

September 2, 1998
clerk 9/8/98

Jane Hague
Greg Nickels
Pete von Reichbauer
Kent Pullen
Cynthia Sullivan
Rob McKenna
Larry Gossett
Chris Vance
Louise Miller
Larry Phillips

Introduced By:

Proposed No.:

98-448

ORDINANCE NO. **13262**

1
2 AN ORDINANCE relating to the implementation of the
3 Agreement and Letter of Intent regarding the transfer and
4 disposition of stadium and stadium-related properties executed
5 on June 25, 1998 by the King County Executive, the Mayor of
6 the City of Seattle, the Director of the Washington State
7 Department of Transportation, the Washington State Public
8 Stadium Authority, First and Goal, Inc. and Football
9 Northwest LLC; authorizing the Executive to execute a
10 property transfer agreement between King County and the
11 Public Stadium Authority; approving the direct granting of a
12 purchase option to First and Goal, Inc. for certain county
13 properties adjacent to the property to be transferred; and
14 authorizing the Executive to execute such other agreements as
15 are necessary to implement the Agreement and Letter of
16 Intent.

17 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

18 SECTION 1. Findings.

19 The council makes the following findings of fact:

20 A. At a special election held on June 17, 1997, the voters of the State of
21 Washington approved Referendum 48 [1997 Laws of Washington, Chapter 220] (the
22 "Stadium Act" or the "Act").

1 B. The Stadium Act provides a comprehensive framework for the financing,
2 construction, ownership and operation of a “stadium and exhibition center,” defined as “an
3 open-air stadium suitable for National Football League football and for Olympic and World
4 Cup soccer, with adjacent exhibition facilities, together with associated parking facilities and
5 other ancillary facilities.” Stadium Act §101(9).

6 C. The Stadium Act authorizes the Washington State Public Stadium Authority
7 (“PSA”), in consultation with First and Goal, Inc. (“FGI”), a “team affiliate” under the Act,
8 to determine the site, the overall scope of the project, and the overall design and
9 specification for the stadium and exhibition center. Stadium Act §106(1)-(3).

10 D. The Stadium Act requires the county to “assemble such real property and
11 associated personal property” as the PSA and the county “mutually determine to be
12 necessary as a site for the stadium and exhibition center”. Stadium Act §109(2). The Act
13 further requires that property mutually determined necessary for this purpose which was
14 owned by the county on or after the Act’s effective date in July 1997 must be contributed to
15 the PSA. Id. Property that is encumbered by debt may be transferred by the county to the
16 PSA, but “obligation for payment of the debt may not be transferred.” Id.

17 E. Pursuant to §102(1) of the Stadium Act, King County and Football
18 Northwest LLC entered into that certain Agreement and Letter of Intent between the
19 County and Football Northwest dated June 30, 1997, in which the county agreed to
20 assemble and contribute such property mutually determined to be necessary in the event the
21 Kingdome site was determined to be the site for the stadium and exhibition center, subject
22 to certain conditions precedent set forth in the Agreement and Letter of Intent. Those
23 conditions precedent were: (1) satisfaction of all of the conditions of the Stadium Act,

1 provided that the transfer of any such property may be pursuant to escrow arrangement to
2 the extent such transfer itself is required in order to satisfy any of the conditions set forth in
3 such section; (2) transfer of any such property shall be subject to the terms of any existing
4 use agreements then in effect; (3) the PSA shall have entered into an agreement with the
5 county adequately mitigating the fiscal impact to the county's current expense, transit and
6 stadium funds; and (4) transfer of any such property that constitutes a portion of the
7 Kingdome site shall not prohibit or substantially limit the county's ability to continue to
8 operate county-owned facilities associated with such property under a use permit(s).

9 F. Pursuant to Ordinance No. 12807 dated June 30, 1997, King County has
10 amended its Kingdome Use Agreement with Football Northwest LLC ("FNW" to permit
11 the county to assign its interest in the Kingdome to the PSA through a First Amendment to
12 Consent to Assignment and Amendment of Use Agreement dated July 31, 1997.

13 G. In consultation with FGI, the PSA initially determined, through the adoption
14 of Resolution 43 on April 30, 1998, that the site for the stadium and exhibition center shall
15 be that site currently occupied by the Kingdome, owned and operated by the county. The
16 proposed stadium and exhibition center includes a 67,000-seat-open-air stadium, a 325,000
17 square foot exhibition center and a 2,000-car parking garage.

18 H. Concurrent with the PSA's site selection process, the King County executive
19 and the city of Seattle mayor expressed a strong public policy interest in selling and
20 proposed to sell certain Kingdome-related properties to a private developer for the purpose
21 of developing the property for mixed uses, including housing, retail and work space. The
22 proposal anticipated development of the north Kingdome parking lot (the "North Lot") and
23 the property known as the Johnson Building, which is owned by King County, located west

1 of the Kingdome across Occidental Street, and currently used by the county's department of
2 stadium administration for storage purposes. The proposal was premised on neither
3 property being determined necessary as permanent components of the site of the stadium
4 and exhibition center.

5 I. Also concurrent with the PSA's site selection process, the Washington State
6 Department of Transportation ("WSDOT") expressed its desire to use portions of the North
7 Lot for parking and bus staging to serve the Intermodal Facility being developed at King
8 Street Station in Seattle. During May and June 1998, representatives of the mayor, the
9 county executive, the PSA, FGI and WSDOT met to reconcile their varying interests in the
10 North Lot. Pursuant to that certain Agreement and Letter of Intent dated June 25, 1998,
11 (the "multi-party letter of intent"), a copy of which is attached hereto as Attachment A, the
12 signatories thereto, including the executive and the PSA, agreed on a plan for the
13 conveyance of all real and personal property thereby determined necessary as a site for the
14 stadium and exhibition center, and for potential development of the remaining portion of the
15 North Lot of the Kingdome and the Kingdome-related Johnson Building.

16 J. Pursuant to the multi-party letter of intent, and subject to the conditions set
17 forth therein, the King County executive and the PSA agree that the "south half" of the
18 North Lot is necessary for the stadium and exhibition center, and that the county will
19 relinquish all right and interest it has in this property upon transfer of title to the PSA. In
20 return, the PSA will relinquish all right and interest in the "north half" of the North Lot,
21 except as expressly provided in the multi-party letter of intent, the PSA may continue using
22 the North Lot for stadium and exhibition center purposes unless it is displaced by mixed use
23 development, and the PSA may seek transfer of title to the "north half" of the North Lot if

1 development does not occur before 2008. The multi-party letter of intent further specifies
2 the terms under which development on the north half of the North Lot may occur. In
3 consideration for the mutual obligations set forth in the multi-party letter of intent, including
4 securing the release of the office building option held by FNW under its amended use
5 agreement with the county, the document contemplates the grant of options by the county
6 to FGI to purchase for appraised market value the north half of the North Lot and the
7 Johnson Building. As additional consideration for said options, if FGI elects not to exercise
8 its option rights, FGI shall share with any third party developer of the North Lot and the
9 Johnson Building, all marketing and other economic studies relating to said properties
10 generated by or on behalf of FGI.

11 K. Implementation of the multi-party letter of intent requires the execution of a
12 series of agreements and instruments, including: (1) an agreement between King County
13 and the PSA to convey real and personal property, the form of which is attached hereto as
14 Exhibit B; (2) a special use permit or other instrument giving the PSA control of the south
15 Kingdome parking lot pending conveyance of the property; (3) a 20-year lease with two 20-
16 year extension options or other similar instruments giving WSDOT the right to use certain
17 property on the North Lot for purposes relating to the planned King Street Intermodal
18 Facility; (4) 20-year lease with two 20-year extension options giving the PSA, or King
19 County or the City of Seattle, who shall unconditionally and immediately upon King
20 County's vacation of the Kingdome, assign said lease and options to the PSA, the right to
21 use five (5) WSDOT parcels along Royal Brougham Way; (6) a short plat, lot line
22 adjustment or other action or instrument dividing the north portion of the North Lot from
23 the remainder of the contiguous Kingdome property; (7) a deed conveying title to the south

1 portion of the Kingdome property to the PSA; (8) an option agreements(s) to FGI for the
2 purchase of the north portion of the North Lot and the property known as the Johnson
3 Building; and (9) a lease or use agreement for temporary use of the Johnson Building by the
4 PSA.

5 L. The sale of county real property generally must be made to the highest
6 responsible bidder at public auction or by sealed bid except when the county council, by
7 ordinance has determined that unique circumstances make a negotiated direct sale in the
8 best interest of the public. KCC 4.56.100(A)(2).

9 M. A negotiated direct sale of the north portion of the North Lot and the
10 Johnson Building to FGI under the terms set forth in the multi-party letter of intent and this
11 Ordinance, is in the best interests of the public because of the following circumstances:

- 12 1. Because of its role in the planning, design, construction and operation of the new
13 stadium and exhibition center, FGI is uniquely able to ensure that a housing/mixed use
14 development on the North Lot, and redevelopment of the Johnson Building, will be
15 compatible with the design and operation of these public facilities, and that the design
16 and operation of these new public facilities will be compatible with development of the
17 North Lot and Johnson Building.
- 18 2. FGI has completed numerous studies and assembled a significant body of data for the
19 purpose of determining physical and environmental factors which affect development of
20 the Kingdome site. FGI is uniquely able to access and use this information in
21 determining the feasibility of North Lot and Johnson Building development.

- 1 3. FGI has assembled a team of design, engineering, environmental science, land use and
2 construction professionals to perform work on the stadium and exhibition center
3 project. FGI has offered to employ these and other development professionals, at no
4 cost to the County, to perform pre-development feasibility and design work, provided
5 FGI is granted an option to purchase the County properties at fair market value. FGI
6 has also agreed to turn the work product resulting from these efforts over to the County
7 without charge in the event FGI elects not to exercise the option to purchase the County
8 properties.
- 9 4. The quantity of housing that can be provided on the North Lot can be significantly
10 increased if some or all of the south portion of the North Lot can be used for housing.
11 FGI is the sole party with a right to purchase the property for this type of development,
12 provided certain conditions set out in the multi-party Letter of Intent are satisfied.
- 13 5. FGI has established a good working relationship with the Pioneer Square Merged
14 Interests group and has received strong support from that group for its proposed option
15 to purchase the County properties for development.
- 16 6. As more specifically set forth in the multi-party letter of intent, FGI has agreed to
17 surrender a \$2 million credit which will relieve the County of this liability, and has
18 agreed to obtain the release from FNW of its option to construct an office building on a
19 portion of the North Lot, thus clearing an encumbrance on title that could preclude
20 other development.
- 21 7. Granting of the option and right of first refusal to FGI is a pre-condition of the
22 agreement by the PSA to divide the North Lot as set forth in the multi-party letter of
23 intent. Without this agreement, and so long as a dispute as to the legal effect of the

1 Stadium Act upon this property persisted, the County would be precluded from
2 conveying clear, marketable title to another developer. The property transfer agreement
3 as set forth in the multi-party letter of intent allows this cloud on the title of the North
4 Lot to be removed, and increases the likelihood that development of a housing/mixed
5 use project on the North Lot will occur.

- 6 8. In addition, such unique circumstances, including but not limited to the Stadium Act and
7 the provisions of the multi-party agreement, justify the surplus procedures and
8 determinations made pursuant to this ordinance.

9 N. All provisions of the multi-party letter of intent are subject to the
10 requirements of the Washington State Environmental Policy Act, RCW 43.21C
11 ("SEPA"), and applicable state and local regulations. SEPA compliance is required for
12 government actions necessary to implement the multi-party letter of intent unless the
13 action is exempt.

14 O. Residential/mixed use development of the north portion of the North Lot and
15 redevelopment of the Johnson Building in a manner which is compatible with
16 development of the stadium and exhibition center is highly desirable and in the best
17 interests of the citizens of King County.

- 18 1. This development is consistent with and helps implement the King County
19 Comprehensive Plan, Countywide Planning Policies and the Growth
20 Management Act, all of which call for concentrated infill development in Urban
21 Areas which makes efficient use of existing and new public facilities and
22 services.

1 2. This development is highly transit oriented. It will be located in close proximity
2 to regional and local transportation facilities, including the Bus/Light Rail
3 Tunnel, Amtrak rail service, the King Street Intermodal Transportation Center,
4 and Sound Transit commuter rail service.

5 3. This development will help meet the growing need for housing in King County,
6 and will provide the opportunity for the County and City to obtain affordable
7 housing within a major employment center.

8 SECTION 2. The executive is hereby authorized to execute on behalf of King
9 County the proposed Property Transfer Agreement between King County and the Public
10 Stadium Authority in substantially the form as attached hereto as Attachment B. Provided
11 that section 5.1.2 of the Property Transfer Agreement shall explicitly state that "Subject to
12 the completion of review under the State Environmental Policy Act, the County shall grant
13 an option and right of first refusal to FGI with respect to such development". Provided
14 further that the Property Transfer Agreement shall state that "the preliminary design process
15 for any parking structure developed in the areas referred to as the southwest quadrant of the
16 north lot or the south lot shall include consideration of, and specific written findings on,
17 whether the structure should be designed and constructed in a manner to provide event
18 staging."

