Public Access Area. Grantor, at its sole expense, shall construct the Public Access Area and all improvements to be located within the Public Access Area consistent with the MUP and the Agreement and in full compliance with all laws, codes and regulations as they apply to public facilities, including without limitation standards under the Americans with Disabilities Act ("ADA"). Grantor, at its sole expense, shall maintain the Public Access Area in a safe, clean, and sanitary condition; shall promptly make any necessary repairs; shall not allow obstructions or debris to remain in the Public Access Area; and shall not cause or permit any structure or condition to exist on or adjacent to the Public Access Area that could be hazardous or dangerous to persons using the Public Access Area, with all of the foregoing being done to a standard at least commensurate with the standard to which the City and King County maintain their facilities in the neighborhood surrounding Grantor's Property. Notwithstanding the foregoing sentence, Grantor may locate and relocate from time to time obstructions to pedestrian or wheelchair travel or both (for example, artwork, planters, and other amenities) in the Public Access Area but shall always provide an unobstructed and improved pathway suitable for pedestrian and wheelchair travel. Grantor shall not be required to provide any direct access from the Public Access Area to the Downtown Seattle Transit Tunnel or the entrances thereto on 3rd Avenue. Following construction of the Public Access Area by Grantor, the parties shall amend Exhibit 2 to set forth the precise legal description for the as-built Public Access Area, which shall not extend beyond the boundaries indicated in Exhibit 2. Grantor shall pay any survey costs incurred in determining the precise legal description of the as-built Public Access Area.

3. Closure of Public Access Area. If the Public Access Area is opened to the public prior to completion of construction of other improvements being made at the time of construction of the Public Access Area and as part of the overall development of Grantor's Property or if, after completion of construction of all such improvements, Grantor redevelops portions of Grantor's Property other than the Public Access Area, Grantor may close the Public Access Area for such periods of time as may be reasonably required to accommodate on-going construction activities relating to the other improvements to Grantor's Property. At all other times, Grantor may close the Public Access Area for up to ten (10) calendar days per calendar year for routine maintenance or special events scheduled to occur on Grantor's Property. With the City's prior consent (except in cases of emergency), Grantor may also close the Public Access Area for periods reasonably necessary to complete necessary major non-routine maintenance upon Grantor's Property or the Public Access Area. From time to time, Grantor may use portions of the Public Access Area for purposes of maintenance of the Public Access Area or Grantor's Project. Grantor may also close the Public Access Area if activity in or around the Public Access Area poses a potential threat of injury to person or property, including Grantor's Project.

4. City Maintenance Rights. If Grantor fails to comply in a timely manner with its obligation under Paragraph 2 above to maintain any portion of the Public Access Area, the City shall have the right, but not the obligation, after at least five (5) days' notice of default to Grantor

(except in the case of emergencies, when advance notice shall not be required) to take such actions as the City deems necessary to maintain, repair, reconstruct, or alter the Public Access Area, all at the expense of Grantor, and Grantor shall reimburse the City promptly on demand for the costs of such actions. For the period, and to the extent, that the City requires access to Grantor's Property to exercise its rights under this paragraph, Grantor grants and conveys to the City the non-exclusive right to access on, across, over, under and through such portions of Grantor's Property as are reasonably necessary, for all purposes necessary, incidental, or related to construction, operation, repair, replacement, alteration, inspection, monitoring, and maintenance of the Public Access Areas, provided that Grantor may restrict access through Grantor's Project ("Public Access Area Maintenance Rights"). The City shall not modify the design or location of the Public Access Area, nor any portion of Grantor's Project, without Grantor's consent. Air rights, and the right to maintain, repair and replace all necessary supports, foundations and structural elements are included in the foregoing grant. The City, its contractors, agents, officers and employees, shall have free, open and continuous access on, across, over, under and through such portions of Grantor's Property as are reasonably necessary for the purposes described above, which shall include the right to operate any necessary motorized and non-motorized equipment and vehicles for such purposes. The City shall cause any portion of Grantor's Property disturbed by activities of the City, its contractors, agents, officers and employees undertaken pursuant to this paragraph to be restored as nearly as practicable to its condition prior to such activities, but shall not be liable for loss or damage to fixtures or installations that could not reasonably be avoided, despite reasonable efforts by the City to avoid damage.

5. Special Events. City may schedule use of the Public Access Area for public celebrations ten (10) times per calendar year or a total of thirty (30) hours (whichever occurs first); provided, that such uses shall not include social services, political demonstrations or protests.

6. Rules of Conduct.

A. Grantor may adopt and enforce reasonable rules of conduct in the Public Access Area for the safety and convenience of the public using the Public Access Area, pedestrian and wheelchair travel through the Public Access Area, and to prevent injury to persons or damage to property, provided such rules do not unreasonably interfere with the rights granted under this Agreement and are consistent with applicable law. Grantor shall provide reasonable advance written notice and a copy of the proposed rules to the City before they take effect. Grantor may require any person who does not comply with rules in effect under this Paragraph 6 to leave the Public Access Area and may take such other actions as Grantor deems reasonably necessary to enforce such rules.

B. The parties acknowledge that the Public Access Area is not being dedicated as a public street or sidewalk, and that the nature and limited purpose of the Public Access Rights are such that various activities traditionally permitted in public streets and sidewalks would not be appropriate for the Public Access Area. Compliance with rules in effect under this Easement is a condition of the right of any person to use the Public Access Area, except City employees performing activities related to public safety. Without limiting the generality of the foregoing provision, the parties specifically agree that the activities on Exhibit 3 shall be prohibited in the Public Access Area.

