

**PREDEVELOPMENT AGREEMENT FOR KELLY
TOD SITE IN BELLEVUE, WASHINGTON**

THIS PREDEVELOPMENT AGREEMENT (“Agreement”) is entered into as of the date of the last signature below by the **CITY OF BELLEVUE**, a Washington municipal corporation (“City”) and **BRIDGE HOUSING CORPORATION**, a California nonprofit corporation (“BRIDGE”), for the purpose of developing, constructing, and operating an affordable housing project on property commonly known as the Kelly Transit-Oriented Development (“TOD”) site located at 1500 130th Ave. NE in the City of Bellevue, Washington.

RECITALS

A. The need for affordable housing in Bellevue is critical to supporting the City’s growth, economic diversity, and community well-being. The City is committed to addressing this essential issue and providing housing that is affordable to all income levels, including lower-income individuals and families.

B. The City is also committed to furthering arts and culture in the BelRed Subarea of the City. In 2009, the City formally recognized the BelRed Arts District as part of the BelRed Subarea Plan, and in 2022 the City adopted the BelRed Arts District Implementation Plan. Today the BelRed Arts District is home to more than 100 creative businesses and cultural organizations and is a hotbed of arts and culture activities. The City recognizes the need for affordable housing, especially for artists and the creative workforce, as well as the desirability of providing affordable creative spaces, cultural venues, and community space to serve future residents.

C. The City is the owner of approximately 1.15 acres of land with approximately 33,000 square feet of developable land located at 1500 130th Ave. NE, Bellevue, Washington (“Property”), commonly known as the Kelly TOD site and legally described on Exhibit A attached to this Agreement and incorporated herein by this reference as if set forth in full.

D. The Property has been identified by the City as a suitable location for a new affordable housing project near public transit that will spur further walkable development in the BelRed Arts District. The Property has also been identified as a location that can support catalytic placemaking that preserves and continues the creative spirit of the BelRed Arts District and enhances a growing transit-oriented community.

E. On February 14, 2025, the City published a request for proposals for development of the Property with a mixed-use development consisting of approximately 140-300 affordable housing units contained in an equitable, cost-efficient, and high-quality building that includes affordable living spaces tailored to the needs of artists and creative professionals.

F. On June 2, 2025, the City received seven proposals from potential development partners. The City ultimately selected BRIDGE to develop the Kelly TOD site based on the strength of its proposal, which will deliver at least 140 affordable units with a target of approximately 172 affordable units, including family-sized units for households at or below 80% of the area median income. The proposed project will include design features in the residential units that can accommodate artists, dedicated arts and cultural facilities to support the BelRed creative economy, public open space and gathering areas, and connection for residents to the nearby light rail station. BRIDGE has over four decades of experience in affordable housing and transformative community development across the entire Pacific Coast.

G. The City and BRIDGE now desire to set forth their binding agreements for the development and operation of an affordable housing project on the Property.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises, terms, and conditions set forth below, and other consideration the receipt and sufficiency of which are mutually acknowledged, including without limitation the public interest, the City and BRIDGE agree as follows:

1. Purpose and Intent. The purpose of this Agreement is to set forth the obligations of the City and BRIDGE during the design of the affordable housing project (“Project”) defined herein and the process which BRIDGE will undertake to design and finance development of the Project. Once financing and necessary permits and entitlements for the Project are secured, the City and BRIDGE intend to enter into a long-term ground lease of the Property (the “Ground Lease”), which will thereupon supersede this Agreement and control the obligations of the City and BRIDGE regarding the construction and operation of the Project. The City will at all times retain fee ownership of the Property.

2. Term of Agreement. This Agreement shall become effective upon the date of the last signature below. This Agreement shall automatically terminate and expire at the close of business on June 30, 2029, unless the Ground Lease referred to in Section 7 below is mutually executed on or before that date and this Agreement is superseded thereby, or unless the parties mutually agree to an extension hereof. The City will not unreasonably withhold its consent to a reasonable extension of the foregoing deadline if BRIDGE is making diligent efforts to secure necessary permits, entitlements and financing for the Project. This Agreement may also be terminated as provided in Section 20 below.