19 SECTION 3. The executive is hereby authorized to negotiate and execute
20 agreements with FGI granting to FGI options to purchase the north portion of the North
21 Lot and the Johnson Building pursuant to the terms set for in Attachment A.
22 Notwithstanding any provision in KCC 4.56.080, the council hereby determines that the

1 north portion of the north lot and the Johnson Building will, except as otherwise provided in
2 the transfer agreement, become surplus to the county's needs upon transfer of use and
3 control of the Kingdome parcel to the PSA and the expiration of all of the County's
4 obligations to Kingdome tenants (other than the PSA) under any Kingdome use agreements.
5 Furthermore, consistent with KCC 4.56.100 the council hereby determines that unique
6 circumstances exist such that the grant of options to FGI to purchase the north portion of
7 the North Lot and the Johnson Building, and the direct sale pursuant to the options, all in
8 accordance with the multi-party letter of intent, is in the best interest of the public.

9 Notwithstanding any provisions of KCC 4.56 the Executive is hereby authorized to
10 negotiate and, upon submission by the PSA of the certification required by section 210 of
11 the Stadium Act, execute agreements with FGI granting to FGI options to purchase the
12 north portion of the North Lot and the Johnson Building pursuant to the terms set forth in
13 Attachment A;

14 Provided that the option agreement shall include a provision regarding the appraisal process
15 for establishing the fair market value in substantially the following form:

16 Appraisal Process

17 King County and the optionee (the "principals") shall each select an MAI certified
18 appraiser (the "selected appraisers") and the two selected appraisers shall select a third MAI
19 appraiser (the "third appraiser") who shall have the authority to resolve disputes as set forth
20 herein.

1 The selected appraisers shall meet and confer with the principals to establish parameters for
2 and exchange information relevant to the appraisal process. Any dispute regarding the
3 appropriate appraisal parameters shall be resolved by the third appraiser.

4 Each selected appraiser shall independently determine the value of the property, with
5 appropriate weight given to the reduction in market value attributable to the replacement
6 parking obligation, and with consideration given to all other factors affecting market value,
7 including but not limited to the presence of contaminated soils, soil stability, hydraulic
8 conditions, restrictions on housing type and price, if any, and other features of the land or
9 applicable regulations that affect the cost of development, or reduce the value of a mixed-
10 use housing development.

11 In the event that the selected appraisers arrive at the same value, such value shall be the
12 purchase price of the property.

13 In the event that the selected appraisers arrive at a different value and the principals cannot
14 agree to an appropriate purchase price based upon the valuations of the selected appraisers,
15 the selected appraisers shall present their appraisals to the third appraiser who shall have
16 the authority to establish the purchase price, and whose decision shall be final.

17 Each of the principals shall bear the cost of their own selected appraiser and shall equally
18 share the cost of the third appraiser.

19 Provided further that the executive shall not execute any option agreement or any other
20 purchase and sale instrument for the north portion of the North Lot which reduces the
21 minimum housing gross square footage or minimum housing percentage of total square

1 footage requirements as set forth in the Agreement and Letter of Intent dated June 25,
2 1998, without first obtaining approval by motion of the King County Council.

3 Provided further that before the option agreement may be executed, all applicable
4 requirements under SEPA shall be satisfied.

5 Provided further that option agreement shall include a provision conditioning the right to
6 exercise the option only upon council approval in the event that appraisal process results in
7 a determination that the property has no market value or a negative value.

8 Provided further that the option agreement shall contain provisions that (1) an advisory
9 group shall be formed to consult with FGI on matters relating to the prospective housing
10 development. This group shall be comprised of representation from the county council, the
11 county executive, the city of Seattle and Pioneer Square Merged Interests (or its successor
12 group); and (2) In the event that the City and County have not reached an agreement on the
13 level, form and shares of the housing subsidy funding, FGI shall give not less than 120 days
14 notice to the county of its intent to exercise the option in order that the parties may attempt
15 to reach agreement on potential housing subsidies. Provided further that at a minimum, the
16 first \$3 million of any proceeds from the sale of the North Lot to a developer shall be set-
17 aside to subsidize housing units within King County for households earning less than 80% of
18 median income. If the proceeds from the sale are less than \$3 million, all of the proceeds
19 shall be set-aside for housing subsidies.

20 SECTION 4. The King County executive is hereby authorized to execute such
21 other agreements and instruments as are reasonably necessary to implement the provisions

1 of the multi-party letter of intent, and consistent therewith, including but not necessarily
2 limited to: (1) a special use permit or other instrument giving the PSA control of the south
3 Kingdome parking lot pending conveyance of the property; (2) a 20-year lease with two 20-
4 year extension options or other similar instruments giving WSDOT the right to use certain
5 property on the North Lot for purposes relating to the planned King Street Intermodal
6 Facility; (3) 20-year lease with two 20-year extension options giving the County or the City
7 of Seattle, who shall unconditionally assign said lease and options to the PSA, the right to
8 use five (5) WSDOT parcels along Royal Brougham Way; (4) a short plat, lot line
9 adjustment or other action or instrument dividing the north portion of the North Lot from
10 the remainder of the contiguous Kingdome property; (5) a deed conveying title to the south
11 portion of the Kingdome property to the PSA; (6) an option agreement(s) consistent with
12 Section 3 of this Ordinance to FGI for the purchase of the north portion of the North Lot
13 and the property known as the Johnson Building; and (7) a lease or use agreement for
14 temporary use of the Johnson Building by the PSA.

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SECTION 5. Prior to FGI's exercise of the option, the executive shall seek to negotiate with the city of Seattle an intergovernmental agreement specifying City-County commitments for funding housing subsidies for Pioneer Square and the International District.

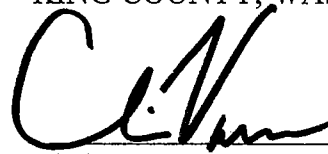
INTRODUCED AND READ for the first time this 27th day of

July, 1998

PASSED by a vote of 11 to 0 this 8th day of September,

1998.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



VICE Chair

ATTEST:

[Handwritten Signature]
Clerk of the Council

APPROVED this 9 day of September, 1998



King County Executive

- Attachments: A. Agreement and Letter of Intent, dated June 25, 1998
B. Agreement Re Stadium and Exhibition Center (with attached Exhibits A, B, C and D)

13262

AGREEMENT

And

LETTER OF INTENT

This agreement and letter of intent is between:

King County, Washington, a duly incorporated municipal corporation of the State of Washington (the "County");

City of Seattle, a duly incorporated municipal corporation of the State of Washington (the "City");

Washington State Public Stadium Authority, a duly incorporated municipal corporation of the State of Washington (the "PSA");

First & Goal, Inc., a business corporation duly organized under the laws of the State of Washington ("FGI");

Football Northwest, Inc., a business corporation duly organized under the laws of the State of Washington ("FNW"); and

Washington State Department of Transportation, an agency of state government ("WSDOT").

(Collectively, the "parties.")

WHEREAS, the parties enter into this letter of intent to establish a plan for future use of the North Lot of the Kingdome properties, currently owned by the County and located in the City of Seattle; and

WHEREAS, each party has a need to use parts of the North Lot, and has rights and interests in the North Lot under existing agreements, laws, and other arrangements that conflict with the rights and interests of other parties; and

WHEREAS, the requirement under the Stadium Act (Laws of 1997, Ch. 220, Sec. 109) that the PSA and County mutually determine what property is necessary for the PSA's football/soccer stadium and exhibition center project has prompted all of the parties to develop an agreement for future use of the North Lot that will satisfy each party's interests.

ACCORDINGLY, the parties agree as follows:

GENERAL PROVISIONS

1. The parties recognize that to implement the provisions of this Letter of Intent, certain official actions must be taken, certain official authorizations must be obtained, and certain agreements must be entered into subsequent to the date of this document. This executed document represents each party's pledge to take all actions reasonably necessary in a timely fashion to accomplish its intent.

2. All provisions of this Letter of Intent are subject to the requirements of the Washington State Environmental Policy Act, RCW 43.21C, and applicable state and local regulations. Whenever action by a governmental body is required by a provision of this document (e.g., siting and permitting of a parking structure; decision to conduct parking and/or staging at an alternate location; permitting of North Lot development), the parties acknowledge that environmental review will be required unless the action is exempt from SEPA.

KINGDOME NORTH LOT

3. The County and PSA agree that the "south half"¹ of the North Lot is necessary for the Stadium and Exhibition Center project site, and the County will relinquish all right and interest in this property upon transfer of title to the PSA, provided the County shall retain the right to continue operation of the Kingdome through the 1999 football season. The PSA shall execute an agreement to enable the County to complete Kingdome operations under the terms of any use agreements then in effect.

4. Pursuant to the Stadium Act, Sec. 109 (Laws of 1997, Ch. 220), the County agrees to contribute and transfer title to the South Parking Lot, Pavilion area, Kingdome footprint and south half of North Lot to the PSA upon completion of a short plat, lot line adjustment, binding site plan, or other procedure available to create a legally divisible parcel or parcels (collectively "short plat").

5. The PSA and/or FGI shall be responsible for completing the short plat process at their expense.

¹ Boundary to be the southern edge of the future Weller Street extension right-of-way. The right-of-way will be 60 feet in width, with the centerline aligned with the centerline of the Weller Street Pedestrian Bridge as shown on current engineering drawings. Street right-of-way for the Weller Street extension shall come from the north half of the North Lot.

6. The County shall grant authority to the PSA and/or FGI to apply for the short plat or other approval.

7. In the event the short plat approval will not be obtained prior to the date the PSA and FGI need to commence work on the project site (currently, September, 1998), the County shall execute an agreement authorizing work on the site to proceed pending the short plat and conveyance of title to the property.

8. Neither the PSA nor FGI shall be entitled to receive any revenue from an admissions tax levied in connection with Kingdome events as a consequence of transfer of title prior to completion of Kingdome operations.

9. The PSA relinquishes all rights and interest in the north half of the North Lot with the following exceptions:

- a. The County agrees to provide a 90-foot-wide, dedicated right-of-way (60-foot-wide roadway plus sidewalks) or equivalent access easement along the extension of Second Avenue South to provide access to the south half of the North Lot. The right-of-way or easement shall be in effect at the time of, and as a condition of, termination of the right of use of the north half of the North Lot by the PSA as provided for below.
- b. The County will allow (without charge) the PSA temporary use of the north half of the North Lot following completion of the final Kingdome event and during the Stadium and Exhibition Center construction period (estimated to continue through 2002) for parking, construction staging and event staging. After the new Exhibition Center is built and operational, and until the County ceases Kingdome operations, the County will make the North Lot available (without charge) for event staging.
- c. The County agrees that the PSA will have the use of the north half of the North Lot (without charge) for parking and event staging after completion of the Stadium and Exhibition Center until notice of commencement of the mixed-use development is given pursuant to the notification procedure which follows:
 - i. At any time after (1) issuance of an occupancy permit for the Stadium, (2) satisfaction of the access requirement set forth above, and (3) issuance of a Master Use Permit (MUP) for the mixed-use development, the developer may give written notice to the PSA to cease use of the north half of the North Lot by a date not less than thirty days from receipt of the notice.

ii. The PSA shall cease use of the north half of the North Lot by such date, provided that such use may be resumed if construction on the mixed use development has not begun within 30 days from the date of termination of use specified in the notice, subject again to termination pursuant to the notice provisions set forth in this section.

iii. If development has not begun on the North Lot by July 1, 2008, or within six years after an occupancy permit is issued for the football/soccer stadium, whichever is later, and if the PSA has identified a stadium/exhibition use for which the north half of the North Lot is necessary, then the PSA may seek transfer of the land from the County at that time pursuant to the Stadium Act.

iv. The notification shall specify whether the development will include extension of Weller Street west of Second Avenue South, or other development of the land area within the area which would be occupied by Weller Street, if extended. The PSA shall have the right to continue parking and staging (without charge) on such area not used for street or other development.

NORTH LOT DEVELOPMENT

10. As a condition of developing the north half of the North Lot, the developer, at its cost, must provide for a parking structure that provides the number of replacement parking spaces ("replacement parking") determined per the following formula:

$A + B + C - D$, where:

A = 458 (agreed number displaced north of Weller Street, plus eastern leg of Weller);²

B = number of surface spaces displaced by garage pillars, entrances, etc., if any;³

² The contemplated dedication of Second and Third Avenues southward through the North Lot, and the dedication of Weller Street westward through the North Lot are referred to as the "Second Avenue extension," the "Third Avenue extension," and the "Weller Street extension," respectively. The extension of Weller Street westward from the Third Avenue extension to the Second Avenue extension is referred to as the "eastern leg" of Weller Street. The extension of Weller Street westward of the Second Avenue extension to Occidental Avenue is referred to as the "western leg" of Weller Street.

³ *Provided* that if the parking garage is used to provide replacement parking stalls for parking eliminated to allow

- C = the number of stalls which will be displaced by construction of the western leg of Weller Street, or other development in the street extension area, if any; and
- D = credit for parking provided on WSDOT parcels (calculated on the basis of one for every three stalls which can reasonably be accommodated on the WSDOT parcels without significant expenditures for drainage or other improvements, other than normal paving expenses, currently estimated at 105 stalls. This number is subject to verification and final agreement by July 15, 1998.).
- The PSA shall own and control the parking structure (unless otherwise agreed by the PSA) and shall receive operating and parking tax revenue from the structure to the full extent of replacement parking.
 - The parking structure shall be located on the southeast quadrant of the North Lot (subject to SEPA review).
 - The parking structure shall be designed to standards mutually agreeable to the PSA, FGI, and the purchaser/developer of the north half of the North Lot, with a goal of holding construction costs per parking space to the average of the football stadium south lot and ballpark garages, adjusted for inflation, and taking into account any additional cost of meeting standards of the Pioneer Square Preservation District.

