Finance & Asset Management Committee Meeting Agenda

Date: Tuesday, March 21st, 2017
Time: 4:00p.m. – 6:00p.m.
Location: Classroom
Committee Members: Gloria Skouge (Chair), Ray Ishii, Ann Magnano, Patrice Barrentine, Jim Savitt, David Ghoddousi, John Finke and Betty Halfon

4:00pm  I. Administrative: Chair
  A. Approval of Agenda
  B. Approval of the Finance & Asset Management Committee
     November 8th, 2016 Meeting Minutes
  C. Approval of the Finance & Asset Management Committee
     December 13th, 2016 Meeting Minutes
  D. Approval of the Finance & Asset Management Committee
     February 21st, 2017 Meeting Minutes

4:05pm  II. Announcements and/or Community Comments

4:20pm  III. Reports and Discussion Items
  A. Review of the PDA Final Financial Statements for February 2017
     I. Checking Account Activity Report
     II. LaSalle Senior Housing LLC Audit December 31st, 2016
  B. Commercial Tour Licensing Guidelines
    Sabina Proto
    Ben Franz-Knight

4:50pm  IV. Action Items
  A. Proposed Resolution 17-09: Authorization for Contract Authority
     – Replace Upper and Lower Pine Roofs
  B. Proposed Resolution 17-10: Authorization for Contract Authority
     – Replace Lower LaSalle Roof
  C. Proposed Resolution 17-12: MarketFront Project (PC1N)
     Neighborhood Center – Development Agreement with Market
     Foundation
    Bob Beckstrom
    Ben Franz-Knight

5:10pm  V. Property Management Report
  A. Residential Property Management Report
    Elsie Janson

5:25pm  VI. Public Comment Chair
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<tr>
<th>Time</th>
<th>Item</th>
<th>Chair</th>
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<tr>
<td>5:45pm</td>
<td><strong>VIII. Open Session</strong></td>
<td>Matt Holland</td>
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<td>A. <strong>Action Item:</strong> Proposed Resolution <strong>17-11:</strong> Lease Proposals</td>
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<td>5:50pm</td>
<td><strong>VIII. Resolutions to be added to the Consent Agenda</strong></td>
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<td>5:55pm</td>
<td><strong>IX. Concerns of Committee Members</strong></td>
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<td>6:00pm</td>
<td><strong>X. Adjournment</strong></td>
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Finance & Asset Management Committee
Meeting Minutes

Tuesday, February 21st, 2017
4:00 p.m. to 6:00 p.m.
Classroom

Committee Members Present: Gloria Skouge, Ray Ishii, Patrice Barrentine, David Ghoddousi, Betty Halfon, Ann Magnano

Other Council Members Present:

Staff/Consultants Present: Kristi Beattie, Sabina Proto, John Turnbull, Matt Holland, Jay Schalow, Aliya Lewis, Ben Franz-Knight

Others Present: Howard Aller, Chris Scott, Joan Paulson, Janice Merlino,

The meeting was called to order at 4:03 p.m. by Gloria Skouge, Chair.

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

   B. Approval of the Finance & Asset Management Committee January 17th, 2017 meeting minutes.

   The Finance & Asset Management Committee January 17th, 2017 meeting minutes were approved by acclamation.

II. Announcements and Community Comments

   Betty Halfon entered into the meeting at 4:04 p.m.
   Ann Magnano entered into the meeting at 4:06 p.m.

III. Reports & Discussion Items
   A. Review of the Final Financial Statements for December 2016

   Sabina Proto, the Director of Finance, presented a review of the Final Financial Statements for December 2016. Proto discussed the PDA Balance Sheet with the committee. She reported that there was a decrease from the prior month under Current Assets, mainly in the Miscellaneous Receivable category. Designated Cash showed a decrease due to spending of MarketFront construction funds. Restricted Cash had reported an increase due to the accumulation of the retainage amount for Sellen. There were two impacts to Fixed Assets which was an increase from capital spending in capital improvement in existing buildings and MarketFront construction costs. There was an increase in LT Receivable and Investments related to NMTC Financing and the PDA invested $7.2 million into the Investment Fund. Under Current Liabilities, Sellen’s
Invoice for November and December were paid in January in relation to Accounts Payable and the accumulation of retainage for Sellen under Other Liabilities is payable when the project is complete.

Long Term Debt decreased due to the payment of principal and interest on the outstanding bonds and forgiveness of City Loan for $180,000. Non-Operating Revenue for the MarketFront shows net of grants and capital donation to QB3 is lower than the prior year. The PDA has donated $17.1 million to the QB3 as part of the NMTC Agreement. Under the PDA Operating Statement, the Total Revenue for the end of December was $664,943 over budget, Total Expenses were under budget by $249,301 and Net Operating Revenue was over budget by $914,244. Annual payments to debt and annual contribution to PDA reserves and Pension trust. Net Result after Debt and Reserves is $3,084,560 which exceeds the budgeted surplus by $913,644. It is recommended to the council to contribute the excess surplus to the Capital Reserve.

Under Operating Result: commercial revenue, parking, miscellaneous revenue and daystall all did well. The Expenses categories were under budget overall. The areas that were over budget in Expenses were salaries, utilities and parking. Page 3 of the balance sheet provides a reconciliation between the Net Operating Results of the Operating Statement and Current Year Result on the Balance Sheet. Page 4 provides the actuals of operating result for the last 5 years. Page 5 provides confirmation of the Pension contribution for 2017 budget. The PDA is estimated to contribute $345,000 to the pension plan in the 2017 budget and based on the year end results for 2016, $345,000 is the correct amount. Page 6 is the Capital Projects spreadsheet which provides the information on the projects worked on during 2016, the projects that were completed and the final costs for them. Pages 7 – 20 provide the detail of the Budget – Actual comparison.

There was a conversation about receivables and where they would be shown in the budget, operating statement and audit.

Ray Ishii asked when it is determined how much money is put into the pension.

Ben Franz-Knight answered that it would be determined during this meeting.

There was a discussion about accrual and its relation to the budget and pension.

Ray Ishii asked why the net surplus is a different number from the balance sheet and net operating statement.

Sabina Proto stated that she had to remove the parking revenue, surface and garage, as well as the expensed from the parking.

There was a discussion about debt services and pension contribution that followed.
Ray Ishii asked if staff would prefer to see the money in payroll and salary rather than when they retire.

Ben Franz-Knight noted that staff recommendation is included in the resolution that will be presented during the meeting.

Sabina Proto noted that the focus is to rebuild the capital reserve and to use savings for that purpose.

Kristi Beattie asked if the revenue for parking was expected to be more than what was shown even though it shows it was over budget.

Ben Franz-Knight stated that it performed at an expected level.

B. Review of the Financial Statements for January 2017

Sabina Proto, the Director of Finance, presented a review of the Financial Statements for January 2017. Proto discussed the PDA Balance Sheet with the committee. She reported that there was a decrease from the prior month under Current Assets. Designated Cash showed a decrease in funds due to spending on MarketFront project construction. Restricted Cash had reported an increase due to Sellen and the debt service contribution. There were two impacts to the Fixed Assets which included an increase from capital spending in the capital projects and in the MarketFront project. Current Liabilities decreased in Accounts Payable related to the MarketFront construction payments. Long Term Debt decreased due to payment on a 2009 PDA bond. The Current Year Operating Result is $284,970. Accounts Receivable decreased from the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of January was $1,533,838 or over budget by $95,556. The Total Operating Expense year-to-date was $1,142,491 or under budget by $68,039. The Net Operating Result for the end of January was $391,347 or $95,556 over budget.

Sabina Proto reported on the footnotes on the Operating Statement. She noted the following revenue related items: Commercial Revenue was over budget by $50,173, due in part to base and percentage rent while under budget in direct utilities. Residential Revenue was over budget by $3,978. Daystall Revenue was under budget in Daily Crafts and Daily Farm due to bad weather. Lastly, it was reported that Surface Revenue was under budget by $3,382, Garage Revenue was under budget by $60,293, Events Revenue was over budget by $21,732, Miscellaneous Revenue was over budget, Operating Expenses overall were under budget, Percent Rent was over budget by $47,815 and the balance of the Capital Replacement Reserve is $9.3 million for the end of January 2017.

Ben Franz-Knight noted that the state will not be subsidizing $1 for parking, changing the hourly rate from $3 to $4. He stated that seasonal Early Bird parking will be returning. Franz-Knight discussed factors that affected garage revenue such as the weather, high profile protests and a homeless encampment that occupied most of the west entrance of the parking garage for most of the month of January.
I. Checking Account Activity Report
The Checking Account Activity Report for the month of February 2017 was handed to Aliya Lewis, Executive Administrator.

C. Review of Small Works Contract Roster Renewal and MWBE Contractors
Ben Franz-Knight discussed diversity in the Market related to the small works contract roster. The application process to become part of the roster is now available online and projects alerts have been automated, reducing staff time and making the process more comprehensive. Franz-Knight went over the recruitment process which covered seven counties; Pierce, Snohomish, King, Kitsap, Skagit, Thurston and Whatcom. 33 Minority and Women Owned Enterprise (MWBE) contractors have been added to the small works contract roster. There are currently 123 current active contractors including the 33 MWBE. A review of commercial, residential, and PDA staff will be put together to present to council.

Patrice Barrentine asked what the 2016 makeup of the small works contract roster was.

Ben Franz-Knight stated that four businesses were either women or minority owned in 2016 but none of them were certified.

Patrice Barrentine noted that she would like to see how many of the MWBE on the roster actually receive contracts.

There was a discussion about the recruitment process and how it related to the current PDA roster.

IV. Action Items
Proposed Resolution 17-05: Allocation of Year End 2016 Balance

Ben Franz-Knight introduced proposed resolution 17-05 which states:

WHEREAS, the PDA staff has carefully reviewed the 2016 year-end PDA un-audited operating statements and finds that there is a year-end net-result operating balance after debt service and reserves of $3,084,560; and,

WHEREAS, the full PDA Council in their annual budget process had budgeted a surplus of $2,170,916 to be contributed to PDA capital repair and replacement fund (CRRF), leaving an unallocated balance from 2016 operations of $913,644; and,

WHEREAS, the PDA Finance Committee has considered PDA Council priorities and alternatives for use of additional year end monies available, and annually recommending to the full Council use of any such un-programmed operating balance.
THEREFORE, NOW BE IT RESOLVED that the PPMPDA Council allocates the remaining year-end operating balance as follows: $913,644 to the Capital Repair and Replacement Fund (CRRF)

Ann Magnano moved the proposed resolution and Betty Halfon seconded the motion.

Patrice Barrentine stated the she understood that several staff had their salary range adjusted to meet their level of work this year and that the vote of staff is to put the money primarily in the reserve.

Ben Franz-Knight noted that there was not a vote of staff for the allocation, it is a management recommendation that is consistent with that is budgeted every year. The council can choose to make adjustments.

Ray Ishii asked what other options the money could be used for.

Ben Franz-Knight noted that the only other option is to put an additional contribution towards the minimum operating reserve.

There was a conversation about the minimum operating reserve that followed.

For: Gloria Skouge, Ray Ishii, Patrice Barrentine, David Ghoddousi, Betty Halfon, Ann Magnano
Abstained: 0
Against: 0

Proposed Resolution 17-06: Authorization for Contract Authority – West Elevation Window Replacements (Old Lisa Harris Space)

Ben Franz-Knight introduced proposed resolution 17-06 which states that:

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

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that (19) West Elevation Windows located at the old Lisa Harris Space have failed

WHEREAS, the PPMPDA has executed a bid process to replace the windows
NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorized the PPMPDA Executive Director or his designee to enter into a contract with Herzog Glass in an amount not to exceed $24,451.76 to replace the West Elevation Windows.

The funds for this project will be drawn from the Capital Projects Budget, 2017 COMSOA – CC West Elevation Window Replacements: 160810—00

Patrice Barrentine moved the proposed resolution and David Ghoddousi seconded the motion.

For: Gloria Skouge, Ray Ishii, Patrice Barrentine, David Ghoddousi, Betty Halfon, Ann Magnano
Abstained: 0
Against: 0

V. Property Management
A. Residential Property Management Report
John Turnbull went over the property management report for February 2017. Turnbull stated that a new city proposal is in review for limited background screening for residents, the Violence Against Women Act will be updated in March, and Market rate unit rent will increase on April 1.

Ben Franz-Knight noted that seniors making the $15 minimum wage in Seattle are $420 over the minimum income threshold for the 50% AMI units and are therefore ineligible for those units.

Turnbull continued with his report stating that five tenants will be transferring to the Western Avenue Senior Housing from other PDA apartments, furnishings for common areas will be in place soon and expected tenant move in is March 1st. Cheryl Smith will be retiring at the end of the month and her replacement is currently being trained. There is a new contract with the pest control company utilizing a new process of intensive heat treatment for units in Stewart House. Turnbull also noted a new strategy for pest control in the Stewart House. There is a unit that has been leased as a living space that will now be converted into a commercial space in accordance to a city housing ordinance. A carry over of about $25,000 have carried over from events from last year to this year.

Patrice Barrentine asked if pest control increases maintenance costs.

John Turnbull stated that pest control is a significant factor in maintenance costs.

There was a discussion about pest control that followed.

Ann Magnano asked what the possible top revenue is for events spaces.
Turnbull stated that he would have to recalculate the rates for those spaces but that it is probably in the 270 range. Would like it to be 10-20% higher but a certain point more staff would be required.

VI. Public Comment
None.

VII. Closed Session
The Committee Chair stated that the committee would go into closed session at 5:30 p.m. to discuss the property management report and return into open session at approximately 5:45 p.m.

The committee entered into closed session at 5:27 p.m.

I. Property Management Report - Closed Session (RCW 42.30.110(c))

II. Review of Lease Proposals
Lease Renewal – Lionheart Bookstore, 1501 Pike Place #432
Lease Renewal – Pen & Ink Drawings, 1504 Pike Place #323

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

The committee entered into open session at 5:04 p.m.

The committee discussed the property management report which included the delinquency and vacancy report along with the current commercial lease negotiations during the closed session.

