

**AGREEMENT REGARDING ALLOCATION OF RIGHTS TO EXEMPTION FROM
AND/OR CREDIT AGAINST IMPACT FEES**

THIS AGREEMENT (this "Agreement") is dated for reference purposes as of ~~January~~ ^{April} 5, 2017, and entered into by and among G&I VII REDMOND DEVELOPMENT LLC, a Delaware limited liability company ("Redmond Development"), G&I VII REDMOND RETAIL LLC, a Delaware limited liability company formerly known as PPR Redmond Retail LLC ("Redmond Retail" and together with Redmond Development, "Redmond"), and RTC 74TH STREET PROPERTY, LLC, a Delaware limited liability company ("Developer"). Redmond Development, Redmond Retail and Developer are sometimes referred to herein as the "Parties."

RECITALS

A. In connection with the sale by Redmond Development to Developer of that certain real property legally described on Exhibit A attached hereto (the "Property"), the Parties entered into that certain Project Agreement recorded December 29, 2015 under recording number 20151229000778 (the "Project Agreement") which sets forth certain agreements and covenants with respect to the development of the Property. The Property is part of a larger mixed use project located in Redmond, Washington and commonly known as Redmond Town Center (the "Master Project"). Capitalized terms used herein which are not otherwise defined shall have the meanings given to such terms in the Project Agreement.

B. Pursuant to development approvals granted for the Master Project, including that certain Redmond Town Center Traffic Mitigation Agreement recorded April 25, 1996 under recording number 9605031239 ("Traffic Mitigation Agreement"), the City of Redmond required the construction of certain transportation improvements, dedication of land and payment of fees as mitigation of transportation impacts resulting from full build out of the Master Project ("Traffic Impact Mitigation").

C. Pursuant to the Traffic Mitigation Agreement, full build out of the Master Project was estimated to generate 2,363 PM peak hour trips. Subsequent revisions to the Master Project were analyzed in an EIS Addendum for Town Center Dated December 23, 1997 ("Addendum"). The revisions increased the maximum allowed combined commercial and retail development to the current levels of 1,490,000 SF and up to 1,800,000 SF with use of TDRs or the Green Building Program. The Addendum identified the estimated increase in PM peak hour trips resulting from full build out of the revised Master Project as 2,367 PM peak hour trips. An additional 281 PM peak hour trips were subsequently transferred and/or allocated to the Master Project, resulting in a total of 2,648 PM peak hour trips as the estimated impact upon transportation facilities resulting from full build out of the Master Project (the "Master Project Trips").

D. Under SEPA authority, the City of Redmond conditioned approval of the full build-out of the Master Project by requiring that land be reserved for public open space and

passive recreation use, and that the area be improved through construction of trails and other facilities (collectively, "Park and Recreation Mitigation").

E. Redmond Retail, as successor developer and Declarant under the Master Declaration, has, to date, expended funds, constructed public improvements and dedicated land in connection with performance of the Traffic Impact Mitigation and the Park and Recreation Mitigation.

F. Washington State Statutes and City of Redmond Code provisions create rights to exemptions from, and/or credits against transportation and park impact fees that must be paid to the City of Redmond as a condition of obtaining building permits for development, when development impacts upon public transportation and/or park facilities have been mitigated through payment of fees, construction of public improvements and/or dedication of land.

G. As of the date of this Agreement unallocated and unused rights to exemption from, and/or credit against transportation impact fees and park impact fees, including, but not limited to Master Project Trips are available to be used, allocated, entitled and/or transferred in connection with pending or future development of the Master Project.