11. As an alternative to providing the required replacement parking in a parking structure located in the southeast quadrant of the North Lot, the developer may propose to provide other parking in another location or locations that is of equal value and utility to the Stadium and Exhibition Center Project. The alternative must be acceptable to both FGI and the PSA, which shall determine to accept or reject the proposal in their sole discretion.

12. To ensure adequate access and parking for the King Street Station Intermodal Facility (1) the County shall grant to WSDOT long-term lease rights (or

development on the south half of the North Lot, then the obligation to replace surface parking stalls displaced by the garage shall be prorated between the north half and south half developments, based on the numbers of displaced stalls in each development area. *Provided further*, that if the south half of the North Lot is developed and if the western leg of Weller is developed as a public right-of-way, the developer of the south half shall be responsible for replacing parking spaces displaced on the south side of the western leg of Weller Street. Parking spaces along the Weller Street extension are accounted for as they currently exist and are depicted on engineering drawings submitted as part of the Master Use permit application to the City of Seattle.

other forms of long-term rights) for designated areas in the northeast quadrant of the North Lot, and which are assignable to the entity that will be responsible for ownership and/or operations of the King Street Intermodal Facility; and (2) the development of the north and south halves of the North Lot shall occur, if at all, in a manner consistent with operation of the transit center.

- a. The use rights and development restrictions shall each be defined by, and consistent with the performance standards and other requirements set forth in the memorandum from Jeff Wolfe and Julie Blakeslee, Otak, dated June 11, 1998 (included by reference and attached as Exhibit A) with the following modifications:
- Streets in the north half of the North Lot shall be dedicated public rights-of-way. Second Avenue south shall be 90 feet in width; Weller Street shall be 60 feet in width and Third Avenue South shall be 72 feet in width. The intersections of Second and Weller, and Third and Weller, should be designed to accommodate a 60-foot turning radius.
 - Streets shall be constructed by the developer of the north half of the North Lot at the developer's expense, and dedicated to the City; provided that improvements to Third Avenue between Weller and King Streets will be improved by the City at its cost (using grant funds).
 - If streets in the south half of the North Lot are not dedicated public streets, a public transit transportation easement will be provided at no cost to the County to allow bus ingress, egress and through travel. The easement shall include the right to park three Metro articulated buses along the east side of the south half of the North Lot. Any improvement required to facilitate bus circulation shall be provided by the developer, and shall not be paid for by the County.
 - Backing of non-articulated charter buses in non-public right-of-way areas may be required in specific instances where an alternative plan is implemented to deal with special conditions, subject to Amtrak approval.
- b. The duration of the rights and development restrictions shall be co-extensive with the lease (or other rights of use) of the WSDOT properties identified in the following item no. 13, below, including all renewal terms.

13. In consideration of these lease or other use rights, and the limitations on development for the benefit of the transit center, WSDOT shall make the parcels

designated A, D, E, F and H in the vicinity of Royal Brougham Avenue, east of the BNSF right-of-way (as shown on the map labeled "DOT Lots") available without charge to the PSA to be used for event staging and parking. The parcels shall be leased, either directly to the PSA, or to the County and City, and assigned to the PSA. The lease shall be for a minimum of an initial 20-year term, with the unconditional right of the lessee or assignee to extend for two additional 20-year terms. The City confirms that the PSA and FGI can use legally established parking spaces on the WSDOT parcels to satisfy parking requirements under City code for the stadium and exhibition center project, and that both principal use and accessory parking are permitted outright in the IG-2 zone in which the WSDOT parcels are located.

14. In addition to the lease rights described in item nos. 12 and 13, above, the parties contemplate that the County will have certain short-term lease rights to WSDOT parcels E, F and H while it operates the Kingdome. It is the parties' intent to establish both the long-term and short-term lease rights (or other forms of use rights) described in item nos. 12 through 14 (inclusive) in one set of lease or other agreements, if possible. In addition, the parties expressly acknowledge that establishment of these lease rights (or other form of use rights) is an essential requirement of their North Lot arrangement, that the lease rights are mutually dependent, and that if any component of these lease arrangements is not established in timely fashion, any party can terminate the parties' agreement on the North Lot arrangement will terminate.

15. The City agrees that, in the event of closure of the at-grade railroad crossing at Royal Brougham, special at-grade crossing access (subject to train operations) shall be provided for event staging traffic to and from the Stadium and Exhibition Center.

Within 120 days of the effective date of this Letter of Intent, the Mayor will propose a resolution for City Council approval that will establish this special crossing right as a condition of any future closure of the at-grade crossing. Subject to the above City Council approval, the City will grant, in the event of closure of the crossing, a 50-year term permit for the special crossing right that shall be irrevocable during its term unless the Council determines by ordinance that the crossing area is necessary for public travel purposes. If the special crossing right is revoked, the City shall provide access comparable to the special crossing right.

If the crossing is closed prior to any North Lot development, and in the event the special crossing right provided for in this section is not available for event staging, then no development except for PSA and FGI approved Stadium and Exhibition Center-related development shall be allowed on the north half of the North Lot, until such time as the crossing right is provided.

16. FGI shall have an option to purchase the north half of the North Lot for a housing/mixed-use development, consistent with the King Street Station Intermodal Facility performance standards identified above.

- This right shall carry with it the obligation to provide for adequate replacement parking as required of the developer, above.
- The purchase price shall be fair market value of the property when used for a mixed-use development consisting primarily of housing, including street level uses, with appropriate consideration given to the option of including a hotel.
- Fair market value shall be determined by an appraisal process, with appropriate weight given to the reduction in market value attributable to the replacement parking obligation, and with consideration given to all other factors affecting market value, including, but not limited to the presence of contaminated soils, soil stability, hydraulic conditions, restrictions on housing type and price, if any, and other features of the land or applicable regulations that increase the cost of development, or reduce the value of a mixed-use housing development.
- The option may not be exercised, and shall automatically expire, unless an application for a master use permit or other required development approval is filed with the City on or before six months following the date of issuance of an occupancy permit for the Stadium, or before an additional six-month period if the PSA postpones its determination on FGI's option on the south half of the North Lot (as provided in item no. 17, below), provided that the option shall be automatically extended for a period equal to such period or periods of time during which the at-grade railroad crossing at Royal Brougham is not open for event staging traffic as provided below.
- As a condition upon the right to exercise the option, the development application must provide for development that satisfies at least one of the following criteria:
 - a) If the development site includes all or portions of both the north and south halves of the North Lot, the development must include not less than 445,000 gsf of housing on such land areas; or
 - b) If the development site does not include any portion of the south half of the North Lot (other than the site for a parking

structure), the development must include not less than 335,000 gsf of housing on the north half of the North Lot.

- In either case the development may include retail and other uses permitted by Seattle zoning regulations, provided that not less than 60 percent of the gross square footage of development (excluding parking) shall be devoted to housing.
- The option may not be exercised prior to the date upon which the stadium bonds are issued.
- If FGI concludes that development of the project in conformance with the criteria set forth above is not appropriate due to information gained about the site during development feasibility analysis, FGI may present this information to the City and County, and may exercise the option based upon an alternate development plan, provided the alternate development plan is approved by the County Executive and Mayor.
- The County and City shall have the right to propose that up to 20 percent of the number of dwelling units included in the development be affordable to persons earning between 50 and 80 percent of the Seattle area (SMSA) median income. FGI shall work in good faith with the County and City to implement the plan, provided that FGI shall not be obligated to implement the plan unless adequate funding is provided by the County and/or City to off-set or "buy down" a sufficient portion of the costs of development (including acquisition costs) to fund the proposal. The County Executive and the Mayor of Seattle intend to seek the support of the City and County Councils for funding for housing subsidies for the Pioneer Square and International District neighborhoods, which historically have been most affected by the Kingdome, and which prospectively will be most affected by the new sports facilities and exhibition center.
- During the term of the option, FGI may elect to propose a development agreement as authorized by state statutes in order to fix (vest to) development regulations, mitigation obligations, and for the other purposes identified in the statute. The City agrees to expeditiously consider the development agreement in good faith.
- In the event FGI does not exercise the option to purchase the north half of the North Lot, or for any reason the sale pursuant to exercise of the option does not close, FGI shall have a right of

first refusal to purchase the north half of the North Lot on the same terms and conditions of a proposed sale (or other transfer of ownership or similar control of any kind) to any other person or entity, which right must be exercised within 60 days of full notification of the terms of such proposed sale or other transfer, excluding the time reasonably required to prepare a development plan and obtain development approvals; *provided* that the right of first refusal shall only be in effect if the proposed sale would allow the developer to develop less housing than required as a condition of FGI exercising its option as set forth above, and/or if the sale price is less than the fair market value FGI would have been required to pay as determined above, including appropriate consideration of the terms and obligation for payment for the parking structure. The right of first refusal shall run through the term of FGI's master lease with the PSA, including renewals.

- In the event the north half of the North Lot is developed by any person or entity other than FGI, or its related entity, and unless otherwise approved by FGI and the PSA, a view corridor to and from the Stadium shall be preserved by prohibiting development in excess of 70 feet in height, for a distance of 60 feet on each side of the 90-foot Second Avenue South right-of-way.
- FGI and PSA shall each have the right to early review and comment on the development plans of any third-party developer of the north half of the North Lot. Comments on pedestrian or vehicular circulation, safety, security, conflicts with staging or parking, incompatibility of other design elements and view blockage shall be given specific consideration in preliminary review, environmental review, and at all steps in the County and City decision-making processes.
- Any development of the north half of the North Lot by a third party shall undergo review by the Pioneer Square Preservation District and comply with any special district regulations, or the equivalent.

17. FGI shall have an option to purchase the south half of the North Lot from the PSA. The development agreement and master lease between the parties shall contain provisions for the following:

- The option shall apply only to such area as the PSA determines is not necessary for parking, staging or other specific, identified Stadium or Exhibition Center needs.

- The PSA shall make its determination based upon any relevant information about stadium and exhibition center operations and needs, and upon an analysis of, and plan for, staging, parking and other identified needs. The PSA may consult with and seek input from the Consumer Show Coalition before making its determination.
- The analysis and plan for staging, parking and other needs shall be prepared by FGI at its cost, in consultation with the PSA. FGI shall not seek a determination from the PSA until completion of the first consumer show season in the new Exhibition Center.
- The PSA determination shall be made in good faith, based upon all relevant information available, and shall not be unreasonably delayed, conditioned or withheld. If the PSA determines that it is prudent or advisable to complete a second consumer show season in the new Exhibition Center before it makes its determination, the PSA may so postpone its decision. If the PSA so postpones its decision, the County shall extend its development option to FGI for an additional six months.
- The option to develop shall be conditioned on replacement of parking spaces displaced by the development.
- The purchase price shall be fair market value of the property when used for a mixed-use/housing development. Fair market value shall be determined by an appraisal process, with appropriate weight given to the reduction in market value attributable to the replacement parking obligation, and with consideration given to all other factors affecting market value, including, but not limited to, the presence of contaminated soils, soil stability, hydraulic conditions, restrictions on housing type and price, if any, and other features of the land or applicable regulations that increase the cost of development, or reduce the value of the property.
- The option may be exercised during the term of FGI's master lease with the PSA, including renewals.

SR 519

18. The Mayor and County Executive agree to advocate for SR 519 transportation facility improvements as follows:

- If Phase II of SR 519 is constructed at Royal Brougham, inclusion of a westbound ramp connecting Fourth Avenue to First Avenue designed to allow temporary eastbound egress from the stadium parking garage to Fourth Avenue after events.
- A southbound on-ramp to SR 99 at Royal Brougham.
- Further evaluation of alternative designs of Phase II, which may include alternative landings for the grade-separated structure at Royal Brougham.

19. If Phase II of SR 519 is built, and the Royal Brougham rail crossing is closed to general traffic, the City shall designate Royal Brougham between the mainline railroad tracks and Occidental Avenue South as a local access street, and shall work with the representatives of the two stadiums and the Exhibition Center on a street design that serves their needs, including access to the parking garage and loading docks, pedestrian access, movement of vehicles along the east side of the ballpark, and street area use for event staging for the stadium and exhibition center project.

20. The County Executive and Mayor agree to encourage the Mariners and PFD to work with the PSA and FGI to allow use of the eastern edge of the Ballpark property for event staging.

OTHER KINGDOME PROPERTY TRANSFER PROVISIONS

21. The County has provided a detailed list of all personal property used in operations of the Kingdome to the PSA and FGI. The PSA and FGI have identified those items of property that will be used in operation of, and which are necessary for, the Stadium and Exhibition Center project. Title to all items so designated shall be conveyed to the PSA without charge. All other property identified on the list shall remain the property of the County; *provided* if it is not removed from the Kingdome prior to the date the facility is secured for preparation of the demolition, all such property shall be conclusively presumed to have been abandoned and may be disposed of or destroyed without any liability to the County whatsoever.