VIII. Open Session
A. Action Item: Proposed Resolution 17-07: Lease Proposals – February 2017

Jennifer Maietta introduced the lease proposals for which included the following businesses:

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<tr>
<th>Tenant</th>
<th>Term</th>
<th>Start Date</th>
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<tbody>
<tr>
<td>Lionheart Bookstore</td>
<td>Five (5)</td>
<td>March 1, 2017</td>
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<tr>
<td>David Ghoddousi</td>
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<tr>
<td>Pen &amp; Ink Drawings</td>
<td>Three (3)</td>
<td>March 1, 2017</td>
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<tr>
<td>Patrick Kerr</td>
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Betty Halfon moved the proposed resolution and Ann Magnano seconded the motion.

For: Gloria Skouge, Ray Ishii, Patrice Barrentine, Betty Halfon, Ann Magnano
Abstained: David Ghoddousi
Against: 0
IX. **Resolutions to be added to the Consent Agenda**
   Proposed Resolution 17-05: Allocation of Year End 2016 Balance

   Proposed Resolution 17-06: Authorization for Contract Authority – West Elevation Window Replacements (Old Lisa Harris Space)

   Proposed Resolution 17-07: Lease Proposals – February 2017

X. **Concerns of Committee Members**
   Betty Halfon noted that the Full Circle CSA has begun canvasing neighborhoods.

XI. **Adjournment**
   The meeting was adjourned at 5:47 p.m. by Gloria Skouge, Chair

Meeting minutes submitted by:
Aliya Lewis, Executive Administrator
Tuesday, November 8th, 2016
4:00 p.m. to 6:00 p.m.
Elliott Bay

Committee Members Present: Gloria Skouge, David Ghoddousi, John Finke, Ray Ishii

Other Council Members Present: Kristi Beattie

Staff/ Consultants Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Bob Beckstrom, Jennifer Maietta, John Turnbull, Aliya Lewis

Others Present: Howard Aller, Chris Scott

The meeting was called to order at 4:00 p.m. by Gloria Skouge, Chair.

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

   B. Approval of the Finance & Asset Management Committee October 19, 2016 Finance & Asset Management meeting minutes.

      The October 19, 2016 Finance & Asset Management Committee meeting minutes were approved by Acclamation.

II. Announcements and Community Comments
    None

III. Reports & Discussion Items
    A. Review of the Financial Statements for October 2016
       Sabina Proto, Director of Finance presented a review of the Financial Statements for October 2016. She discussed the PDA Balance Sheet with the Committee. She reported that there was an increase from the prior month under Current Assets, mainly in the Unrestricted Cash category. Designated Cash showed a decrease since funds were expended out from the MarketFront account to pay the contractors for the project. Restricted Cash had reported an increase due to the monthly contribution to the debt service accounts and monthly contribution to Sellen’s Retainage reserve. There were two impacts to the Fixed Assets which included an increase from Capital spending in Capital Projects as well as with the MarketFront project. There had also been a decrease under Fixed Assets due to the acquisition from the Pike Place Market QB3 of a portion of MarketFront construction costs, as result of the NMTC transaction. There were also construction expenditures related to the Housing portion of the project that are reflected
in the books of Western Avenue Senior Housing, LLC. Current Liabilities increased mainly in accounts payable related to the MarketFront Construction payments. Long Term Debt decreased due to the payment on the 2009 bond. Under the Accounts Receivable Report, the accounts receivable decreased from the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of October 2016 was $15,663,841 or over budget by $485,692. The Total Operating Expense year-to-date was $11,023,131 or under budget by $447,525. The Net Operating Result for the end of October was $4,640,710 or over budget by $906,217. The Net Result after Debt Service & Reserves that was included in the following Annual Budget was $2,170,916. The Net Result after Debt Service & Reserves for the end of October 2016 year-to-date was $2,687,582.

Sabina Proto reported on the footnotes on the Operating Statement. She noted the following revenue related items: Commercial Revenue was over budget by $219,128, due in part to base and percentage rent and direct utilities under budget. Residential Revenue was under budget $354,278 due to several move-outs and trending with the laundry revenue collection. Daystall Revenue was over budget in Farm and under budget in permits due to trending. Lastly, it was reported that Surface Revenue was over budget by $37,115, Garage Revenue was over budget by $165,770, Events Revenue was on budget, Miscellaneous Revenue was over budget in investment income and trademarks and Percent Rent was over budget by $227,273.

Ben Franz-Knight spoke briefly on how capital projects will be documented and presented differently in the coming year.

There was a discussion that followed.

I. Checking Account Activity Report
The Checking Account Activity Report for the month of October 2016 was distributed to Aliya Lewis, Executive Administrator.

IV. Action Items
A. Action Item: Proposed Resolution 16-60: Adoption of the 2017 PDA Operating and Capital Projects Budgets

Ben Franz-Knight provided a brief overview of the written summary that was included with the proposed 2017 Budget. He reported that the resolution to approve the 2017 Budget would come back to the PDA Council at the November 17th meeting for final approval.

Ben Franz-Knight introduced Proposed Resolution 16-60 which states that the PDA is a public corporation responsible for the efficient development and operation of the Market and for the effective provision of services designed to preserve and promote the economic health of the Market and its tenants consistent with the Urban Renewal Plan, the Historic District Ordinance and Guidelines, the PDA Charter, deed restrictions, and
other City and State ordinances and laws; and, whereas, as a public corporation, the PDA operates on a non-profit basis, where any excess of revenues over expenditures is reinvested in the Market; and, whereas, the PDA desires to communicate to the Market community and the public the bases for its financial, operational and other policy and program decisions; whereas, except for HUD contract rents, the PDA’s operations are not subsidized by public funds and rely on rental and miscellaneous income for its total operating and capital revenues; and, whereas, the Budget schedule and summary were made available to tenants; the PDA Council's Finance & Asset Management Committee conducted working sessions, considered public testimony, and suggested amendments to the 2017 Proposed Budget; and has recommended adoption of the 2017 Budgets; and whereas, the 2017 Operating and Capital budgets are approved as a whole, with the exception of the Employee Pension contribution which will be determined in February 2017 based on the 2016 Final Operating Statements.

Now, therefore be it resolved, that the PDA Council does hereby adopt the 2017 PDA Operating and Capital Budgets as outlined in the 2017 Budget Document attached hereto as Exhibit A,

And be it further resolved, that the PDA Council affirms its established budget, revenue and operating policies as follows:

(1) All tenant sectors of the Market bear a responsibility for PDA costs incurred to serve the Market's operating and capital needs as a whole, and to fulfill the public interest purposes of the PDA, to preserve and promote the traditional character of the Market;

(2) The PDA Council recognizes that external economic conditions and competitive pressures affect Market businesses and residents and attempts to prudently and sensitively take these factors and their potential effects into account in setting revenue estimates and requirements and in conducting its property management responsibilities in the course of the year;

(3) The Market is operated as an integrated whole with services distributed in accordance with ongoing maintenance and operations requirements, current and future capital needs, and needs for response to critical or emergency demands. The flexibility created by operating the Market as a whole, instead of as independent and exclusive separate and individual buildings or tenant groups, enables the PDA to maximize efficiency and responsiveness to community-wide and Market-wide needs, while still providing attention to individual tenant needs.

This operating mode, combined with the PDA’s fulfillment of Charter-mandated public interest and preservation objectives, does not lend itself to a strict relationship between costs and revenues from individual buildings or between costs and revenues from individuals or groups of tenants. While costs and revenues can be estimated for subgroups of Market facilities and tenants, it is not appropriate from a policy or
operational standpoint to develop the budget and operate the Market on a strict cost center basis.

John Finke moved the proposed resolution, Ray Ishii seconded the motion.

For: Gloria Skouge, David Ghoddousi, John Finke, Ray Ishii
Against: 0
Abstained: 0

Resolution 16-60: Adoption of the 2017 PDA Operating and Capital Projects Budgets had passed unanimously by the Committee by a vote of 4-0-0.


Bob Beckstrom introduced the resolution which states the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that the current common area restrooms located on the upper floor of the Soames-Dunn will be relocated and upgraded during the Pink Door’s remodel; and, whereas, the PPMPDA has executed a bid process to install new restrooms and relocate conference room using part of Wagner Architects and Lisa Harris spaces.

Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Experienced Construction in an amount not to exceed $218,849.28 to relocate restrooms and associated enabling work.

The funds for this project will be drawn from the Capital Projects Budget, 2016 COMSOA – CC Install New Upper Level Soames-Dunn Restrooms: 163808--00

John Finke moved the proposed resolution, Ray Ishii seconded the motion.

For: Gloria Skouge, David Ghoddousi, John Finke, Ray Ishii
Against: 0
Abstained: 0

Resolution 16-61: Authorization for Contract Authority – New Soames-Dunn Upper Restrooms – Experienced Construction had passed unanimously by the Committee by a vote of 4-0-0.

Jennifer Maietta introduced the resolution which states that the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and, whereas, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that the existing common restrooms located on the upper floor of the Soames-Dunn Building should be relocated (and modernized to current building standards) in conjunction with a reconfiguration of major tenant spaces on that floor; and, whereas, the PDA solicited proposals for architectural services for this project and selected Strata Architects (a woman-owned business on the small works contract roster) to provide design development, permit plans, mechanical coordination documents and bid documents among other services; and, whereas, the initial design services and direct project expenses were estimated to total less than $10,000 have, due to owner (PDA) directed changes in scope of work, now exceed that amount.

Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to contract with Strata Architects in the amount of $11,103.85 for design services and direct expenses for relocation of tenant restrooms on the upper floor of the Soames Dunn Building.

8552029977

The funds for this project will be drawn from the CAPITAL PROJECTS Account Number 163808-00.

John Finke moved the proposed resolution, Ray Ishii seconded the motion.

For: Gloria Skouge, David Ghoddousi, John Finke, Ray Ishii
Against: 0
Abstained: 0

Resolution 16-62: Authorization for Contract Authority – Soames-Dunn Upper Floor Restroom Relocation – Strata Architects had passed unanimously by the Committee by a vote of 4-0-0.

V. Property Management
A. Residential Property Management Report

John Turnbull presented the Residential Property Management Report for the month of October 2016. He reported that the residential vacancy rate at the Market was roughly at 3.9%. Turnbull noted the letters will be sent out to the first 30 people on the waiting list for the new housing the following week. He provided an overview of the upcoming holiday gatherings for the Market residential community and an update on the recent residential staffing changes.
VI. Public Comment
Howard Aller questioned if there is ADA access to The Pink Door since they have ADA bathrooms.

VII. Closed Session

The Committee Chair stated that the Committee would go into Closed Session at 4:45pm to discuss the Property Management Report and return in to Open Session at approximately 5:05pm.

The Committee entered into Closed Session at 4:45pm.

I. Property Management Report - Closed Session (RCW 42.30.110[c])

II. Review of Lease Proposals
   Lease Renewal – Honest Biscuits, 93 Pike St/Relocation
   Lease Renewal – Indi Chocolate, 1501 Pike St/Relocation
   Lease Renewal – Pink Door, 1919 Post Alley
   Lease Renewal – Mee Sum Pastry, 1526 Pike Place
   Lease Renewal – Michou, 1904 Pike Place
   Lease Renewal – Seattle Convention & Visitor’s Bureau, 99 Pike St
   Lease Renewal – Uli’s Sausage, 1511 Pike Place

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

The Committee entered into Open Session at 5:04pm

The Committee discussed the property management report which included the delinquency and vacancy report along with the current commercial lease negotiations during the Closed Session.

VIII. Open Session


Jennifer Maietta introduced the lease proposals for November 2016 which included the following businesses:

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<tr>
<th>Tenant</th>
<th>Term</th>
<th>Start Date</th>
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<tr>
<td>Honest Biscuits (MarketFront</td>
<td>Ten (10) Years</td>
<td>December 1, 2016</td>
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<tr>
<td>Honest Biscuits, Inc. (Art Stone)</td>
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<tr>
<td>Indi Chocolate (MarketFront</td>
<td>Ten (10) Years</td>
<td>December 1, 2016</td>
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<td>Indi Chocolate, LLC (Erin Andrews)</td>
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<tr>
<td>The Pink Door</td>
<td>Ten (10) Years</td>
<td>January 1, 2017</td>
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<td>The Pink Door, LLC (Jackie Roberts)</td>
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Mee Sum                               Five (5) Years            January 1, 2017
Mee Sum Pastries, Inc. (Jack Fong)

Michou                                Five (5) Years          December 1, 2016
Ralph & Noriko Castellino

Seattle Convention & Visitor’s Bureau  Five (5) Years          December 1, 2016

Uli’s Famous Sausage                  Five (5) Years          December 1, 2016
Uli’s Sausage Biergarten, LLC (Uli Lengenberg)

John Finke moved the proposed resolution, Ray Ishii seconded the motion

For: Gloria Skouge, David Ghoddousi, John Finke, Ray Ishii
Against:       0
Abstained:   0

Resolution 16-63: Lease Proposals-November 2016 had passed unanimously by the Committee by a vote of 4-0-0.

IX. **Resolutions to be added to the Consent Agenda**
   A. Resolution 16-63: Lease Proposals for November 2016 was added to the November 17th PDA Council meeting Consent Agenda.

X. **Concerns of Committee Members**
   None

XI. **Adjournment**
   The meeting was adjourned at 5:08p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Executive Administrator
Tuesday, December 13, 2016
4:00 p.m. to 6:00 p.m.
Elliott Bay

Committee Members Present: Gloria Skouge, Ray Ishii, Betty Halfon, David Ghoddousi

Other Council Members Present:

Staff/Consultants Present: Ben Franz-Knight, Sabina Proto, Jennifer Maietta, John Turnbull, Aliya Lewis, Andre Zita

Others Present: Howard Aller

The meeting was called to order at 4:03 p.m. by Gloria Skouge, Chair.

I. Administration
   A. Approval of the Agenda

   There was no quorum to approve the agenda.

   B. Approval of the Finance & Asset Management Committee November 8th, 2016 Finance & Asset Management meeting minutes.

   There was no quorum to approve the November 8th meeting minutes.

II. Announcements and Community Comments

David Ghoddousi entered the meeting at 4:21 p.m.