H. In connection with obtaining entitlements for its development of the Project, Developer has requested Redmond to allocate, assign and transfer unused and unallocated rights to exemption from, and/or credit against transportation impact fees and park impact fees, including, but not limited to Master Project Trips and rights arising from Park and Recreation Mitigation to Developer, the Property and the Project to be used, applied or otherwise applicable in connection with obtaining exemption from, and/or credit against City of Redmond transportation and park impact fees, all subject to payment of the consideration and satisfaction of the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Consideration/Reimbursement Payment. In the event the City of Redmond agrees to eliminate or reduce the amount of the transportation impact and/or park impact fee ("Impact Fees") that must be paid to secure a building permit (or other permit) for the Project based upon development impact mitigation provided in connection with development of the Master Project by Redmond or its predecessors in title ("Mitigation"):

(a) Redmond Retail shall assign to Developer, to the extent required to obtain the exemption and/or credits, Master Project Trips and such other rights arising from the Mitigation

to receive exemption from and/or reduction of such Impact Fees and provide such other written documentation as is required for Developer to receive the exemption and/or reduction.

(b) Developer shall pay to Redmond Retail the sum of money that equals 85% of the total amount of the exemption and/or reduction in Impact Fees, if such exemption and/or reduction is permitted by the City. The payment shall be made not later than two business days following issuance of the building permit, or any other permit, the issuance of which would have required payment to the City of the full Impact Fees but for the Mitigation.

2. In the event the City does not grant a full exemption from the requirement to pay either or both the transportation impact fee and the park impact fee, in addition to the actions required by Section 1 of this Agreement:

(a) Prior to, or contemporaneous with payment of any Impact Fees, Developer will submit to the City a written notice that such fees are being paid under protest, and that all rights to appeal imposition of such Impact Fees are retained and are not waived by payment of such fees. The notice shall be substantially in the form set forth on Exhibit B, attached hereto.

(b) Redmond Retail shall have all rights, but not the obligation, to pursue administrative and judicial appeals of the City actions in connection with the Mitigation and Impact Fees in its sole discretion and at its sole cost. Redmond Retail shall be entitled to the benefit of 85%, and Developer shall be entitled to the benefit of 15%, of all Impact Fees refunded or otherwise awarded as a result of any of such appeals, including all agreements in settlement of any such appeal. Redmond Retail shall be entitled to the benefit of 100% of all costs and/or attorneys' fees reimbursed by the City as a result of such appeals and/or settlement. If the City makes a payment to Developer or Redmond Retail as a refund of Impact Fees and/or in payment of costs and/or attorneys' fees, the party receiving the payment shall make a payment to the other party within three business days of receipt of the City payment to the extent any payment is required to result in the percentages of benefit as set forth in this section.

(c) No later than two business days following payment of any of Impact Fees, Developer will provide to Redmond Retail a copy of the notice of payment under protest, a copy of all receipts for payment of such fees, and an assignment to Redmond Retail of Developer's rights to appeal the City refusal to grant an exemption from, and/or to apply credits against the Impact Fees.

(d) In the event Redmond Retail elects to appeal the City's action, Developer shall cooperate with and assist Redmond Retail in all appeals of the requirement to pay full or partial Impact Fees, including authorization of Redmond Retail to prosecute such appeals in the name of, and on behalf of Developer, and providing documentation and testimony reasonably determined by Redmond Retail to be required in the prosecution of the appeals and/or settlement thereof, provided Developer shall not be required to incur any out of pocket costs in providing such cooperation and assistance unless full reimbursement of such costs is provided by Redmond

Retail. In the event that the City withholds issuance of any of Developer's permits due to the filing of an appeal, or suspends processing of any of Developer's permit applications due to the filing of an appeal, within three business days of receiving notice from Developer of such City action together with documentation of such City action, Redmond shall use its best efforts to cause the City to cease withholding permit issuance, or eliminate the suspension of permit processing, including, but not limited to, seeking a court order requiring the City to cease such City action.

3. Remedies/Attorney's Fees. In the event of a breach by a Party of its obligations under this Agreement, the other Party shall have the right to seek relief by all other available legal and equitable remedies from the consequences of such breach. In the event of any action brought in connection with or to enforce this Agreement, the substantially prevailing party therein will be entitled to receive from the substantially non-prevailing party, the substantially prevailing party's costs and expenses, including reasonable attorneys' fees, incurred in connection therewith, in preparation therefor and on appeal therefrom and in any bankruptcy proceeding related thereto.