22. FGI shall pay the sum of \$300,000 to the County for special transit service upon notice that the grant funds sought as partial funding for the service have been obtained.

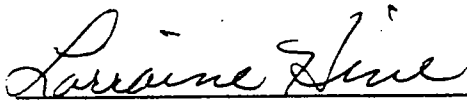
23. All obligation to reimburse the County for expenditures and/or to compensate the County for impacts upon its funds arising from the Stadium Act or from the Agreement and Letter of Intent shall be satisfied by cancellation of the \$2 million credit owing to Football Northwest (FNW), with the exception of the limited potential credit provided for below in connection with the Johnson Building.

24. The PSA shall be entitled to use the Johnson Building until stadium construction is complete for stadium and exhibition center storage. The PSA staff shall work with County staff to provide for storage by the County to the extent such joint use can be reasonably accommodated in space not needed for PSA storage, if any. FGI shall have the option to purchase the building at its appraised value after stadium construction is complete, provided that if the existing structure, or an equivalent amount of floor space in added structure, or a combination thereof, is devoted to artist loft housing, then FGI shall be entitled to use the remainder of the FNW credit in the amount of \$300,000 in reduction of the purchase price. The option shall expire unless exercised within 12 months of issuance of an occupancy permit for the Stadium and may be conditioned upon issuance of permits required for the intended use of the property.

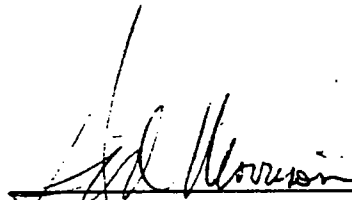
25. Covenant language shall be included in any purchase or lease contract for housing on the North Lot waiving any right to complain of noise, lighting, or any other function of a normally operating stadium and exhibition center facility that is in compliance with applicable noise and other regulations.

26. Football Northwest agrees that it will relinquish all right and interest in the option contained in its Kingdome Use Agreement with the County to build an office building on the North Lot.

DATED this 25th day of June, 1998.



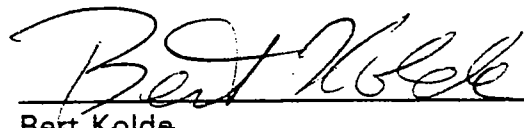
Lorraine Hine, Chair
Washington State Public Stadium
Authority



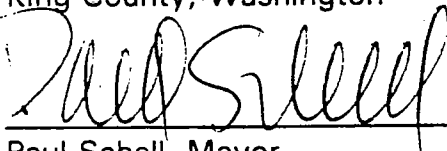
Sid Morrison, Secretary
Washington State Department of
Transportation



Ron Sims, County Executive
King County, Washington



Bert Kolde
First & Goal, Inc. (Vice Chair)
Football Northwest, Inc. (Vice Chair)



Paul Schell, Mayor
City of Seattle, Washington

Memorandum

To: King County, City of Seattle, Amtrak, WSDOT, FGI, and PSA

From: Jeff Wolfe, Julie Blakeslee, Otak

Copies: Gary Hartnett, Otak; Steve Leach, WSDOT; Kristine Hill, Summit Planning

Date: June 11, 1998

Subject: King Street Station -- Public Transportation Item Requirements

The following performance criteria for the transportation elements is provided for your review. This detailed criteria is presented as potential requirements for the future North lot developer to meet the needs of Amtrak and the King Street Station. Edit the list as you see fit for the M.O.U. that you are preparing.

Short Term Parking

- 70 short-term parking stalls, shared with local businesses;
- Time limitations of the stalls to be enforced 24 hour a day;
- Maximum length of stay to be two-hour;
- Parking fees at market rate;
- Signage directing the public to those stalls to include "Amtrak" in its verbiage (e.g. "Short term parking for Amtrak and local businesses");
- A minimum of five street signs in the general area to direct Amtrak patrons and other drivers to the parking;
- Signage at the parking to include "No Event Parking" within the verbiage;
- Travel distance as measured along travel path, to the most remote parking stall to be a maximum of 600' from Southwest corner of King Street Station;
- Parking to be no more than one level above/below street level;
- Parking sizes and access to meet city zoning code requirements;

Amtrak Thru-way Buses

- Parking for five 45' Amtrak thru-way buses;
- 10' wide sidewalk/load area to side of bus (preferably the starboard side) for loading luggage;
- Bus movements that require no backing *onto public right-of-way.*
- Bus access (turning radius, etc.) to meet Metro and Amtrak requirements;
- Travel distance as measured along travel path, to the most remote bus stall to be a maximum of 500' from Southwest corner of King Street Station;

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Metro Buses

- Parking for ~~two~~^{three} 60' articulated Metro buses;
- 10' minimum width sidewalk/load area to starboard side of bus for loading;
- Bus movements that require no backing;
- Bus access (turning radius, etc.) to meet Metro requirements;
- Travel distance as measured along travel path, to the most remote bus to be a maximum of 500' from Southwest corner of King Street Station;

Taxis

- Parallel parking load area for eight taxis;
- Stall spacing to be 24' to allow room for easy ingress/egress and loading of luggage into trunks;
- taxis to be in single line with the lead taxi closest to the station;
- Travel distance as measured along travel path, to the most remote taxi to be a maximum of 300' from Southwest corner of King Street Station;

Load / Unload Zone

- Parallel parking for seven general traffic autos;
- Signage to be city standard for passenger load zones (white zones);
- Travel distance as measured along travel path, to the most remote portion of load zone to be a maximum of 300' from Southwest corner of King Street Station;

Station Master's Garden

- Area to be south of King Street Station, North of Weller St. Bridge, and east of the east curb of the future 3rd Ave. South;

**AGREEMENT
STADIUM AND EXHIBITION CENTER
PROPERTY CONTRIBUTIONS AND RESERVATION OF POSSESSORY RIGHTS
BETWEEN
KING COUNTY, WASHINGTON
AND
THE WASHINGTON STATE PUBLIC STADIUM AUTHORITY**

WHEREAS, pursuant to Section 106(1), Chapter 220, Laws of 1997 (the "Stadium Legislation"), the Washington State Public Stadium Authority ("PSA") was granted the authority, in consultation with the team affiliate for the Seattle Seahawks, First & Goal Inc. ("FGI"), to determine the site for a stadium and exhibition center, ("stadium and exhibition center") consisting of an open-air stadium suitable for National Football League football and Olympic and World Cup soccer, exhibition facilities, associated parking facilities, and other ancillary facilities; and

WHEREAS, in consultation with FGI, the PSA has determined, through the adoption of Resolution No. 43 on April 30, 1998, that the site for such stadium and exhibition center shall be that site currently occupied by the King County Domed Stadium ("Kingdome") and associated Exhibition Pavilion ("Exhibition Pavilion"), owned and operated by King County ("County") in Seattle, Washington; and

WHEREAS, pursuant to Section 109(2) of the Stadium Legislation the County is required to "assemble such real property and associated personal property" as the PSA and the County "mutually determine to be necessary as a site for the stadium and exhibition center"; and

WHEREAS, pursuant to that same Section 109(2), property mutually determined necessary for this purpose that was owned by the County on or after the effective date of such legislation in July 1997 must be contributed to the PSA; and

WHEREAS, pursuant to Section 102(1) of the Stadium Legislation, the County and the predecessor of Football Northwest LLC ("FNW") entered into that certain Agreement and Letter of Intent between the County and FNW dated June

30, 1997, whereby the County agreed to assemble and contribute such property mutually determined to be necessary in the event the Kingdome site was determined to be the site for the stadium and exhibition center, subject to certain conditions precedent set forth in such Agreement and Letter of Intent; and

WHEREAS, such conditions precedent include: (i) Satisfaction of all of the conditions of Section 210(2) of the Stadium Legislation, provided that the transfer of any such property may be pursuant to escrow arrangement to the extent such transfer itself is required in order to satisfy any of the conditions set forth in such section; (ii) Transfer of any such property shall be subject to the terms of any existing use agreements then in effect; (iii) The PSA shall have entered into an agreement with the County adequately mitigating the fiscal impact to the County's current expense, transit and stadium funds; and (iv) Transfer of any such property that constitutes a portion of the Kingdome site shall not prohibit or substantially limit the County's ability to continue to operate County-owned facilities associated with such property under a use permit(s); and

WHEREAS, pursuant to Section 210(1) of the Stadium Legislation, the proceeds from the issuance of general obligation bonds of the state of Washington may be used, in part, to reimburse the County for its direct or indirect expenditures incurred by the County in connection with the transfer of property necessary for the stadium and exhibition center; and

WHEREAS, the PSA and the County acknowledge that the County has made certain direct and indirect expenditures, and expects to make certain additional direct and indirect expenditures, in connection with the transfer of property necessary for the stadium and exhibition center; and

WHEREAS, the County owns certain real property at the Kingdome site legally described in Exhibit A attached hereto ("County Property"), and for purposes of this Agreement deemed to consist of the following parcels as designated on attached Exhibit B: the South Parking Lot ("South Lot"); the Exhibition Pavilion Parcel ("Pavilion Parcel"); the Kingdome Parcel, including the south half of the North Parking Lot ("Kingdome Parcel"); and the north half of the North Parking Lot ("North Half Lot"); and

WHEREAS, the PSA and the County have mutually determined that certain real property and associated personal property owned by the County on or after July 1997 is necessary for the stadium and exhibition center to be constructed at the Kingdome site, and have entered into that certain Agreement and Letter of Intent ("Letter of Intent"), by and among the County, the PSA, FGI, FNW, the City of Seattle ("City"), and the Washington State Department of Transportation ("WSDOT"), dated June 25, 1998 and attached hereto as Exhibit C; and

WHEREAS, the PSA and the County wish to provide more specifically herein for (a) the assembly of such property and for its timely contribution to the PSA subject to the terms and conditions set forth herein; (b) the reservation by the County of certain rights of possession in portions of such property; and (c) the reimbursement to the County for its direct and indirect expenditures related to the transfer of property for the stadium and exhibition center;

NOW, THEREFORE, the PSA and the County mutually covenant and agree as follows:

1. Contribution of Real Property to PSA.

1.1 The County has assembled the following real property for contribution to the PSA as provided for herein.

1.2 The North Half Lot was not mutually determined to be necessary as a site for the stadium and exhibition center and the County will retain ownership of the North Half Lot under the terms provided for herein. The PSA relinquishes all rights and interest in the North Half Lot, except as provided in Section 3.3 and Section 5 below, and except as provided in the Letter of Intent (Exhibit C).

1.3 Subject to the terms and conditions of this Agreement and the Letter of Intent (Exhibit C), the conditions set forth in Section 1.4 below, the Reservation of Possessory Rights by the County as set forth in Section 4 below, and the current and prospective title encumbrances set forth in Sections 1.5 and 1.6 below, the County shall transfer by warranty deed any title, interest or claim which the County may have in the South Lot, the Pavilion Parcel and the Kingdome Parcel to the PSA.

1.4 The County shall deliver to the PSA the required warranty deed to the South Lot, the Pavilion Parcel and the Kingdome Parcel no later than fourteen (14) days after satisfaction of the following conditions to transfer ("Date of Conveyance"):

1.4.1 The County and the PSA agree and acknowledge that the County Property must be reconfigured as shown on Exhibit B, which Exhibit is incorporated herein by this reference, to establish the South Lot, the Pavilion Parcel and the Kingdome Parcel collectively as one or more legal lots. The PSA agrees at its sole cost and expense to obtain governmental approval of a subdivision, short subdivision, lot line adjustment, binding site plan, or such other approval as may be required to (i) create and establish the South Lot, the Pavilion Parcel and the Kingdome Parcel collectively as one or more legal lots, the occurrence of which shall be a condition to transfer of the South Lot, the Pavilion Parcel and the Kingdome Parcel to the PSA, and (ii) create and establish the North Half Lot as one or more legal lots. The County, as owner of the County Property, hereby authorizes the PSA to make application for such governmental approval and agrees to cooperate with the PSA's efforts to obtain such approval.

1.4.2 FGI shall provide written assurance satisfactory to the County that (1) all rights to the Credit, as defined in that certain Consent to Assignment and Amendment of Use Agreement dated January 7, 1997, and subsequently amended on July 31, 1997 pursuant to King County Ordinance No. 12807 (the "Football Use Agreement"), have been released by FNW and "FNWA", except as provided in the Letter of Intent, and (2) all rights to the office building options granted by the County in the Football Use Agreement have been released by FNW. FGI's obligation to provide written assurance as described in this subsection 1.4.2 shall be conditioned on the occurrence of the following, as set forth in the Letter of Intent (Exhibit C): (i) County, City or PSA acquisition by lease or other means of unconditional access to and use of the Washington State Department of Transportation parcels in the Royal Brougham Way corridor, and subsequent assignment of such rights to the PSA; (ii) City of Seattle provision to the PSA of the right to cross railroad tracks at Royal Brougham Way for purposes of event staging at the new stadium and exhibition center; (iii) County execution of an option and

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right of first refusal with FGI for development of the North Half Lot; and (iv) County execution of an option with FGI for purchase of the Johnson Building. In addition, FGI's obligation to provide written assurance under this subsection 1.4.2 shall be conditioned upon delivery of the warranty deed to the PSA as provided in this Agreement.

