

**SECOND AMENDMENT TO SETTLEMENT AGREEMENT**  
**Village at Harbor Hill**

This Second Amendment to Settlement Agreement (this “**Amendment**”) is made and entered into by and between Harbor Hill LLC, a Washington limited liability company (“**Harbor Hill**”) and the City of Gig Harbor, a Washington municipal corporation (“**City**”) in order to amend and modify that certain Settlement Agreement (Village at Harbor Hill) executed by the Parties as of August 25, 2020 (the “**Settlement Agreement**”), as previously amended by that certain First Amendment to Settlement Agreement (the “**First Amendment to Settlement Agreement**”) executed by the Parties as of December 28, 2020, on the terms and conditions set forth herein.

WHEREAS, on June 28, 2021, the City Council of the City passed Resolution 1215 (the “**Resolution**”), approving an amendment to the Village at Harbor Hill Development Agreement (the “**First Amendment to Development Agreement**”) incorporating certain terms of the Settlement Agreement into the Development Agreement for the Village at Harbor Hill; and

WHEREAS, the Parties have agreed that if no appeals are filed challenging the First Amendment to the Development Agreement or if appeals are filed and the First Amendment to Development Agreement is upheld, the City’s obligation to process and approve the Project Amendments pursuant to Paragraph 2 of the Settlement Agreement shall be deemed satisfied, and the Lawsuit may be dismissed;

NOW, THEREFORE, for good and valuable consideration, the Parties hereby agree as follows:

1. Extension of Deadline for Final Amendment Date; Lawsuit Dismissal. Paragraph 3 of the Settlement Agreement, as amended by Paragraph 1 of the First Amendment, is deleted in its entirety, and the following is substituted in its place:

3. **Dismissal.** The City shall promptly notify Harbor Hill and its legal counsel in the event that any party serves the City with an appeal or challenge to the Resolution or the First Amendment to Development Agreement (any such challenge being referred to herein as an “**Appeal**”), regardless of whether such Appeal is brought pursuant to the Land Use Petition Act (LUPA), the Growth Management Act (GMA), or pursuant to any other applicable law. In the event that the City has not been served with an Appeal as of August 30, 2021, the City shall notify Harbor Hill that no such Appeal has been filed, and Harbor Hill shall dismiss the Lawsuit within five (5) business days. In the event that any Appeal is filed, Harbor Hill shall dismiss the Lawsuit within five (5) business days when and if a final order has been issued by a court or tribunal of competent jurisdiction upholding the First Amendment to Development Agreement and the Resolution (as the case may be) which is not subject to further appeal. In order to accomplish the dismissal of the Lawsuit pursuant to this Paragraph 3, Harbor Hill and the City shall file a stipulation and agreed order with the applicable court dismissing the Lawsuit with prejudice. The Parties shall execute and record the First Amendment to Development Agreement pursuant to the terms of the Resolution no later than

five (5) business days after the applicable court's dismissal of the Lawsuit.

2. Reaffirmation of Settlement Agreement. The Parties hereby revive, reaffirm and incorporate herein the terms and conditions of the Settlement Agreement, except as specifically amended or modified herein. All terms defined in the Settlement Agreement shall have the same meaning in this Amendment.

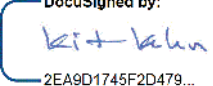
3. Counterparts. This Amendment may be executed in one or more separate counterparts (including by electronic signature [such as DocuSign], email, scanned .pdf document or facsimile delivery), and all of the counterparts shall constitute one and the same agreement.

The Parties have executed this Amendment and agreed to the terms above on the last date set forth below.

HARBOR HILL LLC,  
a Washington limited liability company

CITY OF GIG HARBOR,  
a Washington municipal corporation

By: \_\_\_\_\_  
Name: Jon Rose  
Its: Vice President  
Date: \_\_\_\_\_

DocuSigned by:  
  
2EA9D1745F2D479...  
By: \_\_\_\_\_  
Name: Kit Kunh  
Its: Mayor  
Date: 7/1/2021

ATTEST:

DocuSigned by:  
  
A98B05D8B8E7409...  
JOSH STECKER, Interim City Clerk

APPROVED AS TO FORM:

DocuSigned by:  
  
85394CE988994B5...  
JIM HANEY, Attorney for the City

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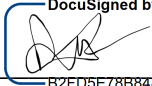
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HARBOR HILL LLC,  
a Washington limited liability company

CITY OF GIG HARBOR,  
a Washington municipal corporation

By:  \_\_\_\_\_  
Name: Jon Rose  
Its: Vice President  
Date: 6/30/2021

By: \_\_\_\_\_  
Name: Kit Kuhn  
Its: Mayor  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Josh Stecker, Interim City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jim Haney, Attorney for the City