7. Rights and Remedies. The City shall have the right without prior institution of any suit or proceeding of law to exercise the rights afforded it at such times and to the extent provided in this Easement. In addition, the City shall have all remedies that may be available at law or in equity. The rights granted to the City are not obligations of the City and may be exercised at the City's discretion. The City shall not be liable or responsible for any injury, loss or damage caused by members of the public in exercising the rights of access granted hereunder, except to the extent that such injury, loss or damage is caused by the negligence of the City for which it has liability under applicable law, not including any City negligence regarding any condition that Grantor shall have caused or permitted contrary to this Easement or any agreement with the City. The City shall not be subject to any obligation under any security instrument or other agreement executed by Grantor regarding any part of the Grantor Property. The rights of the City and obligations of the Grantor are in addition to, and not in substitution for, the rights and obligations under any other agreement.

8. Indemnification.

A. Grantor Indemnification. To the fullest extent permitted by law, Grantor shall indemnify, defend (using counsel acceptable to City) and hold City, its officers, agents, employees and elected officials (collectively, "City Indemnified Parties") harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including City's actual and reasonable attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever arising out of Grantor's construction and operation of Grantor's Project, including, but not limited to, claims resulting from, arising out of, or connected with (i) the negligent acts or omissions of Grantor, its employees, agents, officers, affiliates, contractors, guests or invitees in constructing Grantor's Project, or (ii) Grantor's violation of any term or condition of this Easement.

B. City Indemnification. To the fullest extent permitted by law, City shall indemnify, defend (using counsel acceptable to Grantor) and hold Grantor, its employees, agents, officers, contractors, guests or invitees (collectively, "Grantor Indemnified Parties") harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including Grantor's actual and reasonable attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever resulting from, arising out of, or connected with City's use of the Public Access Area or Grantor's Property or City's exercise of its rights hereunder, to the extent attributable to the negligent acts or omissions by City, its agents, contractors or employees (but expressly excluding the negligent or intentional acts or omissions of members of the general public who are not acting on behalf of City).

C. Limited Waiver of Industrial Insurance Immunity; Indemnities Negotiated. City and Grantor agree that the foregoing indemnities specifically include, without limitation, claims brought by any of their respective employees against any other such party. THE FOREGOING INDEMNITIES ARE EXPRESSLY INTENDED TO CONSTITUTE A WAIVER OF EACH PARTY'S IMMUNITY UNDER WASHINGTON'S INDUSTRIAL INSURANCE ACT, RCW TITLE 51, TO THE EXTENT NECESSARY TO PROVIDE ANY OTHER SUCH PARTY WITH A FULL AND COMPLETE INDEMNITY FROM CLAIMS MADE BY EACH SUCH PARTY AND ITS EMPLOYEES, TO THE EXTENT OF THEIR NEGLIGENCE. CITY

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

9. Duration; Modification or Release.

A. The rights granted hereunder, and the covenants and servitudes in this Easement, shall inure to the benefit of the City, shall bind Grantor and each of its successors, transferees and assigns, including, without limitation, tenants, and the burden of this Easement shall run with the land described in Exhibit 1.

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

10. Representations and Warranties of Grantor. Grantor represents and warrants it holds fee simple title to the Grantor Property, which is subject to no liens, encumbrances, defects, leases, options or other interests except as set forth in Exhibit 4 hereto ("Permitted Encumbrances"), and that the rights granted hereunder are not and shall not be subject to any lien, encumbrance, defect, lease, option or other interest except for the Permitted Encumbrances.

11. Reserved Rights. Grantor reserves (a) the use of the airspace in and above the Public Access Area for the purpose of crane swing and for other purposes associated with the construction and operation of Grantor's Project, (b) the use of the Public Access Area as required for the construction, maintenance, repair, reconstruction and redevelopment of Grantor's Project, subject to the terms stated herein, and (c) all rights in and to Grantor's Property not inconsistent with the rights granted herein. In addition, Grantor may install, use, maintain and repair limited improvements in the Public Access Area as reasonably necessary to operate Grantor's Project, provided that such improvements are approved by the City as not substantially interfering and being consistent with the public use and enjoyment of the Public Access Area as provided herein.

12. Successors and Assigns. This Easement shall inure to the benefit of and be binding upon the parties and their successors and assigns, and shall run with the land.

EXHIBITS:

- Exhibit 1 - Legal Description of Grantor Property
- Exhibit 2 - Depiction of Public Access Areas
- Exhibit 3 - Prohibited Uses
- Exhibit 4 - Permitted Encumbrances

[signatures on following page]

“CITY”

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

By: _____
Name: FRED PODESTA
Title: Director of Finance and Administrative
Services

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that FRED PODESTA 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 FINANCE AND ADMINISTRATIVE SERVICES of the CITY OF SEATTLE, to be the free and voluntary act and deed of such municipal corporation, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

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

EXHIBIT 1

LEGAL DESCRIPTION OF GRANTOR'S PROPERTY

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 32, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THE SOUTHWESTERLY 9 FEET OF LOTS 1, 4, 5 AND 8, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 54135 FOR THE WIDENING OF THIRD AVENUE, AS PROVIDED BY ORDINANCE NUMBER 14345 OF THE CITY OF SEATTLE; AND

EXCEPT THE NORTHEASTERLY 9 FEET OF LOTS 2, 3, 6 AND 7, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

EXHIBIT 3
PROHIBITED USES

- Camping or sleeping
- Placement or storage of materials, including personal belongings
- Pets off-leash
- Smoking
- Carrying handguns or weapons (except by licensed officers or security)
- Violation of any law or regulation
- Posting of signs or notices (but not holding signs, signature gathering or hand billing)
- Possession of alcoholic beverages
- Urinating, defecating or engaging in personal hygiene activities
- Use of amplified sound
- Maintaining a fire
- Loitering
- Damage or vandalism to any plaza improvements or the project
- Abusive, intimidating or harassing behavior
- Operating a vehicle or propulsion device of any kind, regardless of source of power
- Possession of illegal drugs
- Sexual activities or misconduct
- Assault or fighting
- Use of on-site water or electricity by the public
- Use of drones or any remote control device
- Any other activity which may cause injury to persons or damage to property, which unreasonably interferes with the enjoyment of the Plaza by others or which obstructs access to or public or private use and enjoyment of the Plaza or the Project

EXHIBIT 4

PERMITTED ENCUMBRANCES

1. Liens for taxes and assessments not yet due and payable.
2. Matters contained in that certain document

Entitled: Transit Way Station Entrance Easement and Construction Agreement
Executed by: The King County Department of Metropolitan Services and the City of Seattle
Recording Date: August 31, 1995
Recording No.: 9508310887
3. Lien and special assessments created under City of Seattle Ordinance Nos. 124175 and 124235, establishing a Downtown Parking and Business Improvement Area, and any amendments, renewals or replacements thereof (to the extent not yet due and payable).