1.4.3 Delivery of the warranty deed to the PSA for the purposes set forth in this Section 1 is conditioned only on the provisions set forth in Subsections 1.4.1 and 1.4.2, above. The County shall not limit the purposes for which the PSA is authorized under the Stadium Legislation to use the property conveyed by the warranty deed, and shall not impose additional conditions or requirements on such uses of the property.

1.5 Except as provided herein, the County agrees that any title or interests in the South Lot, the Pavilion Parcel and the Kingdome Parcel transferred to the PSA shall be free of monetary encumbrances. For purposes of this Agreement, "monetary encumbrance" means any obligation, debt, security interest, lien or other claim or interest of any kind that by its terms can be satisfied or removed as a claim against the property by payment of money. The County agrees to cooperate with the PSA to clear existing nonmonetary encumbrances that no longer serve a useful purpose on said property, but shall not be obligated to incur additional costs or expenses in doing so, unless otherwise agreed.

The PSA agrees to accept said property subject to those existing and prospective nonmonetary encumbrances listed below in Sections 1.5.1 through 1.5.5, and any other nonmonetary encumbrances existing at the date of transfer of title and which may be identified in any final title report on the property. The County shall provide the PSA with copies of legal descriptions and other documents associated with these encumbrances.

1.5.1 An existing easement in favor of the Burlington Northern Santa Fe Railway ("BNSF") in connection with its currently inactive steam plant on the eastern edge of the County Property. The County shall attempt to enter into an agreement with BNSF to terminate the

easement, provided such agreement is subject to the PSA's reasonable review and approval prior to execution.

1.5.2 Existing utility and electrical power easements.

1.5.3 A prospective electrical power easement in favor of Seattle City Light for purposes of improving electrical services on and near the area of the current north lot of the Kingdome.

1.5.4 A prospective public and private transportation easement in favor of the County's Transportation Department ("Metro"), as described in the Letter of Intent, Exhibit C.

1.5.5 A prospective easement in favor of the RTA in connection with the proposed Weller Street public access pedestrian bridge, if such easement extends onto the Kingdome Parcel.

1.6 The County shall not create any new, additional or expanded easements or encumbrances beyond those prospective encumbrances described above in Sections 1.5.3, 1.5.4, and 1.5.5 without the written consent of the PSA.

1.7 The County agrees that the existing Metro tunnel special assessment (local improvement district assessment) is a monetary encumbrance, and the County shall bear sole responsibility for paying the assessments and removing the encumbrance. The County shall have the option of paying off the total outstanding amount of the assessment before transfer of title to the PSA, or paying periodic installment payments as they become due and owing.

1.8 At its sole expense, the County shall remove or assume responsibility for payment of any monetary encumbrances existing at the time of the transfer of title and identified in any title report or title insurance commitment that the PSA may obtain subsequent to the date of this Agreement; *provided that*, any arrangements for County payment of such obligations on a continuing basis as they become due and owing shall be

subject to the reasonable approval of the PSA, and shall not impair or limit the PSA's lawful activities on the property.

2. Contribution of Associated Personal Property.

2.1 The County owns certain fixtures and personal property located at, on or within its Exhibition Pavilion and Kingdome buildings on the County Property. The PSA and the County have mutually determined that certain such fixtures and personal property are necessarily associated with, and will be used as part of, the new stadium and exhibition center. An itemized list of the fixtures and personal property necessarily associated with the stadium and exhibition center is attached hereto as Exhibit D, which Exhibit is incorporated herein by this reference.

2.2 With respect to the fixtures and personal property identified in Exhibit D, the County will contribute such fixtures and personal property free of monetary encumbrances, including security interests, to the PSA by bill of sale or other mutually agreed instrument upon the date that the County vacates the Kingdome Parcel and surrenders possession to the PSA, which date shall in any event be not later than March 15, 2000. If any tenant has a claim to use the Kingdome after January 1, 2000 and before March 15, 2000, and if the PSA can obtain a waiver from such tenant for such use, then the County shall contribute such fixtures and personal property to the PSA upon the effective date of such waiver, or within fourteen (14) days after the conclusion of the last home game of the 1999 football season, including playoff games (if any), of the Seattle Seahawks National Football League team, whichever is later.

3. Special Use Authorization.

3.1 Until the Date of Conveyance, fee title to all parcels of real property shall remain with the County, and the PSA shall use and control each parcel during the following periods in accordance with the terms and conditions of a Special Use Permit to be issued by the County:

3.1.1 The PSA shall assume initial use and control of the South Lot for stadium and exhibition center purposes as set forth in the Stadium Legislation commencing at 12:01 a.m. on the day following (i) the execution of this Agreement, (ii) execution of the Special Use Permit, and (iii) City of Seattle approval of the displacement of South Lot parking. The PSA shall maintain an access and fire lane on the south side of the Exhibition Pavilion for County use in connection with its operation of the Kingdome; *provided* that the PSA may install four to five pile caps in the access and fire lane. The County shall remove all portable stadium seats from the South Lot before construction is scheduled to begin. The PSA may establish as an initial component of project construction an approximately 45-foot by 70-foot construction office in the area near the cooling towers in the north parking lot area.

3.1.2 In the event the Date of Conveyance is delayed beyond the date of expiration of the Reservation of Possessory Rights with respect to the Pavilion Parcel pursuant to Section 4 below, the PSA shall assume initial use and control of the Pavilion Parcel for stadium and exhibition center purposes (i) commencing March 9, 1999 at 11:59 p.m., unless 30 days before that date the PSA receives written notice from the County that the County intends to remove and salvage the Pavilion, in which case the PSA shall assume use and control of the Pavilion Parcel no later than March 23, 1999 at 11:59 p.m.; or (ii) no later than 11:59 p.m. on the date the City of Seattle approves displacement of Pavilion parking, whichever is later.

3.2 The PSA understands and agrees that assumption of initial use and control of the South Lot and the Pavilion Parcel by the PSA (a) shall be subject to the terms and conditions of any Kingdome and Exhibition Pavilion use agreements in effect on the date of execution of this Agreement, or established after the date of execution of this Agreement in compliance with Section 4.1, below, and (b) shall not prohibit or materially limit the County's ability to continue to operate any County-controlled facilities located elsewhere on the County Property.

3.3 The PSA shall be entitled to use and control of the North Half Lot, without charge, for purposes of parking and event staging, after expiration of the Reservation of Possessory Rights pursuant to Section 4 below and until notice of commencement of development of the North Half Lot is given in accordance with the terms of the Letter of Intent (Exhibit C), with the potential for resumption of such use and control as specified in the Letter of Intent, and subject to the terms of the parking covenants and event scheduling and coordination agreements referenced in King County Council Proposed Motion No. 98-445. After the new exhibition center is built and operational, and until the County vacates the Kingdome, the PSA may use the North Half Lot for event staging without charge, and subject to the terms of the parking covenants and event scheduling and coordination agreements referenced in King County Council Proposed Motion No. 98-445.

3.4 Issuance of the Special Use Permit to the PSA for the purposes set forth in this Section 3 is an affirmative obligation of the County. The Special Use Permit shall contain only mutually agreed conditions. The principal purpose of the Special Use Permit is to allow the PSA's occupation and use of the parcels. The County shall not limit the purposes for which the PSA is authorized under the Stadium Legislation to use the parcels, and shall not impose additional conditions or requirements on such uses of the parcels.

3.4.1 The County shall cooperate with the PSA and other parties, including the NFL team affiliate and its construction contractors and consultants, in developing and agreeing to a joint Logistics Plan establishing operating procedures and protocols that will apply during the Reservation of Possessory Rights period. The Plan shall be part of the Special Use Permit. One principal purpose of the Logistics Plan is to ensure the cooperative co-occupation and use of the Kingdome site by the County and the PSA such that each party can meet its respective goals and obligations. The Logistics Plan shall address, among other things, movement of construction fences, vehicle access and circulation, construction office location, and fire lanes.

4. Reservation of Possessory Rights by County.

4.1 In contemplation of the County's conveyance to the PSA of its interest in the South Lot, the Pavilion Parcel and the Kingdome Parcel, the County hereby reserves the exclusive right to continue to possess and use the Pavilion Parcel and Kingdome Parcel (collectively the "Reserved Parcels") for the term and on the conditions set forth herein. This reservation shall include any and all buildings, improvements and equipment thereon, including any and all appurtenances, rights, franchises, licenses, privileges and easements benefiting, belonging or pertaining thereto (collectively the "Reservation of Possessory Rights"). After the execution of this Agreement, the County shall consult with the PSA before creating any new Kingdome or Pavilion use agreements.

4.2 The term of this Reservation of Possessory Rights shall commence upon the date that title to the Reserved Parcels is conveyed to the PSA pursuant to this Agreement, which is anticipated to occur within six (6) months of the date of execution of this Agreement and shall end:

4.2.1 With respect to the Pavilion Parcel, upon the date that the County vacates the Pavilion Parcel and surrenders possession to the PSA, which date shall be (i) no later than March 9, 1999 at 11:59 p.m., unless 30 days before that date the PSA receives written notice from the County that the County intends to remove and salvage the Pavilion, in which case the PSA shall assume use and control of the Pavilion Parcel no later than March 23, 1999 at 11:59 p.m.; or (ii) no later than 11:59 p.m. on the date the City of Seattle approves displacement of Pavilion parking, whichever is later.

4.2.2 With respect to the Kingdome Parcel, upon the date that the County vacates the Kingdome Parcel and surrenders possession to the PSA, which date shall in any event be not later than March 15, 2000.

4.2.2.1 If any tenant has a claim to use the Kingdome after January 1, 2000 and before March 15, 2000, and if the PSA can obtain a waiver from such tenant for such use, then the County shall vacate and surrender possession of the Kingdome to the PSA upon the effective date of such waiver, or within fourteen (14) days after the conclusion of the last home game of the 1999 football season,

including playoff games (if any), of the Seattle Seahawks National Football League team, whichever is later.

The parties may mutually agree to an extension of the term of this Reservation of Possessory Rights with respect to either or both Reserved Parcels.

4.3 The PSA understands and agrees that the Reserved Parcels may be used by the County for operation of the Kingdome under the terms and conditions of any existing and future Kingdome use agreements. The County shall not create any Kingdome or Pavilion use rights that extend beyond the March, 1999 Home show for the Pavilion Parcel, or beyond the 1999 NFL football season for the Kingdome Parcel.

4.4 The County shall be entitled to collect and keep all rents or other revenues payable to the County under any existing Kingdome use agreements, and under future Kingdome use agreements entered into in compliance with Section 4.1. The PSA shall not be entitled to any revenues, including any admission tax, which may result from the use and operation of the Reserved Parcels during the term of this Reservation of Possessory Rights.

4.5 Upon expiration of the term of the Reservation of Possessory Rights in each of the Reserved Parcels, the County shall quit and surrender the Reserved Parcels "as is" in their condition existing at the end of the term, except that the County shall remove any and all food stuffs, event-related garbage and recyclables, stored hazardous materials related to the operation and management of the parcels and facilities, and all other property not listed on Exhibit D. Specifically, the County shall bear sole responsibility, including all costs, for removing all public art from the transferred parcels before expiration of its Reservation of Possessory Rights. The County may remove all of the fixtures and personal property in the Reserved Parcels, including trade fixtures, lighting, machinery, equipment and signs, except those items identified by the PSA for stadium and exhibition purposes as set forth in Exhibit D. Any fixtures or personal property remaining on the Reserved Parcels upon the expiration of the term of this Reservation shall be deemed abandoned and without monetary value to the parties. The PSA may use, sell or otherwise dispose of same, or take any other action with respect thereto which it desires without cost or charge to the County or liability on the part of the PSA.

5. North Half Lot Development.

5.1 Development and use of the North Half Lot shall be subject to the conditions and restrictions set forth in the Letter of Intent (Exhibit C), including without limitation the following:

5.1.1 No development of the North Half Lot shall occur prior to compliance with the State Environmental Policy Act and issuance of an appropriate Master Use Permit therefore, or prior to completion of the stadium and exhibition center pursuant to the Stadium Legislation, except for development related to the King Street Station Intermodal Facility as provided in the Letter of Intent (Exhibit C);

5.1.2 The County shall grant an option and right of refusal to FGI with respect to such development;

5.1.3 The developer shall provide an alternate parking structure and replacement parking as required and described in the Letter of Intent (Exhibit C), and the County shall provide a 90-ft right-of-way along the extension of Second Avenue South across the North Half Lot for access to the Kingdome Parcel;

5.1.4 In the event of closure of the at-grade railroad crossing at Royal Brougham prior to such development, if no special railroad crossing right is available for event staging, then no development of the North Half Lot shall occur until such a special crossing right is provided.

5.1.5 The County shall provide in any agreement for the development of the North Half Lot that all purchase or lease agreements for housing units contain covenant language waiving any right to complain of noise, lighting, or any other function of a normally operating stadium and exhibition center facility that is in compliance with applicable noise and other regulations.

5.3 If development of the North Half Lot has not commenced by July 1, 2008, or within six (6) years after an occupancy permit is issued for the stadium and exhibition center, whichever is later, and if the PSA has determined that the North Half Lot is necessary for a stadium or exhibition center use, then the PSA may seek transfer of the North Half Lot from the County at that time pursuant to the Stadium Legislation.