III. Reports & Discussion Items

   Sabina Proto went through the Financial Statements for November 2016. She discussed the PDA Balance Sheet with the committee. She reported there was a decrease in current assets due to normal course of business and construction invoices. Designated Cash showed an increase due to collecting reimbursements from City and WASH. Restricted Cash had reported showed an increase due to monthly contribution to debt service accounts and monthly contribution to Sellen’s Retainage reserve. There were two impacts on to the Fixed Assets which included an increase from capital spending in Capital Projects and in the MarketFront project. There had also been a decrease due to the acquisition from Pike Place Market QB3 of a portion of MarketFront construction costs, as a result of New Markets Tax Credits transaction. There were also construction expenditures related to the Housing portion of the project that are reflected in the books
of Western Avenue Senior Housings LLC. Current Liabilities decreased mainly in Accounts Payable related to the MarketFront Construction payments. Long Term Debt decreased due to the payment on the 2009 bond. The Net Position for the Current Year Operating Result was $3,929,630. Under the Accounts Receivable Report, the account receivable increased from the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of November was $17,189,065 or over budget by $529,917. The Total Operating Expense year-to-date was $12,114,158 which is $412,174 under budget. The Net Operating Result for the end of November was $5,074,907 which is $943,091 over budget.

Sabina Proto reported on the footnotes on the Operating Statement. She noted the following revenue related items: Commercial Revenue was over budget by $241,712 due in part to Base Rent and Percentage Rent, and under budget in Direct Utilities. Residential Revenue was under budget by $37,544 in Rents due to several move outs and trending with the laundry revenue collection. Daystall Revenue was under budget in Daily Crafts and over budget in Daily Farm and Remote Markets. Lastly, it was reported that Surface revenue is over budget by $59,549, Garage Revenue is over budget by $170,267, Events Revenue is slightly under budget, Miscellaneous Revenue was over budget in investment in come, filming and trademarks and Percent Rent was over budget by $240,780.

There was a discussion that followed.

I. Checking Account Activity Report
The Checking Account Activity Report for the month of November 2016 was distributed to Aliya Lewis, Executive Administrator.

IV. Action Items

Andre Zita presented Proposed Resolution 16-64: Authorization for Contract Authority – East Entrance Repairs – Soames-Dunn which states:

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

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that the landing at the east door of the Soames-Dunn building is in need of replacement; and,
WHEREAS, the PPMPDA has executed a competitive bid process for replacement and coating application of all labor & material necessary for the replacement of entrance landing pad at the east door courtyard.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Experienced Construction, LLC. in an amount not to exceed $20,892 for work to replace landing.

The funds for this project will be drawn from the Capital Projects Budget, 2016 COMSOA – East Entrance Landing - GL 163815-00

Betty Halfon moved the proposed resolution, Ray Ishii seconded the motion.

There was a discussion that followed.

*There was not a quorum to vote on this proposed resolution.*

V. Property Management
   A. Residential Property Management Report
      John Turnbull gave a report on December Residential Property Management. Turnbull noted that unit transfers are being more closely monitored as well as ensuring transfer requests are handled appropriately. La Salle, and Market House waiting lists are now closed due to a two year backlog. Turnbull also provided an update on Western Avenue Senior Housing, building repairs, improvements, and pest management.

      There was a discussion that followed.

      Turnbull also noted staffing changes, the December tenant appreciation lunch, residential plans for 2017, and economy building programs and events.

VI. Public Comment
    None

VII. Closed Session
    *The committee did not enter into a closed session due to a lack of quorum.*

    I. Property Management Report - *Closed Session (RCW 42.30.110[c]*)

    II. Review of Lease Proposals
        Lease Renewal – Ageless Acupuncture, 1515 First Ave
        Lease Renewal – Market Tobacco Patch, 1906 Steward St #5

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

Jennifer Maietta introduced the lease proposals for December 2016 which included the following businesses:

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Term</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ageless Acupuncture</td>
<td>Three (3) Years</td>
<td>December 1st, 2016</td>
</tr>
<tr>
<td>Maria Portnaya</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Tobacco Patch</td>
<td>Five (5) Years</td>
<td>December 1st, 2016</td>
</tr>
<tr>
<td>MMurad Baluch &amp; Muhammad (Nadeem) Usmani</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*There was no quorum to vote on this proposed resolution.*

IX. Resolutions to be added to the Consent Agenda
None

X. Concerns of Committee Members
None

XI. Adjournment
The meeting was adjourned at 4:37 p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Aliya Lewis, Executive Administrator
PIKE PLACE MARKET PDA
BALANCE SHEET
February 28, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Note</th>
<th>Current Month</th>
<th>Prior Month</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Cash</td>
<td></td>
<td>4,606,276</td>
<td>4,353,428</td>
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<tr>
<td>Rental Accounts Receivable</td>
<td>1</td>
<td>211,944</td>
<td>198,148</td>
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<tr>
<td>Misc Accounts Receivable</td>
<td></td>
<td>3,163,022</td>
<td>2,956,835</td>
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<tr>
<td>Prepaid Expenses</td>
<td></td>
<td>81,976</td>
<td>120,296</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>8,063,218</td>
<td>7,628,707</td>
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<tr>
<td><strong>Designated Cash &amp; Equivalents</strong></td>
<td></td>
<td>24,885,264</td>
<td>27,678,466</td>
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<tr>
<td><strong>Restricted Cash &amp; Equivalents</strong></td>
<td></td>
<td>5,948,612</td>
<td>5,822,182</td>
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<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td>5,268,168</td>
<td>5,268,168</td>
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<tr>
<td>Leasehold Improvements</td>
<td></td>
<td>85,189,063</td>
<td>85,190,479</td>
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<tr>
<td>Work in Progress</td>
<td></td>
<td>28,073,277</td>
<td>25,679,858</td>
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<td>Parking Garage</td>
<td></td>
<td>10,411,687</td>
<td>10,411,687</td>
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<td>Market Buildings</td>
<td></td>
<td>32,740,575</td>
<td>32,740,575</td>
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<td>Equipment</td>
<td></td>
<td>1,128,827</td>
<td>1,128,827</td>
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<tr>
<td><strong>Total Fixed Assets</strong></td>
<td></td>
<td>162,811,597</td>
<td>160,419,594</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td></td>
<td>(39,530,922)</td>
<td>(39,542,356)</td>
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<tr>
<td><strong>Total Net Fixed Assets</strong></td>
<td></td>
<td>123,280,675</td>
<td>120,877,238</td>
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<tr>
<td><strong>Long Term Receivable &amp; Investments</strong></td>
<td></td>
<td>32,958,386</td>
<td>32,958,386</td>
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<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Financing Lease</td>
<td></td>
<td>2,814,727</td>
<td>2,814,727</td>
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<tr>
<td>Contributions To LSH LLC and WASH LLC</td>
<td></td>
<td>200</td>
<td>200</td>
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<tr>
<td><strong>Total Other Assets</strong></td>
<td></td>
<td>2,814,927</td>
<td>2,814,927</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>197,951,082</td>
<td>197,779,906</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES &amp; CAPITAL</th>
<th>Note</th>
<th>Current Month</th>
<th>Prior Month</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>4,022,482</td>
<td>3,964,431</td>
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<tr>
<td>Current Portion - LT Debt</td>
<td></td>
<td>635,000</td>
<td>635,000</td>
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<tr>
<td>Interest Payable Accrued</td>
<td></td>
<td>312,542</td>
<td>213,604</td>
</tr>
<tr>
<td>Accrued Payroll, Vacation &amp; Taxes</td>
<td></td>
<td>620,488</td>
<td>603,608</td>
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<tr>
<td>Accrued Business Taxes</td>
<td></td>
<td>32,870</td>
<td>39,660</td>
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<tr>
<td>Security Deposits</td>
<td></td>
<td>423,332</td>
<td>422,326</td>
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<tr>
<td>Parking Agreement Due To City</td>
<td></td>
<td>14,370</td>
<td>14,510</td>
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<tr>
<td>Other Liabilities</td>
<td></td>
<td>2,813,511</td>
<td>2,837,771</td>
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<tr>
<td>Unearned WSDOT revenue</td>
<td></td>
<td>4,259,259</td>
<td>4,351,852</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>13,133,854</td>
<td>13,082,762</td>
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<tr>
<td><strong>Long Term Debt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009 PDA Refunding Bonds</td>
<td></td>
<td>1,924,844</td>
<td>1,956,996</td>
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<tr>
<td>2015 Bond Series A and B</td>
<td></td>
<td>23,745,000</td>
<td>23,745,000</td>
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<tr>
<td>Premium on 2015 Bond Series</td>
<td></td>
<td>2,206,294</td>
<td>2,206,294</td>
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<tr>
<td>N/P City of Seattle - Creamery Lot</td>
<td></td>
<td>455,000</td>
<td>455,000</td>
</tr>
<tr>
<td>QB2 Deferred Master Lease Payment</td>
<td></td>
<td>22,927,991</td>
<td>22,927,991</td>
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<tr>
<td>Current Portion - Long Term Debt</td>
<td>(635,000)</td>
<td>(635,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Long Term Debt</strong></td>
<td></td>
<td>50,624,129</td>
<td>50,656,281</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>63,757,983</td>
<td>63,739,043</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Capital</td>
<td></td>
<td>11,818,935</td>
<td>11,818,935</td>
</tr>
<tr>
<td>Prior Years’ Results</td>
<td></td>
<td>121,840,126</td>
<td>121,840,126</td>
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<tr>
<td>Current Year Result</td>
<td></td>
<td>335,177</td>
<td>281,763</td>
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<tr>
<td>Non-Operating Revenues</td>
<td></td>
<td>198,861</td>
<td>100,039</td>
</tr>
<tr>
<td>Net Operating Capital</td>
<td></td>
<td>134,193,099</td>
<td>134,040,863</td>
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<tr>
<td><strong>TOTAL LIABILITIES AND CAPITAL</strong></td>
<td></td>
<td>197,951,082</td>
<td>197,779,906</td>
</tr>
</tbody>
</table>
### Account Receivable

<table>
<thead>
<tr>
<th>Category</th>
<th>Previous Month Balance</th>
<th>Total Current Charges</th>
<th>Total Current Receipts</th>
<th>Current Month Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Revenue</td>
<td>116,102</td>
<td>807,812</td>
<td>792,960</td>
<td>130,954</td>
</tr>
<tr>
<td>Day Stall Revenue</td>
<td>59,098</td>
<td>51,200</td>
<td>52,427</td>
<td>57,871</td>
</tr>
<tr>
<td>Residential Rent (excluding HUD)</td>
<td>22,126</td>
<td>157,358</td>
<td>153,772</td>
<td>25,712</td>
</tr>
<tr>
<td>HUD Subsidy</td>
<td>822</td>
<td>90,362</td>
<td>93,777</td>
<td>(2,593)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>198,148</strong></td>
<td><strong>1,106,732</strong></td>
<td><strong>1,092,936</strong></td>
<td><strong>211,944</strong></td>
</tr>
<tr>
<td>REVENUE</td>
<td>Current YTD Actual</td>
<td>Current YTD Budget</td>
<td>Variance</td>
<td>Variance %</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------</td>
<td>--------------------</td>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,774,428</td>
<td>1,706,668</td>
<td>67,760</td>
<td>4.0%</td>
</tr>
<tr>
<td>Net Result-PPM QALICB2</td>
<td></td>
<td></td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Net Result-PPM QALICB3</td>
<td></td>
<td></td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Residential</td>
<td>464,010</td>
<td>456,018</td>
<td>7,992</td>
<td>1.8%</td>
</tr>
<tr>
<td>Daystall</td>
<td>93,630</td>
<td>99,560</td>
<td>(5,930)</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>25,321</td>
<td>30,092</td>
<td>(4,771)</td>
<td>-15.3%</td>
</tr>
<tr>
<td>Garage</td>
<td>231,686</td>
<td>318,466</td>
<td>(86,780)</td>
<td>-27.2%</td>
</tr>
<tr>
<td>Events</td>
<td>54,624</td>
<td>38,545</td>
<td>16,079</td>
<td>41.7%</td>
</tr>
<tr>
<td>Market Foundation</td>
<td></td>
<td></td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>127,389</td>
<td>111,936</td>
<td>15,463</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>2,771,504</strong></td>
<td><strong>2,762,185</strong></td>
<td><strong>9,319</strong></td>
<td><strong>0.3%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Current MONTH Actual</th>
<th>Current MONTH Budget</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Management</td>
<td>206,699</td>
<td>221,228</td>
<td>14,529</td>
<td>6.6%</td>
</tr>
<tr>
<td>Parking</td>
<td>76,278</td>
<td>100,388</td>
<td>24,110</td>
<td>24.0%</td>
</tr>
<tr>
<td>Operations</td>
<td>713,802</td>
<td>795,202</td>
<td>81,400</td>
<td>10.2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>421,566</td>
<td>466,434</td>
<td>44,868</td>
<td>10.0%</td>
</tr>
<tr>
<td>Insurance</td>
<td>73,573</td>
<td>83,080</td>
<td>9,507</td>
<td>11.4%</td>
</tr>
<tr>
<td>Administration</td>
<td>432,668</td>
<td>458,176</td>
<td>25,508</td>
<td>5.6%</td>
</tr>
<tr>
<td>Marketing &amp; Programs</td>
<td>206,021</td>
<td>235,076</td>
<td>29,055</td>
<td>12.4%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>2,130,607</strong></td>
<td><strong>2,361,584</strong></td>
<td><strong>230,977</strong></td>
<td><strong>9.8%</strong></td>
</tr>
</tbody>
</table>

| NET OPERATING RESULTS         | 640,897              | 400,601             | 240,296  | 60.0%      |

| DEBT SERVICE                  | Current              |          |          |            |
| Bond Principal and Interest Payment PDA | 79,068              | 79,068   | -        | 0.0%       |
| 2015 PDA Bond Series A&B      | 242,042              | 242,042  | -        | 0.0%       |
| **TOTAL DEBT SERVICE**        | **321,110**          | **321,110**| -        | 0.0%       |

| RESERVES - DESIGNATED         | Current              |          |          |            |
| Pension Contribution          | -                    | -        | -        | 0.0%       |
| L&H Interest to Reserve      | 28                   | 26       | 2        | 7.7%       |
| **TOTAL DESIGNATED RESERVES** | **28**               | **26**   | **2**    | **0.0%**   |

| Net Results after Debt Service & Reserves | 319,759 | 79,465 | 240,294 | 302.4% |
| CAPITAL RESERVE CONTRIBUTION | Current |          |          |          |
| Contribution - Capital Projects/CRRF | 319,759 | 79,465 | 240,294 | 0.0%   |

| TOTAL RESERVES & CONTRIBUTIONS | 319,759 | 79,465 | 240,294 | 81,543 (50,626) | 2,359,388 |
### Note 1: Commercial Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>Feb</td>
<td>% YTD</td>
<td>Feb</td>
</tr>
<tr>
<td></td>
<td>Comm Revenue</td>
<td>Actual</td>
<td>Budget</td>
<td>Comm Rev</td>
</tr>
<tr>
<td>Base Rent - Retail</td>
<td>30.4%</td>
<td>590,211</td>
<td>33.3%</td>
<td>573,200</td>
</tr>
<tr>
<td>Base Rent - Office</td>
<td>5.0%</td>
<td>87,568</td>
<td>4.9%</td>
<td>93,958</td>
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<tr>
<td>Prep Space</td>
<td>0.5%</td>
<td>10,128</td>
<td>0.6%</td>
<td>10,100</td>
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<tr>
<td>Common Area</td>
<td>19.3%</td>
<td>351,013</td>
<td>19.8%</td>
<td>350,347</td>
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<tr>
<td>Total Rent Revenue</td>
<td></td>
<td>1,038,920</td>
<td></td>
<td>1,027,605</td>
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<tr>
<td>Percentage Rent (1)</td>
<td>35.7%</td>
<td>573,281</td>
<td>32.3%</td>
<td>509,500</td>
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<tr>
<td>Direct Utilities</td>
<td>7.2%</td>
<td>128,149</td>
<td>7.2%</td>
<td>134,816</td>
</tr>
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<td>Storage/Cooler</td>
<td>1.6%</td>
<td>28,666</td>
<td>1.6%</td>
<td>29,400</td>
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<tr>
<td>Tenant Work Reimbursements</td>
<td>0.1%</td>
<td>1,582</td>
<td>0.1%</td>
<td>1,681</td>
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<td>Late Fees</td>
<td>0.2%</td>
<td>3,830</td>
<td>0.2%</td>
<td>3,666</td>
</tr>
<tr>
<td>Total Commercial Revenue</td>
<td></td>
<td>1,774,428</td>
<td>100%</td>
<td>1,706,668</td>
</tr>
</tbody>
</table>