3. Project. Subject to the terms and conditions of this Agreement, BRIDGE agrees to design, develop, construct, own, and operate the Project on the Property. The Project shall be generally consistent with the proposal (“Proposal”) submitted by BRIDGE on June 2, 2025, in response to the City’s request for proposals and shall contain the following elements:

A. **Residential Units – Affordability.** The Project shall contain a minimum of 140 multifamily dwelling units (which may contain one unrestricted manager’s unit) with a target of approximately 172 units. All dwelling units (excluding the unrestricted manager’s unit) will be offered for lease to individuals and households whose annual income (adjusted for household size) at the time of initial occupancy is at or below sixty percent (60%) of the King County area median income (“AMI”). Individuals and households will be subject to an income certification and/or recertification as provided in the Covenant (defined below).

B. **Unit Mix.** The target unit mix will include a combination of one-bedroom, two-bedroom, and three-bedroom apartments at BRIDGE’s discretion, and may contain studio apartments if elected by BRIDGE. The affordability levels for the apartments shall be limited to households whose income at initial occupancy does not exceed 60% of AMI, generally consistent with the Proposal and defined on Exhibit F attached hereto and incorporated herein by this reference as if set forth in full. A certain number of units will be set aside for persons with disabilities as defined by the Washington State Housing Finance Commission (“WSHFC”). Subsequent modifications to Exhibit F that do not require City Council approval under Section 3.F and that are agreed upon in writing by BRIDGE and the City Manager or designee shall not require any amendment of this Agreement or Exhibit F.

C. **Artist Housing.** The Project will include design features tailored to artists and creative professionals, which design features could include ground floor live-work units, large open floor plans, common area amenities or in-unit features that accommodate artist needs, such as pull-down faucets, stainless steel sinks, and/or vinyl plank flooring appropriate for artists and their equipment, or other features

as identified by community engagement efforts. BRIDGE will collaborate with the City and one or more arts-focused community-based organization(s), which shall have an "Arts, Culture, & Heritage" National Taxonomy of Exempt Entities (NTEE) code and be approved by the City (collectively, "Arts Partner"), to determine specific artist needs, establish design criteria for artist housing and community space as well as criteria used to identify the targeted population, and provide arts-focused uses and programming. BRIDGE identified and applied to the RFP with the BelRed Arts District Community Alliance, a Washington nonprofit corporation, as its Arts Partner. If the BelRed Arts District Community Alliance is unable to or chooses not to participate in the Project, or if BRIDGE deems in consultation with the City that it is in the best interest of the Project to work with alternative Arts Partner(s), BRIDGE will propose to the City alternative Arts Partner(s) that can contribute to the vitality and inclusiveness of the Project and will proceed with a mutually agreeable Arts Partner(s). The replacement Arts Partner shall be subject to approval of the City, which shall not be unreasonably withheld, conditioned or denied. In addition to assisting BRIDGE with identifying artist needs, the participation of the Arts Partners may include occupying a portion of the non-residential space within the Project and/or assisting with the establishment of design criteria for artist housing, common areas and identification of target populations. The parties acknowledge that while the residential units in the Project will be affirmatively marketed to residents who are involved in artistic or literary activities in compliance with Section 42 of the Internal Revenue Code, the Project will not be subject to any unit set-asides or specific preference in the Covenant or Ground Lease for artists.

D. Creative Facility Space. The Project will include a ground floor creative facility space of approximately 4,000 square feet (as such estimated size may be adjusted during the design process), which BRIDGE would be responsible for completing in cold shell condition and which an Arts Partner would be responsible for completing the design/buildout and operation of. The space is intended to be activated with arts-focused uses that serve residents and the surrounding neighborhood, which could include, without limitation, such arts-focused uses as private or shared studios, community events or classes, and/or gallery space to showcase the work of residents and local artists. Participation by the Arts Partner in the planning and design of this community facility space is a key component of this effort. BRIDGE will conduct outreach to the arts and culture community during the planning and design phase to help inform the final design and use of the creative facility space and to ensure that the housing and art spaces reflect the community's needs. If the initial Arts Partner is unable to or chooses not to participate or BRIDGE in consultation with the City deems it in the best interest of the Project to work with alternative Arts Partner(s), BRIDGE will coordinate with the City to identify alternative Arts Partners or community-based organizations that can contribute to the vitality and inclusiveness of the Project. The replacement Arts Partner shall be subject to approval of the City, which shall not be unreasonably withheld, conditioned or denied. BRIDGE will also use commercially reasonable efforts to provide opportunities for local and small businesses to use the creative facility space, generally consistent with the Proposal. BRIDGE may subject the creative facility space to a leasehold condominium as provided in the Ground Lease, if needed or desirable for financing and operational purposes and subject to the approval of the City Manager or designee, which will not be unreasonably withheld. BRIDGE may sublease the non-residential space in the project to an Arts Partner of its choice, subject to the approval of the City Manager or designee, which will not be unreasonably withheld.