5.4 The County and the PSA expressly acknowledge that establishment of the lease rights (or other form of use rights) for PSA use of the WSDOT lots as described in the Letter of Intent (Exhibit C) is an essential requirement of their arrangement for North Lot development, and if any party to the Letter of Intent terminates the parties' agreement on the North Lot arrangement as described in Exhibit C, then the provisions of this Agreement pertaining to North Lot development shall be deemed terminated.

6. Johnson Building.

6.1 The PSA shall be entitled to use the Johnson Building in accordance with the terms of the Letter of Intent and the Special Use Permit until the construction of the stadium and exhibition center is complete. Such use shall be subject to the obligation of the PSA to provide for joint use by the County as set forth in the Letter of Intent. The date of commencement of PSA use shall be specified in the Special Use Permit. The date shall be as early as reasonably possible, taking into account pre-existing rights of use by third parties, if any.

6.2 The County and the PSA acknowledge that FGI shall have the option to purchase the Johnson Building after construction of the stadium and exhibition center is complete, subject to the terms and conditions set forth in the Letter of Intent (Exhibit C). The option shall expire unless exercised within 12 months after the issuance of an occupancy permit for the stadium and exhibition center.

7. Reconveyance.

7.1 Unless otherwise required by law or court order, any title, interests or claims to the South Lot, Pavilion Parcel and the Kingdome Parcel that are transferred to the PSA pursuant to this Agreement shall be reconveyed to the County at the County's option and request if, following exhaustion of all judicial appeals, a court of competent jurisdiction issues a final order determining that the Stadium Legislation is wholly unlawful and without legal effect. Any such reconveyance shall be made by warranty deed, free from any outstanding debt or debt-related encumbrances, within thirty (30) days of such determination or discontinued use.

8. Existing Site Conditions.

8.1 The South Lot, Pavilion Parcel and the Kingdome Parcel transferred to the PSA pursuant to this Agreement are accepted by the PSA in "as is" condition, and the PSA and the County allocate responsibility for environmental liability and costs as described in this Section 8 as follows:

8.1.1 For environmental liability and costs arising from the discovery of Hazardous Substances anywhere on the Kingdome properties (Kingdome Parcel, Pavilion Parcel and South Lot) during the period when the Parties are jointly occupying the properties pursuant to the County's Possessory Rights or the Special Use Permit:

8.1.1.2 if such Substances were discovered through or resulted from the activities of the County or its tenants, agents, employees, contractors, subcontractors or vendors, such liability and costs shall be the sole responsibility of the County, and the County shall defend, indemnify and hold harmless the PSA therefore; and

8.1.1.3 if such Substances were discovered through or resulted from the activities of the PSA or its tenants, agents, employees, contractors, subcontractors or vendors, such liability and costs shall be the sole responsibility of the PSA, and the PSA shall defend, indemnify and hold harmless the County therefore.

8.1.2. For environmental liability and costs arising from the discovery of Hazardous Substances anywhere on the Kingdome Properties (Kingdome Parcel, Pavilion Parcel and South Lot) during the period after the County's vacation of the Kingdome Parcel and until construction of the new stadium and exhibition center is complete, if such Substances were discovered through or resulted from the activities of the PSA or its tenants, agents, employees, contractors, subcontractors or vendors, such liability and costs shall be the sole responsibility of the PSA, and the PSA shall defend, indemnify and hold harmless the County therefore.

8.1.3 For environmental liability and costs not addressed in Sections 8.1.1 and 8.1.2, each Party shall bear responsibility for such liability and costs pursuant to applicable law.

8.2 For purposes of this Section 8, environmental liability and costs include, but are not limited to:

8.2.1 Any response or remedial action costs, and/or natural resource damages recoverable pursuant to 42 U.S.C. Sec. 9607 and/or Ch. 70.105D.040 RCW, as now existing or hereafter amended, arising out of the release or threat of release of a Hazardous Substances (as defined below) existing on or emanating from the property; and

8.2.2 Any and all claims, liabilities, damages, and expenses asserted against the County or the PSA by a third party including without limitation any agency or instrumentality of the federal, state or local government, for contribution pursuant to 42 U.S.C. Sec. 9613 and Ch. 70.105D RCW (if a right of contribution is provided for thereunder), as now existing or hereafter amended, arising out of or relating to the release, or threatened release, of a Hazardous Substance (as defined below) existing on or emanating from the property as of the date of transfer of title.

8.3 For purposes of this Section 8, the definition of Hazardous Substance includes:

- (1) Any toxic substances or waste, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances.
- (2) Any dangerous waste, hazardous waste, or hazardous substance as defined in:
 - (a) Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereinafter amended (42 U.S.C. § 9601 et seq.);
 - (b) Resource Conservation and Recovery Act, as now or hereinafter amended (42 U.S.C. § 6910 et seq.);
 - (c) Washington Model Toxics Control Act, as now or hereinafter amended (RCW Chs. 70.105, 70.105A and 70.105D); and
 - (d) Regulations, administrative rulings or direction which implement these statutes; or
- (3) Any pollutants, contaminants, substances, as defined above, posing a danger or threat to public health or to the environment, which are regulated or controlled by any federal, state and local laws and regulation, as now or hereinafter amended.

8.4 The indemnification and hold harmless obligations contained herein shall survive the expiration or termination of this Agreement.

9. Hold Harmless and Indemnification.

9.1 The PSA acknowledges that its construction of a stadium and exhibition center will be complex and potentially dangerous. Beginning with

the PSA's initial use and control of the South Lot and the Pavilion Parcel and through the subsequent conveyance of said parcels along with the Kingdome Parcel, it is the intent of the parties hereto that, except as provided in Section 8, each party shall bear responsibility and indemnify and hold harmless the other party for any injuries to persons or damage to property resulting from their negligent or intentional acts or omissions, and those of their respective agents, employees, contractors, subcontractors, vendors or consultants. Non-exclusive examples of the kinds of construction activity claims for which the parties expect the PSA to be responsible hereunder include injuries to persons and damage to property caused by (1) demolition debris and lateral support failures associated with site preparation, including the demolition and construction of the stadium and exhibition center; and (2) construction activities occurring in conjunction with other events at the Exhibition Pavilion and/or the Kingdome.

9.2 For purposes of this Section 9, by mutual negotiation, the PSA and the County hereby waive as to each other only, any immunity that would otherwise be available against claims covered by the Industrial Insurance provisions of Title 51 RCW as adopted or hereafter revised.

9.3 The County and the PSA agree to immediately notify the other of any claim made against the notifying party regarding the South Lot, the Pavilion Parcel, the Kingdome Parcel or the North Half Lot if it relates to the other party's use of said property pursuant to this Agreement. Such notice shall be in writing sent by registered mail at the other party's address as stated in Section 12.6 no later than ten (10) days of receipt of the claim by the notifying party .

9.4 To the maximum extent permitted by law, the PSA agrees for itself, its successors and assigns to defend, indemnify and hold harmless the County, its officials, employees and agents, from and against liability for all claims, demands, suits and judgments, including the costs of defense thereof, alleging the violation of the terms or conditions of any existing use agreement between the County and a tenant of the Exhibition Pavilion or the Kingdome resulting from the transfer of the South Lot, the Pavilion Parcel and the Kingdome parcel to the PSA or the PSA's construction activities, or those of its agents, employees, contractors, subcontractors, vendors or consultants, thereon; provided, however, that the duty

to defend, indemnify and hold harmless set forth herein shall not apply to any claims, demands, suits and judgments asserting a right to use the South Lot, the Pavilion Parcel or the Kingdome Parcel after March 14, 2000.

9.5 The indemnification and hold harmless obligations contained in this Agreement include attorneys' fees and other costs, and shall survive the expiration or termination of this Agreement.

10. Taxes and Assessments

10.1 From the Date of Conveyance or the date of initial use and control by the PSA, whichever is earlier with respect to each of the South Lot, the Pavilion Parcel and the Kingdome Parcel, and except as otherwise provided in this Agreement, the PSA shall be responsible to pay all applicable taxes and assessments levied against said property and all costs, expenses, fees, services, and charges of all kinds for heat, light, water, gas, and telephone, and for all other public utilities used on said property so that the same shall not become a lien against the property, except as otherwise provided in this Agreement. The County agrees to notify the PSA of any claim for payment of such taxes, assessments or for such charges by utilities made against the County after the transfer of beneficial use to the PSA. If the PSA fails to pay any obligations, fees, taxes or assessments, the County will mail notice to the PSA of its failure to pay. Twenty (20) days after mailing notice, if the PSA's obligation remains unpaid, the County may pay these obligations at the PSA's expense. Upon written notification to the PSA of any costs incurred by the County under this section, the PSA will reimburse the County within twenty (20) days. Nothing herein shall be deemed to prohibit the PSA from having the right, at its own expense, in its own name and/or in the name of the County, to object to the legality or validity of any tax or assessments on said property or any improvements thereon.

11. Reimbursement of County Expenses.

11.1 The County acknowledges that the relinquishment by FNW of its rights to the Credit, as described in Section 1.4.2 above, shall satisfy any

obligation to reimburse the County for expenditures and/or to compensate the County for impacts upon its funds arising from the Stadium Legislation, the Football Use Agreement, or from the Agreement and Letter of Intent dated June 30, 1997, or otherwise.

12. Miscellaneous.

12.1 The PSA and the County agree that this Agreement and the attachments hereto represent the complete expression of the terms hereto and that any other oral or written representations or understandings are excluded. Waiver of any default shall not be deemed to be waiver of any subsequent default. Waiver of a breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

12.2 No provision of this Agreement precludes either the PSA or the County from pursuing any other remedies for such other party's failure to perform its obligations.

12.3 Time is of the essence of this Agreement.

12.4 This Agreement shall be construed in accordance with the laws of the State of Washington. The venue for any actions pertaining to this Agreement shall be in King County Superior Court, King County, Washington.

12.5 This Agreement may not be altered, amended or modified except by an instrument in writing signed by both parties hereto.

12.6 All notices, requests, demands and other communications which are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or transmitted by facsimile or upon receipt after dispatch by certified or registered first-class mail, postage prepaid, return receipt requested, to the party to whom the same is to be given or made, to the addresses and/or facsimile numbers set forth below, or to such other address or facsimile number as any party may designate by giving notice to the other party.

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If to the County, to: County Executive
King County Courthouse
Seattle, Washington 98104
Facsimile no.: (206) 296-0194

If to the PSA, to: Executive Director
Washington State Public Stadium Authority
P.O. Box 4280
401 Second Avenue, Suite 520
Seattle, Washington 98104-0280
Facsimile no.: (206) 205-8604

12.7 Nothing contained herein shall make, or be deemed to make, the County or the PSA a partner of one another, and this Agreement shall not be construed as creating a partnership or joint venture.

12.8 If there is an event of default under this Agreement by either party, the aggrieved party shall be entitled, in addition to all other remedies available at law or in equity, to (i) seek specific performance of the defaulting party's obligations under this Agreement; (ii) recover all of its reasonable and actual expenses, direct and indirect, in prosecuting and concluding any legal action for default, including all appeals, and including attorneys' fees and costs; or (iii) terminate this Agreement by written notice to the other party.

WASHINGTON STATE PUBLIC
STADIUM AUTHORITY

KING COUNTY, WASHINGTON

By: _____

By: _____

Its: _____

Its: _____

132627

Dated: _____

Dated: _____

Approved as to form:

Deputy Prosecuting Attorney

Attachments:

- Exhibit A:** Legal description of County Property
- Exhibit B:** Parcel Map and Configuration for Property Division
- Exhibit C:** Agreement and Letter of Intent
- Exhibit D:** List of Fixtures and Personal Property