EXHIBIT G

Form of Completion Guaranty

THIS COMPLETION GUARANTY (this "**Guaranty**") is made and is effective as of the _____ day of _____, 2017, by BOSA DEVELOPMENT CALIFORNIA II, INC., a California corporation ("**Guarantor**"), for the benefit of THE CITY OF SEATTLE, a first class charter city of the State of Washington ("**City**").

RECITALS:

A. In connection with an Amended and Restated Purchase and Sale and Development Agreement (the "**Agreement**") dated _____, 2017, between City and Bosa Development US, LLC, a California limited liability company ("**Owner**"), Owner has agreed to develop and construct a Plaza located at 600 3rd Avenue, Seattle, King County, Washington. A copy of the Agreement is attached hereto as Exhibit A and made a part hereof.

B. Guarantor has an economic interest in Owner, has an interest in the full and complete development of the Plaza and will receive certain benefits as a result of Guarantor's execution of this Guaranty.

NOW, THEREFORE, based on the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

AGREEMENT:

1. Defined Terms. Capitalized terms not otherwise defined in this Guaranty shall have the meanings given to them in the Agreement.

2. Guaranty of Completion. Guarantor hereby absolutely and unconditionally guarantees to and for the benefit of City (i) the full, punctual, and complete development and construction of the Plaza in accordance with the terms and requirements of the Agreement, including all future amendments thereto, and (ii) Owner's obligation (if any) to pay Delay Damages, to the extent such obligation arises under the Agreement (collectively, the "**Guaranteed Obligations**"). In the event that Owner defaults in its obligation to timely deliver the Plaza in the condition required under the Agreement no later than the Substantial Completion Deadline for Plaza set forth in the Development Schedule, Guarantor will, promptly upon demand of City, diligently proceed to perform, or cause to be performed, the Guaranteed Obligations at Guarantor's sole cost and expense.

3. Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations have been fully and completely performed. Guarantor irrevocably waives any right to revoke this Guaranty.

4. Certain Waivers. To the extent permitted by law, Guarantor hereby waives notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, and any and all notices of non-payment, non-performance, and non-observance and other proof, and notice of

demand, and Guarantor hereby further waives the benefit of any statute of limitations or other defenses affecting Guarantor's liability hereunder or the enforcement thereof and all suretyship defenses and defenses in the nature thereof.

5. Defenses Not Valid. Guarantor further agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected, or impaired (a) by reason of assertion by Owner or any direct or indirect member or manager thereof of any rights or remedies which it may have under or with respect to the Agreement, against any person obligated thereunder, (b) by reason of any failure to exercise, or delay in exercising, any such right or remedy or any right or remedy hereunder or in respect to this Guaranty, or (c) by reason of the adjudication in bankruptcy of any person obligated under the Agreement, or the filing of a petition for any relief under any federal, state, or local bankruptcy law by any such person or entity.

6. Enforcement. This Guaranty may be enforced by City against Guarantor without first resorting to or exhausting any other right or remedy; provided, however, that nothing herein contained shall prevent City from exercising its remedies under the Agreement or any other instrument executed in connection therewith.

7. Reimbursement of Expenses. Guarantor hereby agrees that in the event this Guaranty is placed in the hands of an attorney for enforcement, Guarantor will reimburse City for all reasonable expenses incurred, including reasonable attorneys' fees actually incurred (whether or not suit is brought hereon) and all such expenses incurred in connection with any trial, appeal, arbitration or bankruptcy proceedings.

8. Guarantor's Default and Remedies. If Guarantor fails to promptly perform the Guaranteed Obligations under this Guaranty, City shall have the following remedies in addition to all other remedies available to City under this Guaranty, the Agreement or applicable law:

a. Bring suit to compel Guarantor to perform, or cause the performance of, the Guaranteed Obligations and to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by City, including any Delay Damages due under the Agreement, but expressly excluding consequential damages, as a result of the failure of Guarantor to timely perform the Guaranteed Obligations.

b. Bring suit to recover from Guarantor the cost to complete construction of the Plaza in accordance with the Agreement.

9. Term. This Guaranty shall terminate upon City's written acknowledgement that the Plaza has achieved Substantial Completion, which City agrees to provide upon request following Substantial Completion of the Plaza in accordance with the Agreement.

10. Additional and Independent Obligations. This Guaranty is independent of the obligations of Owner under the Agreement. Nothing contained in this Guaranty will prevent City from exercising concurrently or successively any rights available to it to the extent permitted under applicable law or the Agreement, and the exercise of any such rights will not constitute a legal or equitable discharge of Guarantor. City may bring a separate action to enforce the provisions of this Guaranty against Guarantor without taking action against Owner or any other Person or joining Owner or any other Person as a party to such action.