4. Notices. Any and all notices or other communications required or permitted to be given under this Agreement will be in writing and either (i) personally delivered, in which case notice will be deemed delivered upon receipt, (ii) sent by facsimile, in which case notice will be deemed delivered upon the sender's receipt of confirmation of transmission of such facsimile notice produced by the sender's facsimile machine, or (iii) sent by any nationally recognized overnight courier service with provisions for proof of delivery, in which case notice will be deemed delivered on the next business day after the sender deposits the same with such delivery service, and in any case such notices or other communication will be addressed to the following addresses:

Developer: RTC 74TH STREET PROPERTY, LLC
c/o Lowe Enterprises Real Estate Group
424 Fourth Avenue, Suite 1030
Seattle, WA 98101
Attn: Suzi Morris

With a copy to: Lowe Enterprises Real Estate Group
11777 San Vicente Blvd., Suite 900
Los Angeles, CA 90049
Attn: Alex San Andres

With a copy to: Jameson Babbitt Stites & Lombard, PLLC
801 Second Avenue, Suite 1000
Seattle, WA 98104
Attn: Jennifer D. Cobb
Email: jcobb@jbsl.com

Phone: (206) 516-3205

Redmond:

G&I VII REDMOND DEVELOPMENT LLC
G&I VII REDMOND RETAIL LLC
c/o DRA Advisors, LLC
220 East 42nd Street, 27th Floor
New York, NY 10017
Attn: Mr. Andrew Peltz
Telephone: (212) 697-4740
Facsimile: (212) 697-7403

with a copy to:

JSH Properties, Inc.
1424 4th Avenue, Suite 715
Seattle, WA 98101
Attn: Mr. Steve Hansen
Telephone: (206) 859-4500
Facsimile: (206) 859-4501

5. Further Documentation. Each of the parties agrees to execute, acknowledge, and deliver upon request by the other party any document which the requesting party reasonably deems necessary or desirable to evidence or effectuate the rights herein conferred or to implement or consummate the purposes and intents hereof, so long as such imposes no different or greater burden upon such party than is otherwise imposed hereunder.

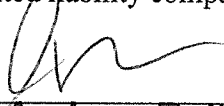
6. Governing Law. This Agreement will be construed and enforced in accordance with the laws of the State of Washington.

7. Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

G&I VII REDMOND DEVELOPMENT LLC,
a Delaware limited liability company

By: 
Name: Andrew Peltz
Title: Vice President

G&I VII REDMOND RETAIL LLC,
a Delaware limited liability company

By: 
Name: Andrew Peltz
Title: Vice President

RTC 74TH STREET PROPERTY, LLC,
a Delaware limited liability company

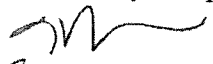
By: 
Name: Suzi Marcus
Title: SVP

Exhibit A
Legal Description of the Property

Revised Parcel 5-B of Amended Binding Site Plan of Redmond Town Center, according to the plat thereof recorded in Volume 271 of Plats, Pages 70 through 74, inclusive, under recording number 20151222000787, records of King County, Washington, being an amendment to the following described land:

Second Amendment to Parcel 5-B, on Page 3 and 5 of 7 of Amendment to Parcel 5-A, 5-B, 5-C, 5-D AND 7 on Page 5 of 12 of Redmond Town Center, A Binding Site Plan, according to the plat thereof recorded in Volume 207 of Plats, Page 71 through 74, in King County, Washington.

Exhibit B

Form of Notice of Payment Under Protest

Pursuant to RMC 3.10.140, "Payments under protest and appeals", notice is hereby given to the City of Redmond that the [Park Impact Fee in the amount of \$ _____] [and] [Transportation Impact Fee in the amount of \$ _____] in connection with Project No. _____ known as "[name of project]" [is] [are] being paid under protest in order to obtain issuance of a [building permit] [other applicable permit] and that all rights to appeals in connection with such permit, including without limitation the requirement to pay impact fees, the amount of such fees and rights to exemptions from and/or credits against such fees are reserved and are not waived.

RTC 74TH STREET PROPERTY, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____