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

### Note 2: Residential Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>Feb</td>
<td>% YTD</td>
<td>Feb</td>
</tr>
<tr>
<td></td>
<td>Res Rev</td>
<td>Actual</td>
<td>Budget</td>
<td>Res Rev</td>
</tr>
<tr>
<td>Residential Rents</td>
<td>98.2%</td>
<td>457,519</td>
<td>98.6%</td>
<td>450,794</td>
</tr>
<tr>
<td>Laundry Net of Taxes</td>
<td>0.7%</td>
<td>2,330</td>
<td>0.5%</td>
<td>-</td>
</tr>
<tr>
<td>Other (1)</td>
<td>1.1%</td>
<td>4,161</td>
<td>0.9%</td>
<td>5,224</td>
</tr>
<tr>
<td>Total Residential Revenue</td>
<td></td>
<td>464,010</td>
<td>100%</td>
<td>456,018</td>
</tr>
</tbody>
</table>

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

### Note 3: Day stall Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>Feb</td>
<td>% YTD</td>
<td>Feb</td>
</tr>
<tr>
<td></td>
<td>Day Rev</td>
<td>Actual</td>
<td>Budget</td>
<td>Day Rev</td>
</tr>
<tr>
<td>Daily Craft</td>
<td>61.7%</td>
<td>61,329</td>
<td>65.5%</td>
<td>63,000</td>
</tr>
<tr>
<td>Daily Farmers</td>
<td>20.9%</td>
<td>14,766</td>
<td>15.8%</td>
<td>18,500</td>
</tr>
<tr>
<td>Remote Markets</td>
<td>4.2%</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Cooler / Locker Rent</td>
<td>7.3%</td>
<td>13,468</td>
<td>14.4%</td>
<td>13,400</td>
</tr>
<tr>
<td>Permits, market bags &amp; other</td>
<td>2.1%</td>
<td>2,017</td>
<td>2.2%</td>
<td>2,660</td>
</tr>
<tr>
<td>Late Fees</td>
<td>1.3%</td>
<td>2,050</td>
<td>2.2%</td>
<td>1,500</td>
</tr>
<tr>
<td>Specialty Crop Block Grant</td>
<td>2.3%</td>
<td>-</td>
<td>0.0%</td>
<td>500</td>
</tr>
<tr>
<td>Total Day stall Revenue</td>
<td></td>
<td>93,630</td>
<td>100%</td>
<td>99,560</td>
</tr>
</tbody>
</table>
### Surface Revenue

<table>
<thead>
<tr>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total</td>
<td>% YTD</td>
<td>% YTD</td>
<td>Variance</td>
</tr>
<tr>
<td>Surf Rev</td>
<td>Feb</td>
<td>Actual</td>
<td>Surf Rev</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
</tr>
<tr>
<td>Surface Parking Net of Taxes and Net of City Share</td>
<td>100%</td>
<td>25.32%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Garage Revenue

<table>
<thead>
<tr>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total</td>
<td>% YTD</td>
<td>% YTD</td>
<td>Variance</td>
</tr>
<tr>
<td>Gar Rev</td>
<td>Feb</td>
<td>Actual</td>
<td>Gar Rev</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
</tr>
<tr>
<td>Parking Revenue Net of Taxes</td>
<td>99.3%</td>
<td>229,611</td>
<td>99.1%</td>
</tr>
<tr>
<td>Parking Reimbursement</td>
<td>0.3%</td>
<td>2,075</td>
<td>0.9%</td>
</tr>
<tr>
<td>Total Garage Revenue</td>
<td>100%</td>
<td>231,686</td>
<td>100%</td>
</tr>
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</table>

### Events Revenue

<table>
<thead>
<tr>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total</td>
<td>% YTD</td>
<td>% YTD</td>
<td>Variance</td>
</tr>
<tr>
<td>Evt Rev</td>
<td>Feb</td>
<td>Actual</td>
<td>Evt Rev</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
</tr>
<tr>
<td>Conference Rooms net of tax</td>
<td>97.2%</td>
<td>54,204</td>
<td>99.2%</td>
</tr>
<tr>
<td>Ticket Revenue</td>
<td>2.8%</td>
<td>420</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total Events Revenue</td>
<td>100%</td>
<td>54,624</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Miscellaneous Revenue

<table>
<thead>
<tr>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total</td>
<td>% YTD</td>
<td>% YTD</td>
<td>Variance</td>
</tr>
<tr>
<td>Gar Rev</td>
<td>Feb</td>
<td>Actual</td>
<td>Misc Rev</td>
</tr>
<tr>
<td>Security Service Contracts</td>
<td>14.0%</td>
<td>10,682</td>
<td>8.4%</td>
</tr>
<tr>
<td>Management Fees(1)</td>
<td>28.4%</td>
<td>10,162</td>
<td>8.0%</td>
</tr>
<tr>
<td>Investment Income/Interest</td>
<td>13.0%</td>
<td>19,343</td>
<td>15.1%</td>
</tr>
<tr>
<td>Film/License Revenue</td>
<td>6.7%</td>
<td>2,669</td>
<td>2.1%</td>
</tr>
<tr>
<td>Other Revenues(2)</td>
<td>37.9%</td>
<td>84,949</td>
<td>66.3%</td>
</tr>
<tr>
<td>Total Miscellaneous Revenue</td>
<td>100%</td>
<td>137,805</td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) Management fees from LaSalle Senior Housing LLC and Western Avenue Senior Housing.
(2) Other Revenues includes Constituency Revenue, Misc. taxable & Non-taxable Revenue, Key and Access Cards, Trademark/Royalties, Market Tours and Rummage Hall less sales tax.
### Property Management Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% PM Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Commercial</td>
<td>68,382</td>
<td>24.3%</td>
<td>75,578</td>
</tr>
<tr>
<td>Residential</td>
<td>102,092</td>
<td>36.1%</td>
<td>106,102</td>
</tr>
<tr>
<td>Daystall</td>
<td>36,224</td>
<td>12.8%</td>
<td>39,548</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>10,074</td>
<td>3.6%</td>
<td>12,690</td>
</tr>
<tr>
<td>Garage</td>
<td>66,202</td>
<td>23.4%</td>
<td>87,698</td>
</tr>
<tr>
<td><strong>Total Property Management Expenses</strong></td>
<td><strong>282,977</strong></td>
<td><strong>100%</strong></td>
<td><strong>321,616</strong></td>
</tr>
</tbody>
</table>

### Operations Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Ops Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Facilities</td>
<td>275,221</td>
<td>22.8%</td>
<td>308,546</td>
</tr>
<tr>
<td>Security</td>
<td>233,603</td>
<td>19.3%</td>
<td>254,301</td>
</tr>
<tr>
<td>Maintenance</td>
<td>173,022</td>
<td>14.3%</td>
<td>199,049</td>
</tr>
<tr>
<td>Capital Management</td>
<td>31,956</td>
<td>2.6%</td>
<td>33,306</td>
</tr>
<tr>
<td>Utilities</td>
<td>421,566</td>
<td>34.9%</td>
<td>468,434</td>
</tr>
<tr>
<td>Insurance</td>
<td>73,573</td>
<td>6.1%</td>
<td>83,080</td>
</tr>
<tr>
<td><strong>Total Operations Expenses</strong></td>
<td><strong>1,108,941</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,346,716</strong></td>
</tr>
</tbody>
</table>

### Administration Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Adm Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Management</td>
<td>143,260</td>
<td>31.1%</td>
<td>150,828</td>
</tr>
<tr>
<td>Finance</td>
<td>69,525</td>
<td>16.1%</td>
<td>65,169</td>
</tr>
<tr>
<td>Office Administration</td>
<td>72,462</td>
<td>16.7%</td>
<td>92,827</td>
</tr>
<tr>
<td>Human Resources</td>
<td>59,998</td>
<td>13.9%</td>
<td>53,366</td>
</tr>
<tr>
<td>Information Services</td>
<td>87,423</td>
<td>20.2%</td>
<td>95,386</td>
</tr>
<tr>
<td><strong>Total Administration Expenses</strong></td>
<td><strong>432,668</strong></td>
<td><strong>100%</strong></td>
<td><strong>458,175</strong></td>
</tr>
</tbody>
</table>

### Programs Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Prg Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Marketing</td>
<td>71,431</td>
<td>34.7%</td>
<td>84,449</td>
</tr>
<tr>
<td>Farm Program</td>
<td>38,797</td>
<td>18.8%</td>
<td>39,801</td>
</tr>
<tr>
<td>Community Events &amp; Programs</td>
<td>38,214</td>
<td>18.5%</td>
<td>45,202</td>
</tr>
<tr>
<td>Market Foundation</td>
<td>57,579</td>
<td>27.9%</td>
<td>65,624</td>
</tr>
<tr>
<td><strong>Total Program Expenses</strong></td>
<td><strong>206,021</strong></td>
<td><strong>100%</strong></td>
<td><strong>235,576</strong></td>
</tr>
</tbody>
</table>
## 2017 Calendar Year

**Percentage Rent Revenue By Month of Sales**

<table>
<thead>
<tr>
<th>MONTH OF COLLECTION</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>387,815</td>
<td>387,815</td>
<td>340,000</td>
<td>47,815</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>5,314</td>
<td>180,152</td>
<td>169,500</td>
<td>15,966</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>573,281</td>
</tr>
</tbody>
</table>

## 2016 Calendar Year

**Percentage Rent Revenue By Month of Sales**

<table>
<thead>
<tr>
<th>MONTH OF COLLECTION</th>
<th>2015</th>
<th>2016</th>
<th>YTD February 2016</th>
<th>529,470</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>347,723</td>
<td>353</td>
<td>348,076</td>
<td>340,000</td>
<td>8,076</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>6,679</td>
<td>176,715</td>
<td>181,394</td>
<td>167,000</td>
<td>14,394</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>3,256</td>
<td>12,150</td>
<td>228,713</td>
<td>245,500</td>
<td>(16,787)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>3,945</td>
<td>277,548</td>
<td>281,728</td>
<td>260,000</td>
<td>21,728</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>26,420</td>
<td>300,141</td>
<td>326,651</td>
<td>300,000</td>
<td>26,651</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>1,995</td>
<td>5,006</td>
<td>355,115</td>
<td>337,000</td>
<td>18,115</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>1,133</td>
<td>11,588</td>
<td>448,918</td>
<td>437,000</td>
<td>11,918</td>
<td></td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>2,855</td>
<td>518,709</td>
<td>539,516</td>
<td>451,500</td>
<td>88,016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>5,011</td>
<td>500,787</td>
<td>518,256</td>
<td>528,500</td>
<td>9,256</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>2,401</td>
<td>24,309</td>
<td>396,189</td>
<td>341,000</td>
<td>55,189</td>
<td></td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>1,829</td>
<td>3,133</td>
<td>341,507</td>
<td>328,000</td>
<td>13,507</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>(170)</td>
<td>(218)</td>
<td>323,962</td>
<td>250,743</td>
<td>73,219</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>313,999</td>
<td></td>
</tr>
</tbody>
</table>

## 2015 Calendar Year

**Percentage Rent Revenue By Month of Sales**

<table>
<thead>
<tr>
<th>MONTH OF COLLECTION</th>
<th>2014</th>
<th>2016</th>
<th>YTD February 2015</th>
<th>494,781</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>187</td>
<td>187</td>
<td>332,942</td>
<td>342,000</td>
<td>(9,058)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>285</td>
<td>285</td>
<td>161,839</td>
<td>105,000</td>
<td>56,839</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>1,566</td>
<td>24,154</td>
<td>238,531</td>
<td>182,000</td>
<td>56,531</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>225</td>
<td>225</td>
<td>252,720</td>
<td>212,000</td>
<td>40,720</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>8,147</td>
<td>8,147</td>
<td>291,320</td>
<td>239,000</td>
<td>52,320</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>910</td>
<td>910</td>
<td>329,950</td>
<td>296,000</td>
<td>33,950</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>2,501</td>
<td>2,501</td>
<td>424,072</td>
<td>359,000</td>
<td>65,072</td>
<td></td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>3,634</td>
<td>16,363</td>
<td>440,835</td>
<td>411,000</td>
<td>29,835</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>23,675</td>
<td>23,675</td>
<td>520,887</td>
<td>471,000</td>
<td>49,887</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>6,968</td>
<td>6,968</td>
<td>599,127</td>
<td>322,000</td>
<td>277,127</td>
<td></td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>285</td>
<td>285</td>
<td>311,257</td>
<td>217,000</td>
<td>94,257</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>359,864</td>
<td>359,864</td>
<td>3,951,583</td>
<td>3,380,000</td>
<td>571,583</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,380,000</td>
<td>571,583</td>
</tr>
<tr>
<td>Year end Balance 12/31/2017</td>
<td>Current YTD Balance</td>
<td>Anticipated Surplus allocation of the prior year</td>
<td>Budget 2017 Contribution: Capital Reserve - PDA and Gar</td>
<td>Capital Projects Spending</td>
<td>CRRF Capital Reserve Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------</td>
<td>----------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8,401,068</td>
<td>913,644</td>
<td>8,401,068</td>
<td>2,399,388</td>
<td>(2,000,000)</td>
<td>9,671,410</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9,314,712</td>
<td></td>
<td></td>
<td>379,759</td>
<td>(195,303)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Capital Projects Report