11. Guarantor Representations and Warranties. Guarantor represents, warrants, and acknowledges to and for the benefit of City that the following statements are true and correct:

a. The execution, delivery and performance by Guarantor of this Guaranty do not and will not (i) conflict with or contravene any law, rule, regulation, judgment, order, or decree of any government, governmental instrumentality, or court having jurisdiction over Guarantor or Guarantor's activities or properties, (ii) conflict with or result in any default under, any agreement or instrument of any kind to which Guarantor is a party, (iii) require the consent, approval, order, or authorization of, or registration with, or the giving of notice to any United States or other governmental authority or any person or entity not a party to the Agreement or this Guaranty.

b. This Guaranty constitutes a legal, valid, and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

c. There is no action, litigation, or other proceeding pending, or to Guarantor's knowledge, threatened against Guarantor before any court, arbitrator, or administrative agency that may have a material adverse effect on the assets or the business or financial condition of Guarantor or that would prevent, hinder, or jeopardize the performance by Guarantor of the Guaranteed Obligations.

d. Guarantor certifies that the most recent financial statements of Guarantor previously delivered to McCullough Hill Leary, P.S. are true and correct in all material respects, and such financial statements fairly present the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since such dates.

e. On an annual and continuing basis until this Guaranty is terminated, Guarantor will provide McCullough Hill Leary, P.S. with updated financial statements and reports and will make the same available for City's periodic review upon request.

f. Guarantor has had an opportunity to review the Agreement and is familiar with the Development Schedule and the Agreement.

g. Guarantor is not a party to any contract, agreement, indenture, or instrument or subject to any restriction individually or in the aggregate that would have a material adverse effect on Guarantor's financial condition or business or that would in any way jeopardize the ability of Guarantor to perform under this Guaranty.

h. Guarantor is duly organized and validly existing under the laws of California, is qualified to do business in Washington State, and has the power to own its assets and to transact the business in which it is now engaged.

i. Guarantor has appointed a registered agent for service of legal process in Washington State.

j. Guarantor has the corporate power, authority, and legal right to execute, deliver, and perform this Guaranty and all other obligations required hereunder and has taken all necessary limited liability company or limited partnership, as the case may be, action to authorize its execution of this Guaranty and performance of the Guaranteed Obligations. No consent of any

other Person, including, without limitation, members, managers, partners and creditors of Guarantor, and no license, permit, approval, or authorization of, exemption by, notice or report to, or registration, filing, or declaration with, any governmental authority is required by Guarantor in connection with this Guaranty or the execution, delivery, performance, validity or enforceability of this Guaranty or the Guaranteed Obligations.

12. Affirmative Covenants. Guarantor covenants and agrees that, unless and until all of the Guaranteed Obligations shall have been fulfilled and this Guaranty has been terminated in accordance with Section 9 above:

a. Guarantor shall comply in all material respects with all applicable laws, rules, regulations, ordinances and orders, and such compliance shall include, without limitation, paying when due all taxes and assessments imposed upon it or upon any of its properties or assets or in respect of any of its franchises, businesses, income or property before any penalty or interest accrues thereon.

b. Guarantor shall at all times preserve and keep in full force and effect its corporate existence and all rights and franchises material to its business.

c. Guarantor shall at all times maintain its registered agent in Washington State.

13. General Provisions.

a. Successors and Assigns. This Guaranty shall inure to the benefit of City and its successors and assigns. Guarantor shall not assign this Guaranty or any of the rights or obligations hereunder without the prior written consent of City. City may, without notice or consent but subject to the terms of the Agreement, assign its interest in this Guaranty in whole or in part.

b. Notices. Any notice required or permitted to be delivered under this Guaranty shall be in writing and shall be deemed given (i) when delivered by hand during regular business hours, (ii) three (3) days after being sent by United States Postal Service, registered or certified mail, postage prepaid, return receipt requested and first class mail, postage prepaid, (iii) the next Business Day if sent by a reputable national overnight express mail service that provides tracing and proof of receipt or refusal of items mailed, or (iv) when sent by facsimile during business hours, addressed to City or Guarantor, as the case may be, at the address or addresses or facsimile number set forth below or such other addresses as the parties may designate in a notice similarly sent. Notices to City and/or Guarantor shall be delivered as follows:

If to City:

THE CITY OF SEATTLE
Department of Finance and Administrative Services
Attn: Director
701 Fifth Avenue, Suite 5200
Seattle, WA 98104
PO Box 94689
Seattle, WA 98124-4689
Phone: (206) 733-9238

Email: Bill.Craven@seattle.gov

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

With a copy to: The Seattle City Attorney's Office
Attn: Helaine Honig
Seattle City Attorney's Office
701 Fifth Avenue, Suite 2050
Seattle, WA 98104
Phone: (206) 684-8222
Email: Helaine.Honig@seattle.gov

If to Guarantor: BOSA DEVELOPMENT CALIFORNIA II, INC.
c/o BOSA DEVELOPMENT US LLC
1300-2025 Willingdon Ave.
Burnaby, B.C., V5C 0J3
Attn: Richard Weir, Executive Vice President
Email: richardw@bosadev.com
Fax: 604.291.9120

With a copy to: McCullough Hill Leary, P.S.
701 Fifth Avenue, Suite 6600
Seattle, WA 98101
Attn: John C. McCullough
Email: jack@mhseattle.com
Fax: 206.812-3389

c. Governing Law; Venue. This Guaranty shall be governed by and construed under and in accordance with the laws of the State of Washington without regard to otherwise applicable principles of conflicts of laws. Any action arising out of this Guaranty must be commenced in King County Superior Court or the United States District Court of Washington. Guarantor consents to the jurisdiction of those courts in any such action and the laying of venue in the State of Washington.

d. Entire Agreement. This Guaranty constitutes the entire understanding between City and Guarantor with respect to the subject matter hereof; no course of prior dealing between the parties, no usage of trade, and no parole or extrinsic evidence of any nature shall be used to supplement or modify any terms; and there are no conditions to the full effectiveness of this Guaranty. All prior and contemporaneous negotiations, understandings and agreements between Guarantor and City with respect to the subject matter hereof are merged in this Guaranty.

e. Severability. If any provision of this Guaranty shall be invalid, illegal, or unenforceable, the validity, legality or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

f. Amendments. This Guaranty shall be amended only by a written instrument executed by City and Guarantor.