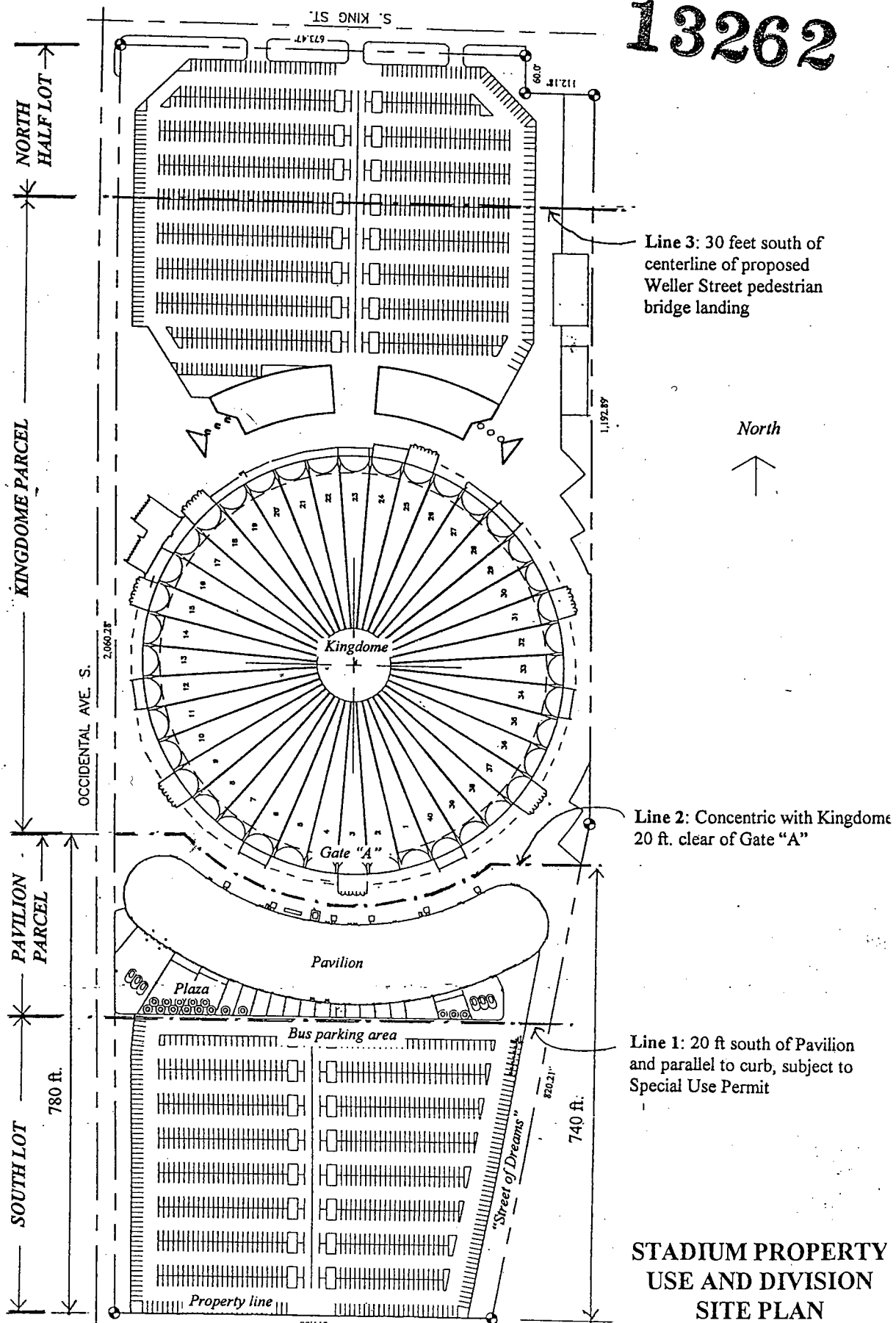
132627

EXHIBIT "A": LEGAL DESCRIPTION OF COUNTY PROPERTY

All of Lots 1 thru 35, inclusive, of Block 325 and that portion of Lots 1 thru 35, inclusive, of Block 285 of the Seattle Tide Lands as shown on the official maps of the Seattle Tide Lands in volume 2, pages 29, 30, 31 and 32 in King County, Washington, and vacated 3rd Avenue South, per City of Seattle Ordinance No. 10552, described as follows:

Beginning at the Southwest corner of said Block 325, said corner being the intersection of the North margin of South Connecticut Street with the East margin of Occidental Avenue South; thence North along said East margin of Occidental Avenue South and West boundary of said Block 325 a distance of 2060.28 feet to the Northwest corner of said Block 325, said corner being the intersection of the East margin of Occidental Avenue South with the South margin of South King Street; thence South $89^{\circ} 54' 20''$ East along said South margin of South King Street and North boundary of said Blocks 325 and 285 a distance of 673.47 feet; thence South $0^{\circ} 05' 40''$ West a distance of 60.00 feet; thence South $89^{\circ} 54' 20''$ East a distance of 112.18 feet; thence South $1^{\circ} 6' 04''$ West a distance of 1192.89 feet; thence South $10^{\circ} 36' 22''$ West a distance of 820.21 feet to an intersection with the North margin of South Connecticut Street and the South boundary of said Block 285; thence South $89^{\circ} 59' 21''$ West along said North margin of South Connecticut Street and the South boundary of said Blocks 285 and 325 a distance of 611.66 feet to the point of beginning.

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STADIUM PROPERTY USE AND DIVISION SITE PLAN

Exhibit C
AGREEMENT

13262

And
LETTER OF INTENT

This agreement and letter of intent is between:

King County, Washington, a duly incorporated municipal corporation of the State of Washington (the "County");

City of Seattle, a duly incorporated municipal corporation of the State of Washington (the "City");

Washington State Public Stadium Authority, a duly incorporated municipal corporation of the State of Washington (the "PSA");

First & Goal, Inc., a business corporation duly organized under the laws of the State of Washington ("FGI");

Football Northwest, Inc., a business corporation duly organized under the laws of the State of Washington ("FNW"); and

Washington State Department of Transportation, an agency of state government ("WSDOT").

(Collectively, the "parties.")

WHEREAS, the parties enter into this letter of intent to establish a plan for future use of the North Lot of the Kingdome properties, currently owned by the County and located in the City of Seattle; and

WHEREAS, each party has a need to use parts of the North Lot, and has rights and interests in the North Lot under existing agreements, laws, and other arrangements that conflict with the rights and interests of other parties; and

WHEREAS, the requirement under the Stadium Act (Laws of 1997, Ch. 220, Sec. 109) that the PSA and County mutually determine what property is necessary for the PSA's football/soccer stadium and exhibition center project has prompted all of the parties to develop an agreement for future use of the North Lot that will satisfy each party's interests.

ACCORDINGLY, the parties agree as follows:

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GENERAL PROVISIONS

1. The parties recognize that to implement the provisions of this Letter of Intent, certain official actions must be taken, certain official authorizations must be obtained, and certain agreements must be entered into subsequent to the date of this document. This executed document represents each party's pledge to take all actions reasonably necessary in a timely fashion to accomplish its intent.

2. All provisions of this Letter of Intent are subject to the requirements of the Washington State Environmental Policy Act, RCW 43.21C, and applicable state and local regulations. Whenever action by a governmental body is required by a provision of this document (e.g., siting and permitting of a parking structure; decision to conduct parking and/or staging at an alternate location; permitting of North Lot development), the parties acknowledge that environmental review will be required unless the action is exempt from SEPA.

KINGDOME NORTH LOT

3. The County and PSA agree that the "south half"¹ of the North Lot is necessary for the Stadium and Exhibition Center project site, and the County will relinquish all right and interest in this property upon transfer of title to the PSA, provided the County shall retain the right to continue operation of the Kingdome through the 1999 football season. The PSA shall execute an agreement to enable the County to complete Kingdome operations under the terms of any use agreements then in effect.

4. Pursuant to the Stadium Act, Sec. 109 (Laws of 1997, Ch. 220), the County agrees to contribute and transfer title to the South Parking Lot, Pavilion area, Kingdome footprint and south half of North Lot to the PSA upon completion of a short plat, lot line adjustment, binding site plan, or other procedure available to create a legally divisible parcel or parcels (collectively "short plat").

5. The PSA and/or FGI shall be responsible for completing the short plat process at their expense.

¹ Boundary to be the southern edge of the future Weller Street extension right-of-way. The right-of-way will be 60 feet in width, with the centerline aligned with the centerline of the Weller Street Pedestrian Bridge as shown on current engineering drawings. Street right-of-way for the Weller Street extension shall come from the north half of the North Lot.

6. The County shall grant authority to the PSA and/or FGI to apply for the short plat or other approval.

7. In the event the short plat approval will not be obtained prior to the date the PSA and FGI need to commence work on the project site (currently, September, 1998), the County shall execute an agreement authorizing work on the site to proceed pending the short plat and conveyance of title to the property.

8. Neither the PSA nor FGI shall be entitled to receive any revenue from an admissions tax levied in connection with Kingdome events as a consequence of transfer of title prior to completion of Kingdome operations.

9. The PSA relinquishes all rights and interest in the north half of the North Lot with the following exceptions:

- a. The County agrees to provide a 90-foot-wide, dedicated right-of-way (60-foot-wide roadway plus sidewalks) or equivalent access easement along the extension of Second Avenue South to provide access to the south half of the North Lot. The right-of-way or easement shall be in effect at the time of, and as a condition of, termination of the right of use of the north half of the North Lot by the PSA as provided for below.
- b. The County will allow (without charge) the PSA temporary use of the north half of the North Lot following completion of the final Kingdome event and during the Stadium and Exhibition Center construction period (estimated to continue through 2002) for parking, construction staging and event staging. After the new Exhibition Center is built and operational, and until the County ceases Kingdome operations, the County will make the North Lot available (without charge) for event staging.
- c. The County agrees that the PSA will have the use of the north half of the North Lot (without charge) for parking and event staging after completion of the Stadium and Exhibition Center until notice of commencement of the mixed-use development is given pursuant to the notification procedure which follows:
 - i. At any time after (1) issuance of an occupancy permit for the Stadium, (2) satisfaction of the access requirement set forth above, and (3) issuance of a Master Use Permit (MUP) for the mixed-use development, the developer may give written notice to the PSA to cease use of the north half of the North Lot by a date not less than thirty days from receipt of the notice.

ii. The PSA shall cease use of the north half of the North Lot by such date, provided that such use may be resumed if construction on the mixed use development has not begun within 30 days from the date of termination of use specified in the notice, subject again to termination pursuant to the notice provisions set forth in this section.

iii. If development has not begun on the North Lot by July 1, 2008, or within six years after an occupancy permit is issued for the football/soccer stadium, whichever is later, and if the PSA has identified a stadium/exhibition use for which the north half of the North Lot is necessary, then the PSA may seek transfer of the land from the County at that time pursuant to the Stadium Act.

iv. The notification shall specify whether the development will include extension of Weller Street west of Second Avenue South, or other development of the land area within the area which would be occupied by Weller Street, if extended. The PSA shall have the right to continue parking and staging (without charge) on such area not used for street or other development.

NORTH LOT DEVELOPMENT

10. As a condition of developing the north half of the North Lot, the developer, at its cost, must provide for a parking structure that provides the number of replacement parking spaces ("replacement parking") determined per the following formula:

A + B + C - D, where:

A = 458 (agreed number displaced north of Weller Street, plus eastern leg of Weller);²

B = number of surface spaces displaced by garage pillars, entrances, etc., if any;³

² The contemplated dedication of Second and Third Avenues southward through the North Lot, and the dedication of Weller Street westward through the North Lot are referred to as the "Second Avenue extension," the "Third Avenue extension," and the "Weller Street extension," respectively. The extension of Weller Street westward from the Third Avenue extension to the Second Avenue extension is referred to as the "eastern leg" of Weller Street. The extension of Weller Street westward of the Second Avenue extension to Occidental Avenue is referred to as the "western leg" of Weller Street.

³ *Provided* that if the parking garage is used to provide replacement parking stalls for parking eliminated to allow

- C = the number of stalls which will be displaced by construction of the western leg of Weller Street, or other development in the street extension area, if any; and
- D = credit for parking provided on WSDOT parcels (calculated on the basis of one for every three stalls which can reasonably be accommodated on the WSDOT parcels without significant expenditures for drainage or other improvements, other than normal paving expenses, currently estimated at 105 stalls. This number is subject to verification and final agreement by July 15, 1998.).
- The PSA shall own and control the parking structure (unless otherwise agreed by the PSA) and shall receive operating and parking tax revenue from the structure to the full extent of replacement parking.
 - The parking structure shall be located on the southeast quadrant of the North Lot (subject to SEPA review).
 - The parking structure shall be designed to standards mutually agreeable to the PSA, FGI, and the purchaser/developer of the north half of the North Lot, with a goal of holding construction costs per parking space to the average of the football stadium south lot and ballpark garages, adjusted for inflation, and taking into account any additional cost of meeting standards of the Pioneer Square Preservation District.

11. As an alternative to providing the required replacement parking in a parking structure located in the southeast quadrant of the North Lot, the developer may propose to provide other parking in another location or locations that is of equal value and utility to the Stadium and Exhibition Center Project. The alternative must be acceptable to both FGI and the PSA, which shall determine to accept or reject the proposal in their sole discretion.

12. To ensure adequate access and parking for the King Street Station Intermodal Facility (1) the County shall grant to WSDOT long-term lease rights (or

development on the south half of the North Lot, then the obligation to replace surface parking stalls displaced by the garage shall be prorated between the north half and south half developments, based on the numbers of displaced stalls in each development area. *Provided further*, that if the south half of the North Lot is developed and if the western leg of Weller is developed as a public right-of-way, the developer of the south half shall be responsible for replacing parking spaces displaced on the south side of the western leg of Weller Street. Parking spaces along the Weller Street extension are accounted for as they currently exist and are depicted on engineering drawings submitted as part of the Master Use permit application to the City of Seattle.

other forms of long-term rights) for designated areas in the northeast quadrant of the North Lot, and which are assignable to the entity that will be responsible for ownership and/or operations of the King Street Intermodal Facility; and (2) the development of the north and south halves of the North Lot shall occur, if at all, in a manner consistent with operation of the transit center.