<table>
<thead>
<tr>
<th>BLDG</th>
<th>Code</th>
<th>Project Name</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>pin</td>
<td>163755-00</td>
<td>Convert to Central Plant</td>
<td>65,000</td>
<td>0</td>
<td>65,000</td>
<td>413</td>
<td>Design stage</td>
<td>N/A</td>
</tr>
<tr>
<td>soa</td>
<td>163763-00</td>
<td>Courtyard excavate sharing</td>
<td>200,000</td>
<td>0</td>
<td>200,000</td>
<td>4,755</td>
<td>Design stage</td>
<td>N/A</td>
</tr>
<tr>
<td>lrel</td>
<td>163777-00</td>
<td>Leland Hillclimb Skybridge</td>
<td>200,000</td>
<td>0</td>
<td>200,000</td>
<td>199</td>
<td>Design stage</td>
<td>N/A</td>
</tr>
<tr>
<td>soa</td>
<td>163778-00</td>
<td>Commercial restrooms</td>
<td>82,903</td>
<td>0</td>
<td>82,903</td>
<td>12,545</td>
<td>Project in progress</td>
<td>16-32</td>
</tr>
<tr>
<td>las</td>
<td>163807-00</td>
<td>Commas - Windows</td>
<td>36,348</td>
<td>0</td>
<td>36,348</td>
<td>33,254</td>
<td>Project in progress</td>
<td>16-32</td>
</tr>
<tr>
<td>soa</td>
<td>163808-00</td>
<td>Comsoa - 2ft Restroom</td>
<td>218,849</td>
<td>0</td>
<td>218,849</td>
<td>75,646</td>
<td>Project 70% complete</td>
<td>16-61</td>
</tr>
<tr>
<td>cor</td>
<td>163809-00</td>
<td>Comcar - Stairs</td>
<td>39,992</td>
<td>0</td>
<td>39,992</td>
<td>36,407</td>
<td>Completed</td>
<td>16-33</td>
</tr>
<tr>
<td>lrel</td>
<td>163814-00</td>
<td>Windows</td>
<td>8,000</td>
<td>0</td>
<td>8,000</td>
<td>9,172</td>
<td>Project in progress</td>
<td>N/A</td>
</tr>
</tbody>
</table>

## Budget

<table>
<thead>
<tr>
<th>Capital Projects 2017</th>
<th>Budget Carryover</th>
<th>Budget Allocation</th>
<th>Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,600,000</td>
<td>0</td>
<td>0</td>
<td>1,600,000</td>
<td>0</td>
<td>Project in progress</td>
<td>N/A</td>
</tr>
</tbody>
</table>

## Sub-Total

| 851,092               | 1,600,000        | 2,451,092         | 172,391      |

## Miscellaneous (Tenant Compensations and Commercial Tenant Improvements)

<table>
<thead>
<tr>
<th>Code</th>
<th>Project Name</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>160260-00</td>
<td>Commercial Tenant Compensation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>160280-00</td>
<td>Tenant Improvement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>875</td>
<td></td>
</tr>
<tr>
<td>160290-00</td>
<td>Tenant Existing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>160300-00</td>
<td>Tenant Vacancy</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>690</td>
<td></td>
</tr>
</tbody>
</table>

## Contingency

<table>
<thead>
<tr>
<th>Code</th>
<th>Project Name</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>160960-00</td>
<td>Contingency for Known Projects</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>160970-00</td>
<td>Contingency for Unknown Projects</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

## Sub-Total

| 0             | 0                             | 0                      | 0                      | 1,565          |

## A&E - Architectural Engineering; Design & Application Contracting - Outsourced

## Capital Inventory

<table>
<thead>
<tr>
<th>Code</th>
<th>Project Name (see page 10)</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>160XXX-00</td>
<td>Capital Inventory</td>
<td>0</td>
<td>400,000</td>
<td>400,000</td>
<td>21,347</td>
<td>Project in progress</td>
<td>N/A</td>
</tr>
</tbody>
</table>

## Sub-Total

| 0              | 400,000                      | 0                      | 400,000               | 21,347           | 195,303      |                                |            |
February 9, 2017

The Finance Committee of the PDA Council
LaSalle Senior Housing, LLC
Seattle, Washington

We have audited the financial statements of LaSalle Senior Housing, LLC ("the Company") for the year ended December 31, 2016, and have issued our report thereon dated February 9, 2017. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in initial correspondence with you dated October 21, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2016. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the future cash flow estimates associated with the rental property and related intangible assets held, as the estimates are used to determine possible impairments. We evaluated key factors and assumptions used to develop the testing for possible impairment of rental property and related intangible assets in determining that it is reasonable in relation to the financial statements taken as a whole. Other key estimates relate to useful lives of rental property and intangibles; we also reviewed the assumptions and key factors in developing these estimates.
Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 9, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Issues Discussed with Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Supplementary Information

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the Consolidated Audit Guide for Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General. The method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

*    *    *    *    *

This information is intended solely for the use of the Finance Committee of the PDA Council and management of the Company and is not intended to be, and should not be, used by anyone other than these specified parties.
PARTIES: The parties to this License are the Pike Place Market Preservation and Development Authority ("PDA"), licensor (hereafter "PDA"), and COMPANY NAME (hereafter “Licensee”).

1. THE MARKET: The PDA is the owner and/or manager of most of the Pike Place Market Historic District (the "Market") identified in Exhibit A to this agreement Licensee desires to conduct commercial guided walking tours of the Market (“the Tours”).

2. LICENSE: The PDA grants this License to Licensee to conduct the Tours in the Market under the terms and conditions as specified herein.

3. TERM OF AGREEMENT: This agreement is effective for the 12 month period beginning April 1, 20__ unless terminated earlier by section 17 below.

4. FEES AND REPORTING: In consideration for this License, Licensee shall pay the PDA an annual licensing fee of $_________. Licensee shall also pay a monthly fee of based on the number of participants in tours conducted or a percentage of revenue from the Tours. The parties to this agreement have agreed to a monthly fee of:

_______% of gross revenue or $___________ per participant.

Standard rate will be $1.00 per customer or 3% of adjusted gross sales, whichever is greater.

Monthly fees will be payable by the 20th of the following month, with a written report filed by the licenses with the PDA. Licensee agrees to provide PDA with records for inspection to confirm accuracy of calculated monthly fee.

5. DESCRIPTION OF ACTIVITIES: While at the Market, Licensee shall engage in only those activities set forth in Exhibit B. Any changes in activities require the prior approval of the PDA; such approval not to be unreasonably withheld. Activities shall be conducted in accordance with the Licensing Guidelines included in Exhibit C which are subject to change by the PDA from time-to-time with 30 days notice to licensee.

6. TIMES AND LOCATIONS: The Licensee shall carry out its activities only at the times and locations set forth on Exhibit B. Any changes in time or location require the prior approval of the PDA and are subject to adjustment of monthly fees.

7. Tour Guide Registration: All Tour guides working for licensee have read, acknowledges and signed the Tour Guide Rules and Agreement included in Exhibit D.

8. MARKET NAME & CREDIT: The Licensee acknowledges that the PDA owns the trademarks on the Market name, Market clock, logos and signs as shown in Exhibit E, and will not be used by Licensee. (Rachel the pig and Billie the Pig are trademarks of the Market Foundation; any commercial use or filming of Rachel requires permission from the Market Foundation.)
9. **HOLD HARMLESS & INDEMNITY**: Licensee shall indemnify and hold the PDA, its Council, agents, and employees harmless from and against any and all injuries, losses, suits, claims, actions, costs, expenses (including reasonable outside attorney's fees), penalties, fines, liabilities or other damages to persons (including death) or property of any kind or nature whatsoever directly arising out of or relating to the Project of the use of the Market by Licensee, its agents, employees, or contractors (including, without limitation, any work undertaken thereon by Licensee, its agents, employees, or contractors), except that (i) such indemnification shall not apply to damages caused or resulting from the sole negligence of the PDA, its agents or employees, and (ii) with respect to damage caused by or resulting from the concurrent negligence of the PDA, its agents or employees, and Licensee, its agents, employees, or contractors, the foregoing indemnity shall apply only to the extent of the negligence of Licensee, its agents, employees, and contractors. If the PDA claims that Licensee is responsible for any such damage or injury, or both, the PDA must notify Licensee in writing within twenty-one (21) days of the date that Licensee vacates the Market, which writing shall include a detailed listing of all property damage and injuries for which the PDA claims Licensee is responsible. The PDA shall cooperate fully with Licensee in the investigation of such claims, and permit Licensee’s investigators to inspect the property claimed to be damaged. **THE PDA AND LICENSEE HEREBY CERTIFY AND AGREE THAT THE FOREGOING PROVISIONS OF THIS AGREEMENT HAVE BEEN FREELY AND MUTUALLY NEGOTIATED.**

10. **INSURANCE**: Licensee shall, at its own expense, maintain liability insurance to cover all activities relating to the Project. Such insurance shall be with a reputable insurance company or companies satisfactory to the PDA in the minimum limits of One Million Dollars ($1,000,000) for property damage, and Two Million Dollars ($2,000,000) per accident and shall name the Pike Place Market PDA as an additional insured. Documentation of such coverage will be made available to the PDA prior to Licensee commencing any activities at the Market. (Name/address to include on the Certificate: Pike Place Market PDA; 85 Pike Street, Room 500; Seattle, WA 98101.)

11. **NON-INTERFERENCE WITH MARKET ACTIVITIES**: Licensee shall not unreasonably interfere with or interrupt any normal activities of the Market, the PDA, its lessees and their customers, or other users of the Market facilities. Licensee shall immediately suspend those activities which result in interruption of normal activities of the Market upon reasonable request from the PDA.

12. **TEMPORARY MODIFICATION OF FACILITIES OR GROUNDS**: Licensee shall not make any modification of facilities or grounds within the Market.

13. **PDA DIRECTIONS**: Licensee shall promptly follow all reasonable orders and directions of the PDA.

14. **COMPLIANCE WITH LAWS**: Licensee shall be aware of and comply with all applicable federal, state, and local laws, ordinances, and regulations in conducting its activities at the Market, and shall be responsible for obtaining any and all permits necessary to conduct the Tours at the Market or on adjoining properties.

15. **COORDINATION WITH TENANTS**: Licensee shall coordinate its activities with the appropriate tenants at the Market if its activities occur on or affect tenants’ business, and shall not use any tenant’s space for the Tours except pursuant to written agreement between tenant and Licensee.

16. **SPECIAL CONDITIONS**: In the event Licensee desires to conduct one-time special Tour activity outside of regular business hours, additional approval from the PDA will be required and additional fees may
apply. If this special Tour activity is recurring and not one-time in nature review, approval by the PDA Council will be required for access to common areas after regular business hours, consistent with the Licensing Guidelines (Exhibit C).

17. **Termination:** Notwithstanding anything contained herein to the contrary, this Agreement shall terminate

   a. On March 31st for standard annual agreements.

   b. On earlier date by mutual agreement of the parties

   c. On 90 days notice from the PDA in the event the tour operator fails to begin or ceases to operate under this license.

   d. Immediately if either Licensee or PDA fail to cure any breach or defaults under any representation, warranty or covenant set forth herein, and such breach or default remains uncured for ten (10) or more days after written notice of the occurrence thereof to Licensee. If Licensee makes any assignment of this license for the benefit of creditors, files a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, a receiver is appointed for its business or property, or if any trustee in bankruptcy or insolvency shall be appointed under the laws of the United States government or of the several states.

   In event of termination, all monthly fees accrued and due to PDA under this agreement shall be payable immediately to the PDA. No credit will be given for annual license registration fees.

17.1

17.2

18. **ENTIRE AGREEMENT:** This Agreement executed by both parties constitutes the entire agreement of the parties with respect to the subject matter hereof and there are no representations, agreements, arrangements, understandings, oral or written between and among the parties hereto with respect to the subject matter hereof except as set forth herein. No amendment or supplement to this Agreement shall be valid or effective unless in writing and executed by the parties hereto.

19. **CONSTRUCTION:** The section headings throughout this Agreement are for convenience and reference only and the words contained in them shall not be held to expand, modify, amplify or aid in the interpretation, construction or meaning of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identification of the person or persons, firm or firms, corporation or corporations may require. Both parties hereto have been represented by legal counsel in this transaction and accordingly hereby waive the general rule of construction that an Agreement shall be construed against its drafter.

20. **ATTORNEY’S FEES:** In the event of litigation between the parties hereto, declaratory or otherwise, in connection with this Agreement, the prevailing party shall be entitled to recovery of its costs and attorneys’ fees actually incurred, which shall be determined and fixed by the court as part of the judgment. The parties covenant and agree that they intend by this Section to compensate for attorneys’ fees actually incurred by the prevailing party to the particular attorneys involved at such attorneys normal hourly rates and that this Section shall constitute a request to the court that such rate or rates be deemed reasonable.
21. **APPLICABLE LAW:** This Agreement shall be construed and interpreted under the laws of the State of Washington. Any action to enforce this Agreement shall be brought in the Superior Court of King County, Washington.

**DATED DATE, 2017**

**LICENSEE**

Name: **COMPANY NAME**

Signature: 

Title: 

Please Print Name: 

Date: 

**LICENSOR**

Name: **PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY**

Signature: 

Title: **DIRECTOR ASSET MANAGEMENT AND DEVELOPMENT**

Date: 
Exhibit B – Tour Activity Description and Special Conditions

Tour Activity Description (additional detail may be provided in license application):

- Tour Group Size
- Frequency and/or standard schedule
- Going over the permitted time incurs additional location and Security fees.
- Typical Tour Route (attach map if available).
- Approved Tour script outline (general themes and narrative highlights)
- Participating Tenant Agreements.

Tour Guides

Total number of annual Tour Guide Permits: XX maximum.