[Signature on the following page]

SIGNATURE PAGE TO COMPLETION GUARANTY

IN WITNESS WHEREOF, Guarantor has duly executed this Completion Guaranty as of the date first above written.

“GUARANTOR”

BOSA DEVELOPMENT CALIFORNIA II, INC.,
a California corporation

By: _____
Name: _____
Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of
Washington

My Appointment Expires: _____.

EXHIBIT A

**AMENDED AND RESTATED
PURCHASE AND SALE AND DEVELOPMENT AGREEMENT**

EXHIBIT H

Form of Bosa Deed of Trust

RETURN ADDRESS:

Brian L. Lewis, Esq.
Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, WA 98101-3034

DEED OF TRUST

(for use in the State of Washington only)

GRANTOR: BOSA DEVELOPMENT US LLC

GRANTEE: THE CITY OF SEATTLE

ABBREVIATED LEGAL DESCRIPTION: Lots 1-8, Block 32, Volume 1 of Plats, Page 25

FULL LEGAL DESCRIPTION ON PAGE 8

ASSESSOR'S TAX PARCEL NO.: 094200-0855-07

THIS DEED OF TRUST, made as of the _____ day of _____, 2017, between BOSA DEVELOPMENT US LLC, a California limited liability company ("**Grantor**"), as grantor, whose address is 1300-2025 Willingdon Ave., Burnaby, B.C., V5C 0J3; to CHICAGO TITLE INSURANCE COMPANY ("**Trustee**"), as trustee, whose address is 701 Fifth Avenue, Suite 2700, Seattle, Washington 98104; for the benefit of THE CITY OF SEATTLE, a first class charter city of the State of Washington ("**Beneficiary**"), as beneficiary, whose address is Department of Finance and Administrative Services, 701 Fifth Avenue, Suite 5200, Seattle, Washington 98104.

WITNESSETH:

Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, the following described real property in King County, Washington:

See Exhibit A attached hereto and incorporated herein by this reference (the "**Property**"),

which Property is not used principally or primarily for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This Deed of Trust is for the purpose of securing Grantor's obligation to pay to Beneficiary "**Delay Damages**" as that term is defined in that certain Amended and Restated Purchase and Sale and Development Agreement between Grantor and Beneficiary (the "**Development Agreement**") if and to the extent required to do so under the Development Agreement (the "**Secured Obligations**").

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the Property in good condition and repair; to permit no waste thereof; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property.

2. To pay before delinquent all lawful taxes and assessments upon the Property, and to keep the Property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust. Notwithstanding the foregoing, Beneficiary agrees to take any and all actions necessary to subordinate this Deed of Trust to the rights of the beneficiary under one or more Deeds of Trust or other security instruments recorded as an encumbrance(s) on the Property and securing financing arranged for development and construction of the Project contemplated under the Development Agreement.

3. To keep all buildings now or hereafter erected on the Property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall name Beneficiary as an additional insured, shall be in such companies as the Beneficiary may approve and shall have loss payable to the Beneficiary, as its interest may appear. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorneys' fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate of ten percent (10%) per annum (the "**Default Rate**"), shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. Trustee shall reconvey the Property to the person entitled thereto upon the written request of Beneficiary, which request Beneficiary shall deliver to Trustee upon Grantor's request to Beneficiary made upon "**Substantial Completion**" of the "**Plaza**" as each such term is defined in the Development Agreement and Grantor's payment to Beneficiary of the Secured Obligations.

4. Upon default by Grantor in the timely payment of any of the Secured Obligations and failure of Grantor to cure such default within ten (10) days of Grantor's receipt of written notice thereof, all of the Secured Obligations shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust Property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to payment of the Secured Obligations; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint, in writing, a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the

successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of and is binding not only on the parties hereto but on their heirs, devisees, delegates, administrators, executors and assigns.

9. Notwithstanding anything to the contrary contained herein, Grantor agrees that (except with respect to any transfer of the Property that is expressly permitted by the terms of the Development Agreement) upon the sale, transfer or encumbrance of all or a part of the Property described in this Deed of Trust or any interest therein, without the prior written consent of Beneficiary, Grantor shall be in default under this Deed of Trust and all sums secured by this Deed of Trust shall become immediately due and payable at the option of Beneficiary.

10. Grantor shall reimburse Beneficiary for all costs, including reasonable attorneys' fees, incurred by Beneficiary in enforcing any of its rights or remedies under this Deed of Trust. Grantor shall reimburse Beneficiary for all costs, including reasonable attorneys' fees, incurred by Beneficiary in case Beneficiary becomes a party, either as a plaintiff or defendant, to any legal proceedings in relation to the Property or in the lien granted hereby. Payment of such sums shall be secured hereby and shall be payable upon demand with interest from the date of each advance to the date of payment at the Default Rate.

11. Except as otherwise provided in Ch. 61.24 RCW, any notice required or permitted to be delivered to Grantor under this Deed of Trust shall be in writing and shall be deemed given (i) when delivered by hand during regular business hours, (ii) three (3) days after being sent by United States Postal Service, registered or certified mail, postage prepaid, return receipt requested and first class mail, postage prepaid, (iii) the next Business Day if sent by a reputable national overnight express mail service that provides tracing and proof of receipt or refusal of items mailed, or (iv) when sent if sent by facsimile during business hours, addressed to Grantor, at the address or addresses or facsimile number set forth below or such other addresses as Grantor may designate in a notice similarly sent. Notices to Grantor shall be delivered as follows:

If to Bosa: BOSA DEVELOPMENT US LLC
1300-2025 Willingdon Ave.
Burnaby, B.C., V5C 0J3
Attn: Richard Weir, Executive Vice President
Email: richardw@bosadev.com
Fax: 604.291.9120

With a copy to: McCullough Hill Leary, P.S.
701 Fifth Avenue, Suite 6600
Seattle, WA 98101
Attn: John C. McCullough
Email: jack@mhseattle.com
Fax: 206.812-3389