E. Site Amenities. The Project will contain site amenities, such as parking, plazas, utilities, and other common area features, as approved during the design and permitting of the Project.

F. Final Approval of Project Elements. The final number and configuration of units and the income levels served are subject to funder requirements, design constraints, permitting requirements, and site planning outcomes. The final number and configuration of ground floor live-work units for artists and the in-unit features and/or community space amenities to accommodate artist needs shall be subject to approval of the City Manager, not to be unreasonably withheld. The number of dwelling units may not be reduced below 140, the number of 2 and 3 bedroom units may not be reduced below 35%

of the total unit count, and the average AMI of all units may not increase over 10 percentage points without the approval of the City Council. Average AMI means the project-wide, unit-weighted average of Area Median Income (AMI) percentages assigned to residential units, calculated by multiplying each unit's AMI designation by the number of units at that designation, summing these amounts, and dividing by the total number of residential units. A change in BRIDGE as project sponsor will require the approval of the City Council. All other changes to the scope of the Project described in this Agreement (including changes to the proposed non-residential space or Project amenities), any extensions of this Agreement or revisions to the milestones in the attached schedule, and any other modifications or amendments to the terms of this Agreement, the form of Ground Lease and/or the form of Covenant and other exhibits to this Agreement shall be subject to approval at the discretion of the City Manager or designee and shall not require the approval of the City Council.

4. Design. BRIDGE shall, at BRIDGE's sole cost and expense, design the Project with the elements described in Section 3. The design shall comply with the following:

A. Design to Meet Codes and Proposal. The Project shall be designed to be generally consistent with the Proposal and to meet all applicable requirements of the Bellevue Land Use Code, including without limitation the BelRed land use district, except where deviations, departures, and/or variances are applied for and approved according to applicable City land use processes.

B. Qualified Professionals. BRIDGE will use qualified professionals to complete the design, including qualified architects and engineers licensed by and registered with the State of Washington to perform the necessary design services.

C. Sustainability. The Project will be designed and constructed to meet or exceed Evergreen Sustainable Development Standard v4.1.

D. Bicycle Parking. Secure bicycle storage for residents will be provided for in the design, either in a centralized location or within individual units. In addition, a secure bicycle storage area will be provided for staff associated with the ground floor community facility space. Short-term bike racks will be installed near primary building entries and around the site perimeter to serve visitors and the broader neighborhood. All bicycle parking will be provided as required by applicable standards set forth in the City of Bellevue Land Use Code ("LUC"), including without limitation the BelRed Overlay District regulations.

E. Transit Wayfinding. BRIDGE will coordinate with the City to incorporate wayfinding signage into the design consistent with City design standards to enhance pedestrian access to nearby light rail and transit connections.

F. City Review. BRIDGE will submit the Project architect's plan sets for review and comment by the Office of Housing for the 100% Schematic Design and 100% Design Development and will submit complete permit applications for City review during the Permit Application stages. The Office of Housing will use reasonably best efforts to respond in writing with comments within [ten (10) business days] from receipt of the plans with respect to the 100% Schematic Design and 100% Design Development phases. The Office of Housing's review of the design prior to the Permit Application stages will be limited to determining whether the design complies with this Agreement and is generally consistent with the Proposal and not whether the design meets all City codes and permitting requirements. The Office of Housing will use reasonable efforts to support BRIDGE in securing affordable housing incentives, including, as applicable, the City's expedited permit review program, reduced permit fees, and impact fee exemptions, subject to the City's reserved regulatory authority under Section 22 of this Agreement.