Tour format: Headset Voice Led

Special Conditions
Exhibit C – Guidelines

Commercial Tour Operator– Guidelines, Application Process and Licensing Requirements

Purpose
The Pike Place Market is managed by the Pike Place Market Preservation and Development Authority (PDA). The PDA requires any business conducting tours within its properties and in the public areas of the historical district to be pre-approved and to have a license for this commercial activity.

Commercial escorted tours subject to these requirements are those which provide a narrated tour within the Pike Place Market Historical District for a prepaid fee, ticket, suggested donation or other remuneration. Generally, such tours are advertised to the general public with publicized times and dates and use a replicable path and script narrative. Other tours which are covered by these guidelines include private customized tours for which a fee is paid to the operator and other commercially organized activities involving groups of clients visiting different locations in the Market. Tours conducted by the PDA or Market Affiliated Non-Profit organizations are exempt from these licensing requirements.

The Pike Place Market is a working market, which means that to the greatest extent possible, escorted tours must not interfere with Market business, pedestrian or vehicle traffic, or the public’s enjoyment of the Market. The PDA is the final authority on all tour license applications within the Market.

Requesting an application
A Tour Operator’s license is required for commercial operation of escorted tours of the Pike Place Market. Applications are to be submitted using the PDA supplied format and must include all required supplementary materials. The PDA will accept applications throughout the year, however the total number of applications accepted for license at any one time will be in the sole discretion of the PDA. Applications must be in the name of a commercial business entity, registered to conduct business in the City of Seattle and State of Washington. The Pike Place Market PDA will review the application and draft a licensing agreement setting forth conditions for operation of this commercial activity within the Pike Place Market Historical District. Licensing agreements for less than one year may be approved by PDA staff, in accordance with these policies and procedures for these businesses. Licensing agreements extending beyond 12 months or for tour operators requesting a waiver of policies must be approved by the PDA Council.

Summary of Application requirements
The following information is required for review of an application to conduct commercial escorted tours in the Pike Place Market:

- Name of business entity
- City and State registration and business licenses
- Contact information (business owner, office, phone, email, mailing address)
- Certificate of liability insurance in amount of $1M/$2 million naming the Pike Place Market PDA as additional insured.
• The expected frequency and times of day tours will be conducted
• A general description of the route(s) proposed for tours
• Advertised customer price / suggested contribution
• Names of tour guides employed by, contracted or acting as agents for the tour operators tours in Pike Place Market (to be updated as needed)
• Consent of businesses tenants who authorize operator’s tours to enter the place of business during the tour (to be updated as needed).
• A sample of current promotional materials used to promote the tours (website(s), printed materials, etc.)
• A non-refundable application of fee of $50.
• A statement by the applicant attesting to accuracy of all information provided

The Pike Place Market PDA will encourage a diversity of tour operators within the Historical District in order to afford a choice and variety of educational programs for the public. The PDA may in its sole discretion determine when there is a saturation of licensed tour operators and may choose to limit the number of tours permitted under license to preserve the primacy of other Market activities.

Conditions for approval of a tour operator’s license
• A completed application
• Separate registration and payment of registration fees for each tour guide employed or associated with the tour operator’s tours in Pike Place Market Agreement. Each registration shall require tour guides to become familiar with rules of conduct and to attend an orientation session on an annual basis.
• Payment of an annual licensing fee of $50 per tour up to $500 (10 tours or more in a year).
• Payment of customer access surcharge or percentage of gross sales as determined in the licensing agreement. The Standard rate will be $1.00 per customer or 3% of adjusted gross sales, whichever is greater. Such fees shall be calculated, reported and paid on a monthly basis.

Determination of customer surcharge. This surcharge is applied on the premise that commercial tours benefit from access to Pike Place Market common areas. These businesses should pay proportionately to the cost and servicing of common areas used for their commercial activity. Proportional payments are similar in concept to percentage rents applied to leased-hold tenant retail sales. Standard rate will be $1.00 per customer or 3% of adjusted gross sales, whichever is greater. An allowance or credit to offset monthly fees may be made for other payments licensee makes to PDA for use or rental of PDA facilities.
Operator license – Annual

Issuance of Annual Tour Operator Permits will be handled administratively by the PDA Asset Management Department. A tour operator may apply for a license on an annual basis. Annual permits begin on April 1st, of each year and expire on March 31st.

An annual tour permit may be issued by staff if all conditions noted as requirements for approval are met and no more than one tour is to be conducted by the tour operator per week.

One tour guide permit will be included with the tour operator license fee.

Operator License – Multi-year or special conditions

Multi-year and Special Condition Tour Operator Licenses will require review and approval by the PDA Council. A request for a license to operate tours involving more than one tour a week or for up to 3 years will be reviewed by PDA staff with a recommendation to the PDA Council which shall make a final determination on the terms of the license. The Tour operator will have the opportunity to present their application for a license to the PDA Council or its designated committee.

Promotional Consideration

Licensed Tour operators will be provided a cross link on PDA Pike Place Market information web pages. This cross link may be disconnected if the operator fails to adhere to the terms of the license. The tour operator may not portray or characterize their tours of the Pike Place Market as endorsed, sponsored or official by the PDA other than with words – “Licensed to conduct Pike Place Market tours.” The PDA will not provide exclusive endorsement of any one tour operator’s business.

Termination of License

Licenses may be terminated for cause consistent with terms and notice provisions in the licensing agreement.

Enforcement of tour operator rules and guidelines.

Tour guide permit requirement

Any person identified by PDA security or other staff as leading a tour within the Pike Place Market Historical District may be requested to identify themselves and identify if they are engaged with a commercial tour business. Identification will include presentation of a current valid tour guide badge issued by the PDA for this purpose. Issuance of a valid badge confirms the tour guide has registered with the PDA and agreed to the Tour Guide Rules Agreement.

Failure to have a permit

If a tour guide does not have a permit he or she will be provided with a warning that they must be registered with a licensed tour business to conduct such activity. An information card outlining how to obtain additional information will be provided. If available, identifying information for tour business with be recorded.
If the same person is observed again engaged in similar activity, PDA security will be asked to take information that permits the person to be identified. When contact information is available, the PDA will also send to the tour operating company a formal notice concerning unapproved commercial activity in the Market.

A third incident will be grounds for the PDA to issue a trespass admonishment to restrict the person from engaging in commercial activity within PDA property for a period of one year. A formal notice to the tour company will be sent as well.

For tour guides with permits, a violation of the tour guide rules and agreement for behavior will be enforced similarly:

- First incident – verbal warning
- Second incident - written warning (with copy to tour operator)
- Third warning - revocation of permit for remainder of permit year.
Exhibit D

Tour Guide Rules & Agreement

Print Name: _______________________________ Permit #:__________

Tour Operator affiliation _______________________________ must have current license from PDA

Please initial the following:

_____ I will display my permit anytime I lead a tour in the Market Historical District in property owned or managed by the Pike Place Market PDA.

_____ I will become familiar with the history and current operations of the Pike Place Public Market and provide accurate information when requested.

_____ I will be responsible for ensuring that tour groups I lead do not block store entrances or hallways from regular business traffic.

_____ I will not lead tour groups into businesses without agreement of the business manager.

_____ I will report incidents and accidents to Market security promptly.

_____ I am responsible for my personal and professional conduct at all times while leading a tour.

_____ I will immediately comply with requests of Market Security and authorized PDA staff to prevent congestion and blocking of streets and hallways or disruption of business activity.

_____ I will not use a loudspeaker or other device to amplify sound

_____ I will limit the size of tour group that I escort inside buildings to groups no larger than 10 guests ( if narrated by unassisted voice) or no more than 16 ( if narrated by headset and headphones)

_____ I will only use minimal devices , preferably clothing) to identify myself as a tour leader

_____ I will not carry signs promoting the tour business I work for nor sell tickets for tours while in the Historical District.

_____ I will distribute PDA supplied wristbands to each tour participant for them to each wear to aid in identification of the group.

I understand and agree to abide by these conditions as a requirement to conduct tours on Pike Place Market property owned or managed by the Pike Place Market PDA.
I also understand that my permit expires on April 30th of _________.

Signed: _______________________________ Date: _________________

Contact information : Email _____________________ Phone _________________

Date received : ________________ by ;______________

Date of orientation _______________________________ by ________________( for PDA staff)
Exhibit E – Trademarks

The names Pike Place Market, Pike Place Public Market, Pike Place Farmers Market, Pike Place, and any graphic representations of the Market’s neon sign and clock are registered trademarks. Use of these marks and other iconic imagery and signage is subject to a separate trademark licensing agreement.

Rates, fee, and other conditions are subject to change. Contact _PDA Asset Manager __________ at (206) 774-5259 or email ********@pikeplacemarket.org with questions.

<table>
<thead>
<tr>
<th>Word Marks:</th>
<th>THE PIKE PLACE MARKET</th>
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<tbody>
<tr>
<td></td>
<td>PIKE PLACE</td>
</tr>
<tr>
<td></td>
<td>PIKE PLACE PUBLIC MARKET</td>
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<tr>
<td></td>
<td>PIKE PLACE FARMERS MARKET</td>
</tr>
</tbody>
</table>

Design Marks:
The graphic representation of the rooftop sign located at the junction of Pike Place and Pike Street. The image includes the sign’s structural framework, the words PUBLIC MARKET CENTER and the clock face; as viewed from all perspectives or as depicted by other letter forms and graphic treatments:

![Graphic Representation of Sign]

In addition, the above PDA logos are reserved for PDA identification and Market-wide advertising. No businesses inside or outside the Market are permitted to use the PDA logo on any product or for any promotional purpose.

Businesses outside of the Market’s boundaries cannot use Pike Place Market as an identifier, unless correctly stating they are “near” or “next to” the Pike Place Market.

All other uses of the name “Pike Place Market” or the PDA’s trademark on any products or to promote any products or businesses are expressly prohibited unless a licensing agreement has been approved by the PDA Council. Generally, licenses will not be granted to organizations or individuals outside the Market unless they demonstrate that their use of the name or trademarks will enhance the goals of the PDA. In addition, any licensee will need to verify that all licensed products are manufactured in compliance with the Prohibition of Sweatshop Conditions and free of hazardous materials, among other requirements. Royalty rates will be set depending on type of use and may be required in advance.
PROPOSED RESOLUTION 17-09

Authorization for Contract Authority – Replace Upper and Lower Pine Roofs
March 2017

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

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that both Upper and Lower Pine Roofs are at the end of their useful life cycle, and are on the “30 Year Capital Needs Assessment” for replacement

WHEREAS, the PPMPDA has executed a bid process to replace both upper and lower Pine Roofs

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with NW Roofing Solutions LLC. In an amount not to exceed $150,359.42 for the purpose of replacing both roofs

The funds for this project will be drawn from the Capital Projects COMPIN GL 163820-00.

_____________________________  ________________________
Gloria Skouge, Secretary/Treasurer  Date

Date Approved by Council:
For:  
Against:  
Abstained:
Proposed Resolution 17-09
Authorization for Contract Authority – Replace Upper & Lower Pine Roofs
March 2017

Proposed Resolution Costs: $150,359.42
Current Budget: $160,000

Project: Replace both Upper and Lower Pine Roofs

Account: Capital Projects
Accounting Code: 163820-00

Project Description:
Replace both Upper and Lower Roofs with new 20 year warrantied roof systems

Scope:
The purpose of this project is to install new roofing systems on the Upper and Lower Pine Roofs

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

- NW Roofing Solutions LLC $130,747.32 ($150,359.42 with 15% Contingency)
- Mono Rooftop Solutions $145,768.00
- Nations Roof $149,500.00
- COBRA Roofing $216,341.63
- Snyder Roofing Unresponsive
Authorization for Contract Authority – Replace Lower LaSalle Roof
March 2017

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

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that Lower LaSalle Roof is at the end of its useful life cycle, and is on the “30 Year Capital Needs Assessment” for replacement.

WHEREAS, the PPMPDA has executed a bid process to replace the Lower LaSalle Roof.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Mono Rooftop Solutions in an amount not to exceed $31,510 for the purpose of replacing the roof.

The funds for this project will be drawn from the Capital Projects COMLAS GL 163658-00.

______________________________
Gloria Skouge, Secretary/Treasurer

______________________________
Date

Date Approved by Council:
For: ____________________________
Against: _________________________
Abstained: ______________________
Proposed Resolution 17-10
Authorization for Contract Authority – Replace Lower LaSalle Roof
March 2017

Proposed Resolution Costs: $31,510
Current Budget: $35,000
Project: Replace Lower LaSalle Roof
Account: Capital Projects
Accounting Code: 163658-00

Project Description:
Replace the Lower LaSalle Roof with new 20 year warrantied roof system

Scope:
The purpose of this project is to install a new roofing system on the Lower LaSalle Roof

Bid Process:

Bid process: Solicited five bids, and received three bids:
- Mono Rooftop Solutions $27,400 ($31,510. with 15% Contingency)
- NW Roofing Solutions LLC $29,429.79
- Nations Roof $41,300.00
- COBRA Roofing $54,220.22
- Snyder Roofing Unresponsive
# Lease Proposals

**MARCH 2017**

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Term</th>
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<tr>
<td>Chin Music Press</td>
<td>Five (5) Years</td>
<td>July 1, 2017</td>
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<tr>
<td>Bruce Rutledge &amp; Yuko Enomoto</td>
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<tr>
<td>Mick’s Peppourri</td>
<td>Five (5) Years</td>
<td>March 1, 2017</td>
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<tr>
<td>Tad Mick</td>
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<tr>
<td>Paper Feather</td>
<td>Two (2) Years</td>
<td>April 1, 2017</td>
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<tr>
<td>Jennifer &amp; Paul Culling</td>
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<tr>
<td>Place Pigalle</td>
<td>Ten (10) Years</td>
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<tr>
<td>Montmartre, Inc.</td>
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<tr>
<td>Seattle Hats</td>
<td>Three (3) Years</td>
<td>March 1, 2017</td>
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<tr>
<td>Me &amp; Mom’s Hats, Inc.</td>
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____________________________________  ________________________________
Gloria Skouge, Secretary/Treasurer    Date

**Date Approved by Council:**

For:  
Against:  
Abstained:
RESOLUTION 17-12

MarketFront Project (PC1N) Neighborhood Center – Development Agreement with Market Foundation March 2017

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

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

WHEREAS, the PPMPDA in cooperation with the Pike Place Market Foundation (Foundation) secured State Grants to fund portions of the MarketFront project including the Neighborhood Center; and,

WHEREAS, the PPMPDA successfully negotiated a Development Agreement with the Foundation for construction of the Neighborhood Center shell and related improvements to Food Bank access and Heritage House; and,

WHEREAS, consistent with the project budget included in the State Grant and reflected in Exhibit A of the Development Agreement the Foundation has agreed to reimburse the PDA for $485,000 of the total MarketFront Project Neighborhood Center Component Project Cost; and,

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into the attached Development Agreement subject to final review by PPMPDA General Counsel.