[Signature page follows]

“GRANTOR”

BOSA DEVELOPMENT US LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

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

“BENEFICIARY”

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

By: _____

Name: FRED PODESTA

Title: Director of Finance and
Administrative Services

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that FRED PODESTA 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 FINANCE AND ADMINISTRATIVE SERVICES of the CITY OF SEATTLE, a first class charter city of the State of Washington, to be the free and voluntary act and deed of such municipal corporation, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

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

**EXHIBIT A
LEGAL DESCRIPTION**

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 32, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;
TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THE SOUTHWESTERLY 9 FEET OF LOTS 1, 4, 5 AND 8, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 54135 FOR THE WIDENING OF THIRD AVENUE, AS PROVIDED BY ORDINANCE NUMBER 14345 OF THE CITY OF SEATTLE;
AND

EXCEPT THE NORTHEASTERLY 9 FEET OF LOTS 2, 3, 6 AND 7, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

After recording, return to:

THE CITY OF SEATTLE
Department of Finance and Administrative Services
Attn: Director
701 Fifth Avenue, Suite 5200
Seattle, WA 98104
PO Box 94689

PERPETUAL EASEMENT FOR PUBLIC ACCESS

GRANTOR: BOSA DEVELOPMENT US LLC

GRANTEE: THE CITY OF SEATTLE

SUMMARY LEGAL DESCRIPTION: Lots 1-8, Block 32, Volume 1 of Plats, Page 25

ADDITIONAL DESCRIPTION ON P. __

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(S): 094200-0855-07

PERPETUAL EASEMENT FOR PUBLIC ACCESS

THIS PERPETUAL EASEMENT FOR PUBLIC ACCESS (this "Easement") is made effective as of the _____ day of _____, 2017, by and between BOSA DEVELOPMENT US LLC, a California limited liability company ("Grantor") to the CITY OF SEATTLE, a first class charter city of the State of Washington ("City").

RECITALS

A. Grantor is the owner of real property legally described on Exhibit 1, hereto ("Grantor's Property"). Grantor acquired Grantor's Property from City pursuant to that certain Amended and Restated Purchase and Sale and Development Agreement between Grantor and City dated _____, 2017 (the "Agreement").

B. Grantor is developing Grantor's Property with a project comprising approximately _____ housing units, a parking garage, retail spaces and a public plaza ("Grantor's Project").

C. Grantor acquired Grantor's Property from the City subject to use and development restrictions requiring that a portion of Grantor's Property be used and developed only for public open space, in perpetuity.

D. Grantor's Project will provide public open space and an eventual interface with Seattle City Hall from the eastern façade of Grantor's Property via a public plaza on Grantor's Project, as generally depicted on Exhibit 2.

E. Grantor is designing such plaza to satisfy the requirements of SMC 23.49.008.A. The final design of such plaza shall be approved in a Master Use Permit to be obtained by Grantor for Grantor's Project (the "MUP").

GRANT OF RIGHTS AND COVENANTS

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

1. Grant and Purpose. Grantor hereby grants and conveys to the City the non-exclusive perpetual right to public access, limited to pedestrian and wheelchair travel on, across, over and through the surface of the plaza located and to be located on Grantor's Property, throughout the entire area shown by hatch marks on Exhibit 2 ("Public Access Area"). For purposes of this Easement, "wheelchair" includes any device for mobility of persons with disabilities allowed from time to time on public sidewalks in the City of Seattle. Such rights (referred to herein as the "Public Access Rights") shall include the City's right to install in the Public Access Area any directional signage that the City deems appropriate for the convenience of the public using the Public Access Area and that Grantor approves, which approval shall not unreasonably be withheld, conditioned or delayed. Except during times when the Public Access Area may be closed to the public under the terms hereof, the public shall, commencing upon Substantial Completion of the Plaza (as such phrase is defined in the Agreement), but not earlier, have free, open and continuous pedestrian and wheelchair access to and through the Public Access Area free of charge every day of the year, at least during the period beginning at 7:00 AM and ending at 10:00 PM local time, subject to

compliance with rules of conduct under Paragraph 6 below and all other terms and conditions of this Easement; provided that City employees in the performance of their official duties related to public safety may use the Public Access Area at all times. Grantor reserves the right to undertake measures to prevent public access onto Grantor's Property and Grantor's Project outside of the Public Access Area and to install measures reasonably intended to prevent use of or access to the Public Access Area during any times when public access is not permitted hereunder.

2. Grantor to Construct and Maintain Public Access Area. Grantor, at its sole expense, shall construct the Public Access Area and all improvements to be located within the Public Access Area consistent with the MUP and the Agreement and in full compliance with all laws, codes and regulations as they apply to public facilities, including without limitation standards under the Americans with Disabilities Act ("ADA"). Grantor, at its sole expense, shall maintain the Public Access Area in a safe, clean, and sanitary condition; shall promptly make any necessary repairs; shall not allow obstructions or debris to remain in the Public Access Area; and shall not cause or permit any structure or condition to exist on or adjacent to the Public Access Area that could be hazardous or dangerous to persons using the Public Access Area, with all of the foregoing being done to a standard at least commensurate with the standard to which the City and King County maintain their facilities in the neighborhood surrounding Grantor's Property. Notwithstanding the foregoing sentence, Grantor may locate and relocate from time to time obstructions to pedestrian or wheelchair travel or both (for example, artwork, planters, and other amenities) in the Public Access Area but shall always provide an unobstructed and improved pathway suitable for pedestrian and wheelchair travel. Grantor shall not be required to provide any direct access from the Public Access Area to the Downtown Seattle Transit Tunnel or the entrances thereto on 3rd Avenue. Following construction of the Public Access Area by Grantor, the parties shall amend Exhibit 2 to set forth the precise legal description for the as-built Public Access Area, which shall not extend beyond the boundaries indicated in Exhibit 2. Grantor shall pay any survey costs incurred in determining the precise legal description of the as-built Public Access Area.