- a. The use rights and development restrictions shall each be defined by, and consistent with the performance standards and other requirements set forth in the memorandum from Jeff Wolfe and Julie Blakeslee, Otak, dated June 11, 1998 (included by reference and attached as Exhibit A) with the following modifications:
- Streets in the north half of the North Lot shall be dedicated public rights-of-way. Second Avenue south shall be 90 feet in width; Weller Street shall be 60 feet in width and Third Avenue South shall be 72 feet in width. The intersections of Second and Weller, and Third and Weller, should be designed to accommodate a 60-foot turning radius.
 - Streets shall be constructed by the developer of the north half of the North Lot at the developer's expense; and dedicated to the City; provided that improvements to Third Avenue between Weller and King Streets will be improved by the City at its cost (using grant funds).
 - If streets in the south half of the North Lot are not dedicated public streets, a public transit transportation easement will be provided at no cost to the County to allow bus ingress, egress and through travel. The easement shall include the right to park three Metro articulated buses along the east side of the south half of the North Lot. Any improvement required to facilitate bus circulation shall be provided by the developer, and shall not be paid for by the County.
 - Backing of non-articulated charter buses in non-public right-of-way areas may be required in specific instances where an alternative plan is implemented to deal with special conditions, subject to Amtrak approval.
- b. The duration of the rights and development restrictions shall be co-extensive with the lease (or other rights of use) of the WSDOT properties identified in the following item no. 13, below, including all renewal terms.

13. In consideration of these lease or other use rights, and the limitations on development for the benefit of the transit center, WSDOT shall make the parcels

designated A, D, E, F and H in the vicinity of Royal Brougham Avenue, east of the BNSF right-of-way (as shown on the map labeled "DOT Lots") available without charge to the PSA to be used for event staging and parking. The parcels shall be leased, either directly to the PSA, or to the County and City, and assigned to the PSA. The lease shall be for a minimum of an initial 20-year term, with the unconditional right of the lessee or assignee to extend for two additional 20-year terms. The City confirms that the PSA and FGI can use legally established parking spaces on the WSDOT parcels to satisfy parking requirements under City code for the stadium and exhibition center project, and that both principal use and accessory parking are permitted outright in the IG-2 zone in which the WSDOT parcels are located.

14. In addition to the lease rights described in item nos. 12 and 13, above, the parties contemplate that the County will have certain short-term lease rights to WSDOT parcels E, F and H while it operates the Kingdome. It is the parties' intent to establish both the long-term and short-term lease rights (or other forms of use rights) described in item nos. 12 through 14 (inclusive) in one set of lease or other agreements, if possible. In addition, the parties expressly acknowledge that establishment of these lease rights (or other form of use rights) is an essential requirement of their North Lot arrangement, that the lease rights are mutually dependent, and that if any component of these lease arrangements is not established in timely fashion, any party can terminate the parties' agreement on the North Lot arrangement will terminate.

15. The City agrees that, in the event of closure of the at-grade railroad crossing at Royal Brougham, special at-grade crossing access (subject to train operations) shall be provided for event staging traffic to and from the Stadium and Exhibition Center.

Within 120 days of the effective date of this Letter of Intent, the Mayor will propose a resolution for City Council approval that will establish this special crossing right as a condition of any future closure of the at-grade crossing. Subject to the above City Council approval, the City will grant, in the event of closure of the crossing, a 50-year term permit for the special crossing right that shall be irrevocable during its term unless the Council determines by ordinance that the crossing area is necessary for public travel purposes. If the special crossing right is revoked, the City shall provide access comparable to the special crossing right.

If the crossing is closed prior to any North Lot development, and in the event the special crossing right provided for in this section is not available for event staging, then no development except for PSA and FGI approved Stadium and Exhibition Center-related development shall be allowed on the north half of the North Lot, until such time as the crossing right is provided.

16. FGI shall have an option to purchase the north half of the North Lot for a housing/mixed-use development, consistent with the King Street Station Intermodal Facility performance standards identified above.

- This right shall carry with it the obligation to provide for adequate replacement parking as required of the developer, above.
- The purchase price shall be fair market value of the property when used for a mixed-use development consisting primarily of housing, including street level uses, with appropriate consideration given to the option of including a hotel.
- Fair market value shall be determined by an appraisal process, with appropriate weight given to the reduction in market value attributable to the replacement parking obligation, and with consideration given to all other factors affecting market value, including, but not limited to the presence of contaminated soils, soil stability, hydraulic conditions, restrictions on housing type and price, if any, and other features of the land or applicable regulations that increase the cost of development, or reduce the value of a mixed-use housing development.
- The option may not be exercised, and shall automatically expire, unless an application for a master use permit or other required development approval is filed with the City on or before six months following the date of issuance of an occupancy permit for the Stadium, or before an additional six-month period if the PSA postpones its determination on FGI's option on the south half of the North Lot (as provided in item no. 17, below), provided that the option shall be automatically extended for a period equal to such period or periods of time during which the at-grade railroad crossing at Royal Brougham is not open for event staging traffic as provided below.
- As a condition upon the right to exercise the option, the development application must provide for development that satisfies at least one of the following criteria:
 - a) If the development site includes all or portions of both the north and south halves of the North Lot, the development must include not less than 445,000 gsf of housing on such land areas; or
 - b) If the development site does not include any portion of the south half of the North Lot (other than the site for a parking

structure), the development must include not less than 335,000 gsf of housing on the north half of the North Lot.

- In either case the development may include retail and other uses permitted by Seattle zoning regulations, provided that not less than 60 percent of the gross square footage of development (excluding parking) shall be devoted to housing.
- The option may not be exercised prior to the date upon which the stadium bonds are issued.
- If FGI concludes that development of the project in conformance with the criteria set forth above is not appropriate due to information gained about the site during development feasibility analysis, FGI may present this information to the City and County, and may exercise the option based upon an alternate development plan, provided the alternate development plan is approved by the County Executive and Mayor.
- The County and City shall have the right to propose that up to 20 percent of the number of dwelling units included in the development be affordable to persons earning between 50 and 80 percent of the Seattle area (SMSA) median income. FGI shall work in good faith with the County and City to implement the plan, provided that FGI shall not be obligated to implement the plan unless adequate funding is provided by the County and/or City to off-set or "buy down" a sufficient portion of the costs of development (including acquisition costs) to fund the proposal. The County Executive and the Mayor of Seattle intend to seek the support of the City and County Councils for funding for housing subsidies for the Pioneer Square and International District neighborhoods, which historically have been most affected by the Kingdome, and which prospectively will be most affected by the new sports facilities and exhibition center.
- During the term of the option, FGI may elect to propose a development agreement as authorized by state statutes in order to fix (vest to) development regulations, mitigation obligations, and for the other purposes identified in the statute. The City agrees to expeditiously consider the development agreement in good faith.
- In the event FGI does not exercise the option to purchase the north half of the North Lot, or for any reason the sale pursuant to exercise of the option does not close, FGI shall have a right of

first refusal to purchase the north half of the North Lot on the same terms and conditions of a proposed sale (or other transfer of ownership or similar control of any kind) to any other person or entity, which right must be exercised within 60 days of full notification of the terms of such proposed sale or other transfer, excluding the time reasonably required to prepare a development plan and obtain development approvals; *provided* that the right of first refusal shall only be in effect if the proposed sale would allow the developer to develop less housing than required as a condition of FGI exercising its option as set forth above, and/or if the sale price is less than the fair market value FGI would have been required to pay as determined above, including appropriate consideration of the terms and obligation for payment for the parking structure. The right of first refusal shall run through the term of FGI's master lease with the PSA, including renewals.

- In the event the north half of the North Lot is developed by any person or entity other than FGI, or its related entity, and unless otherwise approved by FGI and the PSA, a view corridor to and from the Stadium shall be preserved by prohibiting development in excess of 70 feet in height, for a distance of 60 feet on each side of the 90-foot Second Avenue South right-of-way.
- FGI and PSA shall each have the right to early review and comment on the development plans of any third-party developer of the north half of the North Lot. Comments on pedestrian or vehicular circulation, safety, security, conflicts with staging or parking, incompatibility of other design elements and view blockage shall be given specific consideration in preliminary review, environmental review, and at all steps in the County and City decision-making processes.
- Any development of the north half of the North Lot by a third party shall undergo review by the Pioneer Square Preservation District and comply with any special-district regulations, or the equivalent.

17. FGI shall have an option to purchase the south half of the North Lot from the PSA. The development agreement and master lease between the parties shall contain provisions for the following:

- The option shall apply only to such area as the PSA determines is not necessary for parking, staging or other specific, identified Stadium or Exhibition Center needs.

- The PSA shall make its determination based upon any relevant information about stadium and exhibition center operations and needs, and upon an analysis of, and plan for, staging, parking and other identified needs. The PSA may consult with and seek input from the Consumer Show Coalition before making its determination.
- The analysis and plan for staging, parking and other needs shall be prepared by FGI at its cost, in consultation with the PSA. FGI shall not seek a determination from the PSA until completion of the first consumer show season in the new Exhibition Center.
- The PSA determination shall be made in good faith, based upon all relevant information available, and shall not be unreasonably delayed, conditioned or withheld. If the PSA determines that it is prudent or advisable to complete a second consumer show season in the new Exhibition Center before it makes its determination, the PSA may so postpone its decision. If the PSA so postpones its decision, the County shall extend its development option to FGI for an additional six months.
- The option to develop shall be conditioned on replacement of parking spaces displaced by the development.
- The purchase price shall be fair market value of the property when used for a mixed-use/housing development. Fair market value shall be determined by an appraisal process, with appropriate weight given to the reduction in market value attributable to the replacement parking obligation, and with consideration given to all other factors affecting market value, including, but not limited to, the presence of contaminated soils, soil stability, hydraulic conditions, restrictions on housing type and price, if any, and other features of the land or applicable regulations that increase the cost of development, or reduce the value of the property.
- The option may be exercised during the term of FGI's master lease with the PSA, including renewals.

SR 519

18. The Mayor and County Executive agree to advocate for SR 519 transportation facility improvements as follows:

- If Phase II of SR 519 is constructed at Royal Brougham, inclusion of a westbound ramp connecting Fourth Avenue to First Avenue designed to allow temporary eastbound egress from the stadium parking garage to Fourth Avenue after events.
- A southbound on-ramp to SR 99 at Royal Brougham.
- Further evaluation of alternative designs of Phase II, which may include alternative landings for the grade-separated structure at Royal Brougham.

19. If Phase II of SR 519 is built, and the Royal Brougham rail crossing is closed to general traffic, the City shall designate Royal Brougham between the mainline railroad tracks and Occidental Avenue South as a local access street, and shall work with the representatives of the two stadiums and the Exhibition Center on a street design that serves their needs, including access to the parking garage and loading docks, pedestrian access, movement of vehicles along the east side of the ballpark, and street area use for event staging for the stadium and exhibition center project.

20. The County Executive and Mayor agree to encourage the Mariners and PFD to work with the PSA and FGI to allow use of the eastern edge of the Ballpark property for event staging.

OTHER KINGDOME PROPERTY TRANSFER PROVISIONS

21. The County has provided a detailed list of all personal property used in operations of the Kingdome to the PSA and FGI. The PSA and FGI have identified those items of property that will be used in operation of, and which are necessary for, the Stadium and Exhibition Center project. Title to all items so designated shall be conveyed to the PSA without charge. All other property identified on the list shall remain the property of the County; *provided* if it is not removed from the Kingdome prior to the date the facility is secured for preparation of the demolition, all such property shall be conclusively presumed to have been abandoned and may be disposed of or destroyed without any liability to the County whatsoever.

22. FGI shall pay the sum of \$300,000 to the County for special transit service upon notice that the grant funds sought as partial funding for the service have been obtained.


23. All obligation to reimburse the County for expenditures and/or to compensate the County for impacts upon its funds arising from the Stadium Act or from the Agreement and Letter of Intent shall be satisfied by cancellation of the \$2 million credit owing to Football Northwest (FNW), with the exception of the limited potential credit provided for below in connection with the Johnson Building.


24. The PSA shall be entitled to use the Johnson Building until stadium construction is complete for stadium and exhibition center storage. The PSA staff shall work with County staff to provide for storage by the County to the extent such joint use can be reasonably accommodated in space not needed for PSA storage, if any. FGI shall have the option to purchase the building at its appraised value after stadium construction is complete, provided that if the existing structure, or an equivalent amount of floor space in added structure, or a combination thereof, is devoted to artist loft housing, then FGI shall be entitled to use the remainder of the FNW credit in the amount of \$300,000 in reduction of the purchase price. The option shall expire unless exercised within 12 months of issuance of an occupancy permit for the Stadium and may be conditioned upon issuance of permits required for the intended use of the property.

25. Covenant language shall be included in any purchase or lease contract for housing on the North Lot waiving any right to complain of noise, lighting, or any other function of a normally operating stadium and exhibition center facility that is in compliance with applicable noise and other regulations.

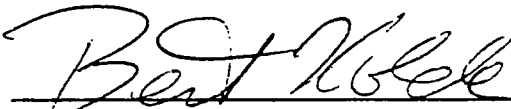
26. Football Northwest agrees that it will relinquish all right and interest in the option contained in its Kingdome Use Agreement with the County to build an office building on the North Lot.

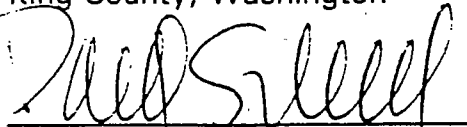
DATED this 25th day of June, 1998.


 Lorraine Hine, Chair
 Washington State Public Stadium
 Authority


 Sid Morrison, Secretary
 Washington State Department of
 Transportation


 Ron Sims, County Executive
 King County, Washington


 Bert Kolde
 First & Goal, Inc. (Vice Chair)
 Football Northwest, Inc. (Vice Chair)


 Paul Schell, Mayor
 City of Seattle, Washington