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

Gloria Skouge, Secretary/Treasurer _______________________________ Date

Date Approved by Council:
For:
Against:
Abstained:
JOINT DEVELOPMENT AGREEMENT

by and between

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

and

PIKE PLACE MARKET FOUNDATION

Dated as of ____________________
JOINT DEVELOPMENT AGREEMENT
by and between
PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY
and
PIKE PLACE MARKET FOUNDATION

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EXHIBIT A - BUDGET .................................................. EXHIBIT A
EXHIBIT B - LEGAL DESCRIPTION OF PROPERTY ..................................... EXHIBIT B
This JOINT DEVELOPMENT AGREEMENT (this “Agreement”) is entered into as of the ____ day of February, 2016, by and between Pike Place Market Foundation, a Washington 501c3 Not for Profit (“PPMF”) and Pike Place Market Preservation and Development Authority, a public corporation of the State of Washington (“PDA”).

BACKGROUND

The PDA is the owner of certain real property located at 1901 Western Avenue in Seattle, Washington legally described in Exhibit B hereto (the “Property”). The PDA subjected the Property to a condominium regime known as MarketFront, a Condominium, pursuant to a condominium declaration recorded under King County recording number _______________ creating two condominium units. Unit One (also referred to as the PDA Unit) consists of a condominium unit within which a parking garage, retail space and ancillary improvements has been or will be constructed and Unit Two (also referred to as the Neighborhood Center Housing Unit) consists a condominium unit within which forty (40) multi-family residential apartments will be constructed.

The PDA has agreed to lease to PPMF and PPMF has agreed to lease from the PDA a XX [1000146] square foot commercial space in Unit A referred to herein as the Neighborhood Center, pursuant to the Lease Agreement (defined below). The parties enter into this Agreement to provide for the joint development of the Property and to establish the rights and responsibilities of each party with respect to the other in connection with this joint development.

In consideration of the mutual covenants and agreements herein contained, the compensation to be paid to the PDA hereunder, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the PDA and PPMF hereby agree as follows:

ARTICLE I
DEFINITIONS

Architect means The Miller Hull Partnership, LLP, the architect that has designed the Project.

Architect Agreement means that AIA B102-2007 Standard Form of Agreement dated October 1, 2013 between the Architect as “Architect”, and the PDA as “Owner” with respect to the Project.

Budget means that budget for the development of the Project attached hereto as Exhibit A, as it may be revised by Change Order or otherwise pursuant to this Agreement. Any Change Order
affecting the cost of the Project made in accordance with this Agreement and any other revision to the Budget agreed to and approved in writing by both parties in the manner described herein shall be deemed to amend Exhibit A.

Change Order means an amendment to the scope of work, costs or other provisions of the Construction Contract, including a “Change Order” and a “Construction Change Directive” as defined in the Construction Contract, made pursuant to section 4.2.3 below.

Closing Date means the commencement date under the Lease Agreement.

Common Elements means the portions of the Condominium in which the Condominium unit owners hold an undivided common ownership interest, as further described in the Condominium Documents.

Condominium means MarketFront, a Condominium, a condominium regime created on the Property to divide the Property into two units, as further contemplated in the Condominium Documents.

Condominium Documents means the survey map and plans and condominium declaration for the Condominium and articles of incorporation and bylaws for the MarketFront Condominium Association.

Contractor means Sellen Construction Co., Inc., the general contractor selected by the PDA to construct the Project.

Construction Contract means the contract between the Contractor and the PDA dated March 27, 2015 for the construction of the Project, as amended by Amendment No. 1 dated May 1, 2015, Amendment No. 2 dated May 19, 2015, by Amendment No. 3 dated June 9, 2015, by Amendment No. 4 dated February 1, 2016 and by Amendment No. 5 dated February [____], 2016. The Construction Contract includes each Schedule of Values.

City Grant means that certain grant to the PDA for development of the MarketFront, a portion of which is allocated to constructions costs associated with the Neighborhood Center.

State Grant means that certain grant to the PPMF for development of the Neighborhood Center.

Environmental Law means any federal, state or local law, statute, ordinance, regulation or order pertaining to health, industrial hygiene, environmental conditions or hazardous substances or materials including those defined in this Agreement as “Hazardous Substances.”

Hazardous Substance means any hazardous or toxic substance, material or waste, pollutants or contaminants, as defined, listed or regulated now or in the future by any federal, state or local law, ordinance, code, regulation, rule, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any environmental conditions, health or industrial hygiene, including without limitation, (a) chlorinated solvents, (b) petroleum products or by-products, (c) asbestos and (d) polychlorinated biphenyls.
Neighborhood Center Project means the improvements described in the Plans and Specifications to be constructed within Unit One which shall include a Neighborhood Center providing access to Market social services as well, improvements to Foodbank access and needed mechanical and exterior renovation of Heritage House to accommodate project construction as other key program components described in exhibit XX.

Neighborhood Center Project Costs means the cost to develop and construct the MarketFront Project Neighborhood Center Project Components including improvements to Foodbank access and needed mechanical and exterior renovation of Heritage House pursuant to the Plans and Specifications, as estimated in Subsection 6 of the Budget designated as “Neighborhood Center” (this includes that portion of Shared Costs allocable to PPMF based on the allocations in the Schedule of Values).

Lease Agreement means that certain Lease Agreement dated [____________], February XX, March 1, 2016 by and between the PDA and PPMF for the Neighborhood Center, which is or will be recorded in the records of King County.

Pay Application means a copy of the Contractor’s monthly application for payment.

PDA means Pike Place Market Preservation and Development Authority, a public corporation of the State of Washington.

PDA Project means the improvements described in the Plans and Specifications with respect to Unit One, which shall include approximately 240-300 parking stalls, retail space and ancillary improvements.

PDA Project Costs means the cost to develop and construct the PDA Project pursuant to the Plans and Specifications. PDA Project Costs include all costs that are not Neighborhood Center Project Costs.

Plans and Specifications means those architectural plans and specifications prepared by the Architect designated as Job Number 1209 dated through December 4, 2015, as they may be revised pursuant to this Agreement.

Property has the meaning set forth in the Background section above.

Project means the improvements set forth in the Plans and Specifications.

Schedule of Values means, collectively, the PDA Project schedule of values attached to the Construction Contract detailing the amounts for each line item in the scope of work for the Contractor.

Shared Costs means the a) hard costs to construct any shared building elements of the Project to the extent shown in the Budget and/or Schedule of Values as being shared between the Neighborhood Center Project PPMF and PDA Project and b) the cost of architectural, engineering,
permitting, survey and other similar soft costs shown in the Budget as shared between the Neighborhood Center Project PPMF and PDA Project.

Unit One means the condominium unit created pursuant to the Condominium Documents that shall comprise the PDA Project— which includes the Neighborhood Center leasehold space. Unit One is also referred to as the “PDA Unit.”

Unit Two means the condominium unit created pursuant to the Condominium Documents within which the Neighborhood Center Project will be constructed. Unit Two is also referred to as the “Neighborhood Center Housing Unit.”

PPMF means Pike Place Market Foundation, a Washington 501c3 Not for Profit.

ARTICLE II
RESERVED

ARTICLE III
CONSTRUCTION OF IMPROVEMENTS

3.1 Reserved.

3.2 Construction of Improvements.

3.2.1 Construction Contract. The PDA has entered into the Construction Contract with the Contractor. The PDA will instruct the Contractor that the Contractor shall not commence construction of the Neighborhood Center Project improvements until the PDA issues a notice to proceed with that portion of the construction of the Project improvements.

The Construction Contract provides for liquidated damages of $2,000 per day in the event the Contractor fails to complete the Project within the specified contract time. In the event the PDA receives liquidated damages from the Contractor which relate to the Neighborhood Center Project, the PDA shall pay 75% of such damages to PPMF and in the event the PDA receives liquidated damages from the Contractor which relate to the Shared Costs, the PDA shall pay a portion of those damages to PPMF based on the allocation of those costs between Unit 1 and Unit 2.

3.2.2 Construction of the Project. Upon the written authorization of PPMF, the PDA shall provide the Contractor with a notice to proceed for construction of the Neighborhood Center Project. The PDA agrees to act in good faith to protect the interests of PPMF with respect to claims against the Contractor for warranty work or other claims arising under the terms of the Construction Contract. The PDA shall comply with its obligations under the Construction Contract and shall enforce its rights under the Construction Contract to ensure that the Project is completed pursuant to the Plans and Specifications and within the time frame contemplated under the Construction Contract, provided however that such obligation shall not make the PDA liable for
delays, except to the extent such delay is a result of the PDA’s negligence or willful misconduct. The PDA shall provide notice to PPMF within 5 business days of any default by the Contractor or by the PDA under the Construction Contract or the Architect Agreement. In the event of default by the PDA under the Construction Contract or the Architect Agreement, PPMF shall be entitled to cure such default and make payments directly to the Contractor and/or the Architect to ensure timely completion of the Neighborhood Center Project. PPMF shall be entitled to reimbursement by the PDA for such cure pursuant to Section 7.2.

3.2.4 Right to Access. The PDA, its agents, affiliates and assigns have an unrestricted right of access to the Neighborhood Center Unit to construct (in compliance with the provisions of the Condominium Documents, all applicable laws, rules and regulations and Plans and Specifications) the Neighborhood Center Project and such related components that are reasonably necessary to benefit the Project. The construction described in the prior sentence of this Section 3.2.4 is the “Unit Work”. In connection with such Unit Work and subject to the prior written approval of PPMF, which shall not be unreasonably withheld, conditioned or delayed, and subject to requirements of PPMF’s lenders, the PDA will have the right to cause such amendments to the Condominium declaration and the Condominium survey map and plans to be prepared and recorded as may be (i) required by law, (ii) requested by title insurers or Eligible Mortgagors of the Neighborhood Center Unit, as the case may be, and/or (iii) desirable to show data pertaining to the Project when completed. If after completion of the Project it is discovered that there is a discrepancy between the airspace boundaries of the PDA Unit and/or the Neighborhood Center Unit and the actual “as-built” location of the physical improvements constructed in substantial conformity with the Plans and Specifications, the Condominium Association, subject to requirements of PPMF’s lenders, will have the right to cause such amendments to the Condominium declaration and the survey map and plans to be prepared and recorded as may be necessary to revise the boundaries of the units or Common Elements to conform with the actual “as-built” location of the physical improvements. The PDA shall indemnify, defend, and hold harmless PPMF from all fines, suits, procedures, claims, actions and losses to the Neighborhood Center Project arising out of the PDA’s wrongful acts or failure to act in connection with PDA’s access to the Neighborhood Center Project and from the PDA’s breach of this Agreement in its capacity as the PDA and not the sole member of the managing member of PPMF.

FINANCING AND SHARED DEVELOPMENT COSTS

4.1 Payment of Development and Construction Costs.

4.1.1 Budget and Allocation of Costs. The parties acknowledge and agree that the Budget, as attached hereto, represents the estimated cost to construct the Project and the allocation of the Shared Costs to each party as of the date of this Agreement. The costs identified in the Budget as Neighborhood Center Project PPMF Shared Costs shall be borne and paid by PPMF and the costs identified in the Budget and the Schedule of Values as PDA Component and PDA Shared Project Costs shall be borne and paid by the PDA. One party may unilaterally amend the budget to reallocate available funds to specific line items if and only if the amendment affects only the party making the amendment and will not affect the other portion of the Project. A Budget amendment affecting both parties must, except as specifically provided in section 4.2.3 below, be
made only by the mutual written consent of the parties. Proposed Budget amendments may be presented by either party to the other. The presenting party shall provide its proposal for a change in the overall Budget or a particular line item in the Budget and shall outline its proposal for how any additional cost or cost savings will be allocated between the parties. The non-presenting party shall have five business days from the date it receives notice of the proposed change to approve of or reject the revision in writing or make a counter-proposal to the presenting party. Failure to respond within such 5-business day period shall be deemed to be a rejection of the proposed change.

4.1.2 Payments. Notwithstanding the cost allocation described in paragraph 4.1.1 above and in the Budget, the parties agree that PPMF shall (a) pay the PDA, within the time periods set forth in the Construction Contract, the Neighborhood Center/PPMF Shared Project Cost portion of each Pay Application throughout the course of construction of the Project to the extent such Pay Application has been approved by the Architect, as applicable, and including without limitation, PPMF’s share of the costs related to the Shared Costs; and (b) pay the PDA within ten thirty (1030) days of demand any Neighborhood Center Project Cost that has been incurred by the PDA, or receipt of pay application.

4.2 Funding.

4.2.1 Funding of the Project Development Costs. The PDA acknowledges that PPMF will be funding a portion of the Neighborhood Center/PPMF Shared Costs with grants from the State of Washington Building Communities Fund as well as philanthropic fundraising efforts.

4.2.2 Reserved.

4.2.3 Change Orders. Except as provided below and subject to any requirements of lenders or Investor as referred to in Section 3.2.3, the PDA must receive the prior written approval of PPMF to any Change Order affecting the Shared Costs or the Neighborhood Center Project Costs. The PDA shall present proposed Change Orders affecting the Shared Costs or the Neighborhood Center Project Costs to PPMF in the same manner, and PPMF shall have the same rights to approve, reject or offer an alternative to a proposed Change Order, as outlined for the Budget revisions in section 4.1.1 above. In the event a Change Order is made for the exclusive benefit of the Neighborhood Center Project but has the ancillary effect of increasing the Shared Costs, the increased cost shall be borne exclusively by PPMF. In the event of a Change Order is made for the exclusive benefit of the Neighborhood Center Project but has the ancillary effect of increasing the Shared Costs, the increased cost shall be borne exclusively by the PDA. Any increase in the Shared Costs that does not result from a Change Order made exclusively for the benefit of the Neighborhood Center Project or exclusively for the benefit of the PDA Project shall be allocated between the PDA and PPMF based on the allocations indicated in the Budget for the affected line item. If the additional cost does not fall within a Budget line-item for which the allocation percentages have been identified, the cost shall be allocated based on the percentage allocation of an analogous Budget line-item.