3. Closure of Public Access Area. If the Public Access Area is opened to the public prior to completion of construction of other improvements being made at the time of construction of the Public Access Area and as part of the overall development of Grantor's Property or if, after completion of construction of all such improvements, Grantor redevelops portions of Grantor's Property other than the Public Access Area, Grantor may close the Public Access Area for such periods of time as may be reasonably required to accommodate on-going construction activities relating to the other improvements to Grantor's Property. At all other times, Grantor may close the Public Access Area for up to ten (10) calendar days per calendar year for routine maintenance or special events scheduled to occur on Grantor's Property. With the City's prior consent (except in cases of emergency), Grantor may also close the Public Access Area for periods reasonably necessary to complete necessary major non-routine maintenance upon Grantor's Property or the Public Access Area. From time to time, Grantor may use portions of the Public Access Area for purposes of maintenance of the Public Access Area or Grantor's Project. Grantor may also close the Public Access Area if activity in or around the Public Access Area poses a potential threat of injury to person or property, including Grantor's Project.

4. City Maintenance Rights. If Grantor fails to comply in a timely manner with its obligation under Paragraph 2 above to maintain any portion of the Public Access Area, the City shall have the right, but not the obligation, after at least five (5) days' notice of default to Grantor

(except in the case of emergencies, when advance notice shall not be required) to take such actions as the City deems necessary to maintain, repair, reconstruct, or alter the Public Access Area, all at the expense of Grantor, and Grantor shall reimburse the City promptly on demand for the costs of such actions. For the period, and to the extent, that the City requires access to Grantor's Property to exercise its rights under this paragraph, Grantor grants and conveys to the City the non-exclusive right to access on, across, over, under and through such portions of Grantor's Property as are reasonably necessary, for all purposes necessary, incidental, or related to construction, operation, repair, replacement, alteration, inspection, monitoring, and maintenance of the Public Access Areas, provided that Grantor may restrict access through Grantor's Project ("Public Access Area Maintenance Rights"). The City shall not modify the design or location of the Public Access Area, nor any portion of Grantor's Project, without Grantor's consent. Air rights, and the right to maintain, repair and replace all necessary supports, foundations and structural elements are included in the foregoing grant. The City, its contractors, agents, officers and employees, shall have free, open and continuous access on, across, over, under and through such portions of Grantor's Property as are reasonably necessary for the purposes described above, which shall include the right to operate any necessary motorized and non-motorized equipment and vehicles for such purposes. The City shall cause any portion of Grantor's Property disturbed by activities of the City, its contractors, agents, officers and employees undertaken pursuant to this paragraph to be restored as nearly as practicable to its condition prior to such activities, but shall not be liable for loss or damage to fixtures or installations that could not reasonably be avoided, despite reasonable efforts by the City to avoid damage.

5. Special Events. City may schedule use of the Public Access Area for public celebrations ten (10) times per calendar year or a total of thirty (30) hours (whichever occurs first); provided, that such uses shall not include social services, political demonstrations or protests.

6. Rules of Conduct.

A. Grantor may adopt and enforce reasonable rules of conduct in the Public Access Area for the safety and convenience of the public using the Public Access Area, pedestrian and wheelchair travel through the Public Access Area, and to prevent injury to persons or damage to property, provided such rules do not unreasonably interfere with the rights granted under this Agreement and are consistent with applicable law. Grantor shall provide reasonable advance written notice and a copy of the proposed rules to the City before they take effect. Grantor may require any person who does not comply with rules in effect under this Paragraph 6 to leave the Public Access Area and may take such other actions as Grantor deems reasonably necessary to enforce such rules.

B. The parties acknowledge that the Public Access Area is not being dedicated as a public street or sidewalk, and that the nature and limited purpose of the Public Access Rights are such that various activities traditionally permitted in public streets and sidewalks would not be appropriate for the Public Access Area. Compliance with rules in effect under this Easement is a condition of the right of any person to use the Public Access Area, except City employees performing activities related to public safety. Without limiting the generality of the foregoing provision, the parties specifically agree that the activities on Exhibit 3 shall be prohibited in the Public Access Area.

7. Rights and Remedies. The City shall have the right without prior institution of any suit or proceeding of law to exercise the rights afforded it at such times and to the extent provided in this Easement. In addition, the City shall have all remedies that may be available at law or in equity. The rights granted to the City are not obligations of the City and may be exercised at the City's discretion. The City shall not be liable or responsible for any injury, loss or damage caused by members of the public in exercising the rights of access granted hereunder, except to the extent that such injury, loss or damage is caused by the negligence of the City for which it has liability under applicable law, not including any City negligence regarding any condition that Grantor shall have caused or permitted contrary to this Easement or any agreement with the City. The City shall not be subject to any obligation under any security instrument or other agreement executed by Grantor regarding any part of the Grantor Property. The rights of the City and obligations of the Grantor are in addition to, and not in substitution for, the rights and obligations under any other agreement.

8. Indemnification.

A. Grantor Indemnification. To the fullest extent permitted by law, Grantor shall indemnify, defend (using counsel acceptable to City) and hold City, its officers, agents, employees and elected officials (collectively, "City Indemnified Parties") harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including City's actual and reasonable attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever arising out of Grantor's construction and operation of Grantor's Project, including, but not limited to, claims resulting from, arising out of, or connected with (i) the negligent acts or omissions of Grantor, its employees, agents, officers, affiliates, contractors, guests or invitees in constructing Grantor's Project, or (ii) Grantor's violation of any term or condition of this Easement.

