

**FUNDING AGREEMENT BETWEEN MICROSOFT CORPORATION AND REDMOND COMMUNITY
FACILITIES DISTRICT NO. 2014-01 FOR IMPROVEMENTS AT THE OVERLAKE TRANSIT CENTER**

THIS FUNDING AGREEMENT is entered into as of the 10TH day of December, 2014, by and between MICROSOFT CORPORATION, a Washington corporation ("Microsoft"), and the REDMOND COMMUNITY FACILITIES DISTRICT NO. 2014-1, a Washington special purpose district (the "CFD").

RECITALS

WHEREAS, the City of Redmond established the CFD by passage of Redmond City Council Resolution No. 1411 on July 15, 2014 after a public hearing on a petition to form the CFD presented by Microsoft; and

whereas, the City of Redmond authorized expansion of the scope of the CFD by the passage of Redmond City Council Resolution No. 1417 on November 18, 2014 after a public hearing on an amendment to the CFD petition presented by Microsoft; and

WHEREAS, the CFD has assumed the obligations of Microsoft to pay for certain improvements contemplated by that certain Agreement Between the City of Redmond, the Central Puget Sound Regional Transit Authority, and Microsoft Corporation for the Overlake Transit Center Component of the East Link Extension Project dated December 19, 2013 as amended by that certain First Amendment to Agreement Between the City of Redmond, the Central Puget Sound Regional Transit Authority, and Microsoft Corporation for the Overlake Transit Center Component of the East Link Extension Project dated November 20, 2014 (collectively, the "Funding Agreement"), including but not limited to a pedestrian/bicycle bridge; and

WHEREAS, the final Assessment Roll has been approved obligating Microsoft to pay up to \$33,300,000 for projects in the CFD; and

WHEREAS, Microsoft has elected to provide funds to the CFD directly, rather than having the CFD issue bonds.

NOW THEREFORE, in consideration of the CFD's assumption of Microsoft's payment obligations under the Funding Agreement, Microsoft agrees as follows:

AGREEMENT

1. Microsoft shall wire \$33,300,000 (USD) to an account specified by the CFD in accordance with the following schedule:

- a. On or before December 15, 2014, \$3,300,000;
- b. On or before December 15, 2015, \$10,000,000;
- c. On or before December 15, 2016, \$10,000,000;
- d. On or before December 15, 2017, \$10,000,000.

2. In order to secure payment of the funds provided in Section 1 and, if deemed necessary by the CFD treasurer, in order to secure payment of the CFD assessments, Microsoft shall execute and record a deed of trust against the property described as Parcel 1 on the CFD final assessment roll naming the CFD as the beneficiary. If Microsoft fails to make the payment required by Section 1(a) within thirty days after the due date, or if Microsoft fails to make any of the payments required by Sections 1(b), (c), or (d) on or before the due dates specified in those sections, any delinquent payment shall bear interest at the maximum rate allowed by law. The deed of trust shall be in a form approved by the CFD treasurer. Upon receipt of all payments required by Section 1, the CFD agrees to hold the obligations provided in said Section paid in full and to release the deed of trust if the same is determined by the CFD treasurer to be no longer necessary in order to secure payment of the CFD assessments.

3. Although the amount that the CFD and Microsoft are obligated to pay for improvements under the Funding Agreement is capped at \$33,300,000 under the terms of the Funding Agreement, there are certain events that may occur that could result in an increase in such costs. In such event, Microsoft may request that the CFD Board of Supervisors conduct a supplemental assessment proceeding pursuant to RCW 36.145.110(9) in order to increase the assessments imposed by the CFD to match the increased costs. If one hundred percent (100%) of the then-owners of Parcel 1 agree and if the Board of Supervisors approves a supplemental assessment for Parcel 1, then the schedule set forth in Paragraph 1 shall be revised to include the additional funding that required of Microsoft in order to pay for the obligations.

4. When the CFD is terminated after payment of all obligations and assessments, if there are any funds remaining in the CFD's account from the deposits made by Microsoft, those funds shall be delivered to Microsoft.

IN WITNESS WHEREOF, this Commitment is entered into as of the date first set forth above.

MICROSOFT CORPORATION

By: 

Its: GENERAL MANAGER, REEF

REDMOND COMMUNITY FACILITIES
DISTRICT NO. 2014-1, a Washington
Special purpose district

By: 

Its: Chair