5. **Arts and Culture Community Engagement Plan.** BRIDGE will use commercially reasonable efforts to engage the arts and culture community throughout the project lifecycle, in a manner generally consistent with the Proposal, which engagement may be conducted in collaboration with an Arts Partner. Such community engagement efforts will be continued throughout the planning and design phases, as well as on an ongoing basis after the Ground Lease is signed.

6. **Project Schedule and Milestones.** A Project Schedule is attached to this Agreement as Exhibit B and incorporated herein by this reference as if set forth in full. BRIDGE will use commercially reasonable efforts to advance the Project in accordance with the agreed-upon schedule. BRIDGE's failure to adhere to the schedule shall be potential grounds for termination of this Agreement, as provided in Section 20 below. Milestones specified in the Project Schedule may be extended by written agreement of the parties, which City approval will not be unreasonably withheld as long as BRIDGE has been unable to meet the agreed-upon schedule after using commercially reasonable efforts to advance the Project to do so, and subject to extension for Force Majeure as defined in Section 28 below. Subsequent modifications to the Project Schedule that are agreed upon in writing by BRIDGE and the City Manager or designee shall not require any amendment of this Agreement or Exhibit B.

7. **Closing – Parties to Execute Ground Lease and Regulatory Agreement or Covenant.**

A. **Ground Lease.** Upon satisfaction of all contingencies set forth in this Agreement, the parties will close the transaction detailed herein by executing the Ground Lease under which the City will retain ownership of the Property in fee and BRIDGE will develop, construct, own, operate, and maintain the building and site improvements described in Section 3 for the term of the Ground Lease. The Ground Lease will be for a period of ninety-nine (99) years at a total rent of \$99.00 (\$1.00 per year), which shall be paid in full at Closing, as defined below. The form of the Ground Lease is attached to this Agreement as Exhibit C and incorporated herein by this reference as if set forth in full, provided, that the final terms and conditions of the Ground Lease will be subject to review and approval of the funders of the Project and, if changes are required by the funders, the changes will be subject to review and approval by BRIDGE and the City Manager or designee, which shall not be unreasonably withheld, conditioned, or delayed. The Ground Lease or a Memorandum of Lease shall be recorded at BRIDGE's cost and expense. Upon recording, the Ground Lease shall supersede this Agreement and shall thereafter control the actions of BRIDGE and the City regarding development, construction, operation, and maintenance of the Project.

B. **Regulatory Agreement or Affordable Housing Covenant.** As a condition of the Ground Lease and as partial consideration for BRIDGE's use of the Property, BRIDGE shall record an Affordable Housing Covenant ("Covenant") or Regulatory Agreement at or prior to execution of the Ground Lease. The Covenant or Regulatory Agreement will be binding on BRIDGE and all successors, assigns, lenders, subtenants, and any other party with an interest in the Property or the Project. The City and BRIDGE do not intend that any merger of estates will occur as the result of the recording of the Covenant or Regulatory Agreement, regardless of the retained ownership of the City or the leasehold interest of BRIDGE. The Covenant or Regulatory Agreement will require BRIDGE to develop, operate, and maintain the Property and Project as an affordable housing project generally consistent with the Proposal and in compliance with the City's affordable housing regulations. The levels of affordability for the Project units shall be agreed to and specified in the Covenant or Regulatory Agreement. The term of the affordability period shall be a minimum of 99 years or the longest term required by funding agencies, as agreed by the City Manager or designee and BRIDGE. The Affordability Covenant or Regulatory Agreement shall be substantially in the form attached hereto as Exhibit D and incorporated herein by this reference as if set forth in full; provided, that the final terms and conditions of the Covenant or Regulatory Agreement will be subject to review and approval of the funders of the Project and, if changes are required by the funders, the changes will be subject to review and approval by BRIDGE and the City Manager or designee, which shall not be unreasonably withheld, conditioned, or delayed.

C. Escrow Agent. Upon execution of this Agreement, the Parties agree to set up an escrow account with First American Title Company, National Commercial Services, with an address of 920 Fifth Avenue, Suite 1200, Seattle WA 98104 (the "Escrow Agent"). The Escrow Agent shall serve as closing agent for the transaction contemplated herein and the Closing shall occur in the offices of Escrow Agent.