B. City Indemnification. To the fullest extent permitted by law, City shall indemnify, defend (using counsel acceptable to Grantor) and hold Grantor, its employees, agents, officers, contractors, guests or invitees (collectively, "Grantor Indemnified Parties") harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including Grantor's actual and reasonable attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever resulting from, arising out of, or connected with City's use of the Public Access Area or Grantor's Property or City's exercise of its rights hereunder, to the extent attributable to the negligent acts or omissions by City, its agents, contractors or employees (but expressly excluding the negligent or intentional acts or omissions of members of the general public who are not acting on behalf of City).

C. Limited Waiver of Industrial Insurance Immunity; Indemnities Negotiated. City and Grantor agree that the foregoing indemnities specifically include, without limitation, claims brought by any of their respective employees against any other such party. THE FOREGOING INDEMNITIES ARE EXPRESSLY INTENDED TO CONSTITUTE A "WAIVER OF EACH PARTY'S IMMUNITY UNDER WASHINGTON'S INDUSTRIAL INSURANCE ACT, RCW TITLE 51, TO THE EXTENT NECESSARY TO PROVIDE ANY OTHER SUCH PARTY WITH A FULL AND COMPLETE INDEMNITY FROM CLAIMS MADE BY EACH SUCH PARTY AND ITS EMPLOYEES, TO THE EXTENT OF THEIR NEGLIGENCE. CITY AND GRANTOR ACKNOWLEDGE THAT THE INDEMNIFICATION

PROVISIONS OF THIS ARTICLE WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

9. Duration; Modification or Release.

A. The rights granted hereunder, and the covenants and servitudes in this Easement, shall inure to the benefit of the City, shall bind Grantor and each of its successors, transferees and assigns, including, without limitation, tenants, and the burden of this Easement shall run with the land described in Exhibit 1.

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

10. Representations and Warranties of Grantor. Grantor represents and warrants it holds fee simple title to the Grantor Property, which is subject to no liens, encumbrances, defects, leases, options or other interests except as set forth in Exhibit 4 hereto ("Permitted Encumbrances"), and that the rights granted hereunder are not and shall not be subject to any lien, encumbrance, defect, lease, option or other interest except for the Permitted Encumbrances.

11. Reserved Rights. Grantor reserves (a) the use of the airspace in and above the Public Access Area for the purpose of crane swing and for other purposes associated with the construction and operation of Grantor's Project, (b) the use of the Public Access Area as required for the construction, maintenance, repair, reconstruction and redevelopment of Grantor's Project, subject to the terms stated herein, and (c) all rights in and to Grantor's Property not inconsistent with the rights granted herein. In addition, Grantor may install, use, maintain and repair limited improvements in the Public Access Area as reasonably necessary to operate Grantor's Project, provided that such improvements are approved by the City as not substantially interfering and being consistent with the public use and enjoyment of the Public Access Area as provided herein.

12. Successors and Assigns. This Easement shall inure to the benefit of and be binding upon the parties and their successors and assigns, and shall run with the land.

EXHIBITS:

- Exhibit 1 - Legal Description of Grantor Property
- Exhibit 2 - Depiction of Public Access Areas
- Exhibit 3 - Prohibited Uses
- Exhibit 4 - Permitted Encumbrances

[signatures on following page]

“GRANTOR”

BOSA DEVELOPMENT US LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

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

“CITY”

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

By: _____
Name: FRED PODESTA
Title: Director of Finance and Administrative
Services

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that FRED PODESTA 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 FINANCE AND ADMINISTRATIVE SERVICES of the CITY OF SEATTLE, to be the free and voluntary act and deed of such municipal corporation, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 2017.

(Signature of Notary)

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

EXHIBIT 1

LEGAL DESCRIPTION OF GRANTOR'S PROPERTY

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8, BLOCK 32, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT ON THE CLAIMS OF C. D. BOREN AND A. A. DENNY AND H. L. YESLER (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 25, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE VACATED ALLEY IN SAID BLOCK ADJOINING SAID LOTS;

EXCEPT THE SOUTHWESTERLY 9 FEET OF LOTS 1, 4, 5 AND 8, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 54135 FOR THE WIDENING OF THIRD AVENUE, AS PROVIDED BY ORDINANCE NUMBER 14345 OF THE CITY OF SEATTLE; AND

EXCEPT THE NORTHEASTERLY 9 FEET OF LOTS 2, 3, 6 AND 7, CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 50320 FOR THE WIDENING OF FOURTH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 13074 OF THE CITY OF SEATTLE.

EXHIBIT 2
DEPICTION OF PUBLIC ACCESS AREA

EXHIBIT 3
PROHIBITED USES

- Camping or sleeping
- Placement or storage of materials, including personal belongings
- Pets off-leash
- Smoking
- Carrying handguns or weapons (except by licensed officers or security)
- Violation of any law or regulation
- Posting of signs or notices (but not holding signs, signature gathering or hand billing)
- Possession of alcoholic beverages
- Urinating, defecating or engaging in personal hygiene activities
- Use of amplified sound
- Maintaining a fire
- Loitering
- Damage or vandalism to any plaza improvements or the project
- Abusive, intimidating or harassing behavior
- Operating a vehicle or propulsion device of any kind, regardless of source of power
- Possession of illegal drugs
- Sexual activities or misconduct
- Assault or fighting
- Use of on-site water or electricity by the public
- Use of drones or any remote control device
- Any other activity which may cause injury to persons or damage to property, which unreasonably interferes with the enjoyment of the Plaza by others or which obstructs access to or public or private use and enjoyment of the Plaza or the Project

EXHIBIT 4

PERMITTED ENCUMBRANCES

1. Liens for taxes and assessments not yet due and payable.
2. Matters contained in that certain document

Entitled: Transit Way Station Entrance Easement and Construction Agreement
Executed by: The King County Department of Metropolitan Services and the City of Seattle
Recording Date: August 31, 1995
Recording No.: 9508310887
3. Lien and special assessments created under City of Seattle Ordinance Nos. 124175 and 124235, establishing a Downtown Parking and Business Improvement Area, and any amendments, renewals or replacements thereof (to the extent not yet due and payable).