The PDA shall be permitted to make a Change Order with respect to the Shared Costs or Neighborhood Center Project Costs without the consent of PPMF under two circumstances. First,
if a Change Order is required to abate an imminent threat to the safety of persons or property, the PDA shall have the right to make a Change Order without the written consent of PPMF; provided, however, the PDA shall provide notice of the same to PPMF and the Notified Parties within ten (10) business days thereof. Such “emergency” Change Order made without PPMF consent shall authorize only the labor, materials or other costs necessary to relieve the imminent threat. Second, the PDA may make a Change Order without the consent of PPMF if the Change Order affects only the PDA Project and has no effect on the cost, quality or design of the Neighborhood Center Project.

A Change Order approved pursuant to the foregoing and affecting the cost of the Project shall be deemed to amend the Budget, and in the case of a Change Order affecting the cost of the Construction Contract, to amend the Schedule of Values, subject to approval rights of the Neighborhood Center Project lenders and investor.

ARTICLE V
INSURANCE

The PDA obtained a builder’s risk policy for the Project. The PDA shall cause (i) PPMF to be a named insured on such builder’s risk policy, (ii) PPMF’s lenders to be named mortgage clause endorsements and loss payable endorsements, and (iii) the Investor be named an additional insured under such policy. The Contractor and subcontractors of all tiers will be Additional Insureds within the builder’s risk policy(s) with a waiver of subrogation between all parties. In the event of a claim arising under such builder’s risk policy, PPMF and the PDA shall share the remedies therein proportionate to their respective cash investment in the Project. After completion of construction, the Project shall be insured as required in the Condominium Documents and pursuant to PPMF’s lenders’ loan documents. The cost of the builder’s risk policy shall be paid for by the PDA. PPMF’s and the PDA’s rights with respect to insurance proceeds attributable to the Neighborhood Center Project shall be subject to the rights of any Neighborhood Center Project lender to whom such proceeds have been assigned or that is named as a mortgagee or loss payee on the insurance policy and to the provisions of their loan documents.

ARTICLE VI
RESERVED

ARTICLE VII
DEFAULT AND REMEDIES

7.1 PDA Default.

It shall be a PDA event of default ("PDA Event of Default") if the PDA fails to fulfill any one or more of its obligations under this Agreement after 30 days’ written notice and an opportunity to cure, or if such failure is not of a nature that can be cured within such 30-day period, provided that the PDA initiates corrective action within said period and diligently, continually, and in good faith works to effect a cure as soon as possible, then the PDA shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by PPMF. Except as provided in subsection 7.2, in no event shall PPMF be precluded from exercising remedies if
PPMF’s interests or property becomes or is about to become materially jeopardized by any failure to cure a PDA Event of Default.

7.2  PPMF Remedies for a PDA Event of Default.

After a PDA Event of Default, PPMF shall have the right to pursue any and all remedies available to it in law and equity, specific performance, off set of any obligations owing by PPMF to the PDA, and the right to cure such default on behalf of the PDA. Under no circumstances will the PDA be liable for indirect or consequential damages. In the event PPMF performs an obligation of the PDA to cure a PDA Event of Default, PPMF shall have the right to collect from the PDA the reasonable costs of such performance, including reasonable attorney fees, expenses and disbursements made, and other reasonable costs, together with interest from the date of such expenditure at a rate of 10% compounding, per annum (or the maximum interest rate permitted by law, whichever is less).

7.3  PPMF Default.

It shall be a PPMF event of default ("PPMF Event of Default") if PPMF fails to fulfill any one or more of its obligations under this Agreement and neither PPMF nor any of the Notified Parties (as defined in 7.4.2 below) cures such failure after 30 days’ written notice to PPMF and the Notified Parties, provided that if such failure is not of a nature that can be cured within such 30-day period and if at least one of the Notified Parties initiates corrective action within said period and diligently, continually, and in good faith works to effect a cure as soon as possible, then the Notified Parties shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the PDA. Except as provided in subsection 7.4.1, in no event shall the PDA be precluded from exercising remedies if the PDA’s interests or property becomes or is about to become materially jeopardized by any failure to cure a PPMF Event of Default. Nothing in this section, and no initiation of any cure by any Notified Party, shall impose any obligation on any Notified Party.

7.4  PDA Remedies after PPMF Event of Default.

7.4.1  Generally. After a PPMF Event of Default and expiration of the applicable cure period, the PDA shall have the right to pursue any and all remedies to it in law and equity, specific performance, and the right to cure such default on behalf of PPMF. Under no circumstances will PPMF be liable for indirect or consequential damages. In the event the PDA performs an obligation of PPMF to cure an PPMF Event of Default, the PDA shall have the right to collect from PPMF the reasonable costs of such performance, including reasonable attorney fees, expenses and disbursements made, and other reasonable costs, together with interest from the date of such expenditure at a rate of 10% compounding, per annum (or the maximum interest rate permitted by law, whichever is less).
7.5 Cumulative Remedies.

The remedies provided for in this Agreement are cumulative and are not intended to be exclusive of any other remedies to which the PDA or PPMF may lawfully be entitled at any time, and the PDA or PPMF may invoke any remedy allowed at law or in equity not inconsistent with the provisions of this Agreement, including any action for specific performance. In the event of a breach or threatened breach by the PDA or PPMF of any of its obligations under this Agreement, the other party shall also have the right to obtain an injunction and any other appropriate equitable relief.

ARTICLE VIII
MISCELLANEOUS

8.1 Notices.

All notices, demands, statements and communications required under this Agreement, including the notices required for Budget revisions, disbursement requests and Change Orders described above, shall be in writing and shall be addressed to a party at the address set for below, or to such other address as a party may by written notice, given in accordance with this Section, designate. Notices shall be transmitted by personal delivery, express or courier services, electronic means of transmitting written material (so long as an original is transmitted by the United States Postal Service or express or courier service) or United States Postal Service. Notices shall be deemed to be delivered by the earlier of: the date received; or three (3) business days after having been deposited in the United States Postal Service, postage prepaid.

To PPMF: Pike Place Market Foundation
85 Pike Street, Room 500
Seattle, WA 98101
Attn: Executive Director

To PDA: Pike Place Market Preservation and Development Authority
85 Pike Street, Room 500
Seattle, WA 98101
Attn: Executive Director

8.2 Burden and Benefit; Assignment.

The agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. Neither party may assign this Agreement without the consent of the other party, except for the assignments specifically referenced in this Agreement. Notwithstanding the foregoing, PPMF shall assign this Agreement to Lender as additional security for the Construction Loan, either party may assign its rights under this Agreement to The City of Seattle and such assignments shall not require consent of the PDA.
8.3 Severability of Provisions.

Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

8.4 No Continuing Waiver.

The written waiver of either party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

8.5 Applicable Law.

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington, without regard to principles of conflicts of laws.

8.6 Complete Agreement.

This Agreement and the documents referenced herein are intended to be the entire agreement of the parties and may be amended only with the written consent of both parties.

8.7 Survival.

All indemnities and other obligations of the parties under this Agreement which, by their nature, may be required to be fulfilled after the expiration or termination of this Agreement, will survive the expiration or termination of this Agreement.

8.8 Attorney’s Fees.

In the event of litigation between the parties hereto in connection with or arising out of this Agreement, the prevailing party shall recover from the non-prevailing party all actual costs, actual damages and actual expenses, including reasonable attorney’s fees and charges, paralegal and clerical fees and charges and other professional or consultants’ fees or charges reasonably and necessarily expended or incurred in connection therewith, as set by the court, including for appeals, which shall be determined and fixed by the Court as part of this judgment.

8.9 Counterparts.

This Agreement may be executed in any number of counterparts and all counterparts shall be deemed to constitute a single agreement. The execution and delivery of one counterpart by any party shall have the same force and effect as if that party had signed all other counterparts. The signatures of this Agreement may be executed on separate pages and when attached to this agreement shall constitute one complete document.

8.10 Recitals. The recitals at the beginning of this Agreement are true and correct and are incorporated herein by this reference.
NOTICE: The Pike Place Market Preservation and Development Authority is organized pursuant to Seattle Municipal Code (SMC) Ch. 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides in part as follows: “All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.”

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]
JOINT DEVELOPMENT AGREEMENT
PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY
PIKE PLACE MARKET FOUNDATION

Signature Page

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY,
a public corporation of the State of Washington

By: ___________________________
Name: _________________________
Title: _________________________
JOINT DEVELOPMENT AGREEMENT
PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY
PIKE PLACE MARKET FOUNDATION

Signature Page

Pike Place Market Foundation

By: ____________________________
Name: __________________________
Title: __________________________
EXHIBIT A
Budget – attached
<table>
<thead>
<tr>
<th><strong>MarketFront Project Neighborhood Center Component Budget</strong></th>
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<tr>
<td><strong>Funding Sources</strong></td>
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<td>PPMF Funding (State Grant)</td>
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<td><strong>Total Funding</strong></td>
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<td><strong>Component Costs</strong></td>
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<td>Architecture &amp; Engineering</td>
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<td>Construction of Neighborhood Center Space - PDA Shared Cost</td>
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<td>Construction of Neighborhood Center Space - PPMF Shared Cost</td>
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<td>Food Bank &amp; Heritage House mechanical &amp; exterior renovation</td>
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<tr>
<td>food bank delivery access renovation</td>
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<td>Pedestrian improvements to accommodate NC</td>
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<tr>
<td>Capitalized Equipment</td>
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<tr>
<td>Const. Mgmt.</td>
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<tr>
<td><strong>Total Component Cost</strong></td>
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</tbody>
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EXHIBIT B
Legal Description of Property

The legal description of the land underlying the Condominium: UPDATE?

THOSE PORTIONS OF LOTS 5 THROUGH 12, BLOCK 36, AND THAT CERTAIN UNNUMBERED TRACT OR LOT LYING GENERALLY SOUTHEAST OF BLOCK 36, DELINEATED ON AN ADDITION TO THE TOWN OF SEATTLE AS LAID OUT BY A.A. DENNY (COMMONLY KNOW AS A.A. DENNY’S 6TH ADDITION TO THE CITY OF SEATTLE), AS RECORDED IN VOLUME 1 OF PLATS, PAGE 99, IN KING COUNTY, PPMFINGTON, AND THOSE PORTIONS OF THE VACATED ALLEY IN SAID BLOCK 36 AND VACATED PINE AND STEWART STREETS MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 5, BLOCK 36, OF SAID PLAT OF A.A. DENNY’S SIXTH ADDITION TO THE CITY OF SEATTLE;
THENCE SOUTHWESTERLY ALONG THE NORTHEASTERLY MARGIN OF SAID LOT 5 TO ITS INTERSECTION WITH THE NORTHEASTERLY LINE OF ARMORY WAY, AS ESTABLISHED BY CONDEMNATION ORDINANCE NO.66339, AS AMENDED BY ORDINANCE NO. 67125;
THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF ARMORY WAY TO A POINT ON A LINE PARALLEL WITH AND 30 FEET NORTHWEST OF THE NORTHEASTERLY LINE OF BLOCK H, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT BY A.A. DENNY (COMMONLY KNOW AS A.A. DENNY’S 4TH ADDITION TO THE CITY OF SEATTLE), AS RECORDED IN VOLUME OF 1 OF PLATS PAGE 69, IN KING COUNTY, PPMFINGTON WASHINGTON;
THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE TO THE SOUTHWESTERLY LINE OF WESTERN AVENUE AS WIDENED UNDER THE PROVISIONS OF ORDINANCE NOS. 11704 AND 18109 OF THE CITY OF SEATTLE;
THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE OF WESTERN AVENUE TO ITS INTERSECTION WITH THE NORTHEASTERLY LINE OF LOT 6, BLOCK 36, SAID PLAT OF A.A. DENNY’S 6TH ADDITION TO THE CITY OF SEATTLE;
THENCE SOUTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID LOT 6 TO THE MOST WESTERLY CORNER THEREOF;
THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROJECTION OF THE NORTHEASTERLY LINE OF SAID LOT 6 TO THE POINT OF BEGINNING,
(ALSO KNOW AS PARCEL B OF CITY OF SEATTLE LOT BOUNDARY ADJUSTMENT NUMBER 8800103, RECORDED UNDER RECORDING NUMBER 8807250812 AND AMENDED BY RECORDING NUMBER 881290942).

4846-3880-3995, v. 10
Vacancy will increase in March with some transfers to new building and move outs for other reasons. Vacancy report will include new building WASH beginning April.
Western Avenue Senior Housing
- 26 tenants certified and will move in by March 30. Approximately 12 from homeless situations.
- Eligibility certification in progress or remaining 14 units for April move in;
- Supplied basic welcome package (bed, mattress, kitchen supplies) to those moving in without possessions.
- Market Foundation is helping direct donations of other household items to residents in need.
- Weekly status reports to US Bank
- Six of Artist Studio Unit committed to persons requesting this preference.
- General shake out period underway as fine tuning and adjustments made to improve functionality.
- Papers filed with City to register units under new ordinance.

- Lasalle and Market House scheduled for new roofs. Hope to be able to use replacement reserves for those buildings to cover costs.
- Rent adjustments approved by HUD for Section 8 rents

- Stewart House - new pest control regime is in process and should make improvements in effectiveness of bed bug prevention. Have acquired 10 pest resistant beds for units where infestation is worst problem.
- Will have 9 vacancies by end of March – working with to make sure unit turns happen in reasonable amount of time to allow lease up.
- Will schedule outside repainting for later this year
- Will be conducting rent comparability study for contract review and rent adjustment request due end of summer.

Residential Staffing
- Long time assistant in Livingston Baker - Cheryl Smith retired Feb 28th. Fully staffed.

Other matters
- HUD billing software (TRACS) will require major conversion this summer.
- Elsie active with affordable housing groups, we will assist with drafting of model house rules for WA affordable housing, participate in housing industry commentary on new Seattle housing regulation proposals.
- HUD rent subsidies will be dependent on continuing budget resolution. We saw this before in 2009.
- Emergency preparedness & training UPDATES TO BE SCHEDULED.
EVENTS SPACES REPORT
- Generally good business with bookings schedule through the year
- Several new chefs have started cooking series in the Kitchen
- Events staff assigned to scheduling for MarketFront Plaza
- 2017 rates in effect