D. Closing Date. This transaction shall be closed (the "Closing") by the Escrow Agent within thirty (30) days after satisfaction of all contingencies set forth in this Agreement, but in no event later than **June 30, 2029**, unless extended by mutual agreement of the City Manager or designee and BRIDGE or otherwise extended for Force Majeure as defined in Section 28 below (the "Closing Date"). Neither party need be physically present at the Closing, but Closing may be accomplished remotely by the Escrow Agent. The parties may extend the Closing Date beyond thirty (30) days after satisfaction of contingencies by mutual agreement.

E. Delivery of Documents at Closing. The City and BRIDGE agree to provide the Escrow Agent with the following documents at Closing: (1) the fully executed Ground Lease; (2) the fully executed Memorandum of Lease; (3) the fully executed Covenant or Regulatory Agreement; (4) signed escrow instructions from each party; and (5) any other documents required by the Escrow Agent.

F. Closing Costs. BRIDGE will pay all closing costs in connection with the Closing, including, without limitation, the costs for recording the Ground Lease or a Memorandum of Lease (if applicable), the Covenant, title insurance (standard and extended ALTA coverage for the leasehold interest), and any associated escrow fees, costs, and expenses.

8. BRIDGE's Due Diligence Contingency.

A. Feasibility Contingency. BRIDGE shall satisfy itself, through investigation and inspection as provided in this Section, that the condition, suitability, and environmental status of the Property meets BRIDGE's approval, and BRIDGE's obligations to close as provided in this Agreement are contingent on such satisfaction ("Feasibility Contingency"). BRIDGE shall have one hundred eighty (180) days following execution of the Right-of-Entry referred to below ("Due Diligence Period") to make such investigations and inspections of the Property as BRIDGE deems necessary to satisfy the Feasibility Contingency. If BRIDGE approves of the condition, suitability, and environmental condition of the Property prior to the end of the Due Diligence Period, BRIDGE shall notify the City in writing of BRIDGE's approval, thereby waiving and removing the Feasibility Contingency. If BRIDGE notifies the City in writing prior to the end of the Due Diligence Period that the condition, suitability, or environmental condition of the Property is not reasonably acceptable to BRIDGE, this Agreement shall terminate and the City and BRIDGE shall thereafter be relieved of any obligation to close or otherwise perform under this Agreement. If BRIDGE fails to notify the City of prior to the end of the Due Diligence Period of BRIDGE's satisfaction and waiver of the Feasibility Contingency, BRIDGE shall be deemed to have approved the condition, suitability, and environmental status of the Property and to have waived the Feasibility Contingency.

B. No Representations. BRIDGE acknowledges that the City has made no representations regarding the condition, suitability, or environmental status of the Property, and that BRIDGE is relying solely on its own due diligence as provided in this Section to determine such condition, suitability, and environmental status.

C. Right-of-Entry. Throughout the term of this Agreement the City shall permit BRIDGE and its agents, employees, contractors, and consultants reasonable access to the Property to

conduct inspections, assessments, and studies, including but not limited to, environmental, geotechnical, engineering, surveying, and other investigations that BRIDGE deems necessary. Such access will be subject to the prior approval of the City Manager or designee, which shall be granted through the execution of a Right-of-Entry Agreement in the form attached hereto as Exhibit E and incorporated herein by this reference as if set forth in full. The City shall have the right, but not the obligation, to accompany BRIDGE's agents, employees, contractors, and consultants during any access onto the Property, and BRIDGE shall provide the City with forty-eight (48) hours' notice (which may be by email) before accessing the site to allow for such accompaniment. Any invasive testing shall be subject to the City's approval, which shall not be unreasonably withheld, conditioned, or delayed. BRIDGE shall use commercially reasonable efforts to avoid physical alteration of the Property and shall restore the Property to its original condition or better at BRIDGE's sole cost and expense. BRIDGE shall provide the City with copies of all reports, test results, and other materials produced by BRIDGE's agents, employees, contractors, and consultants pursuant to this Section for information purposes only and without any warranty.

D. Insurance and Indemnity. BRIDGE shall ensure that BRIDGE, and the agents, employees, contractors, and consultants of BRIDGE who enter upon the Property, shall maintain commercial general liability insurance with an insurer reasonably acceptable to the City, naming the City as an additional insured, with a combined single limit of not less than \$2,000,000 and, prior to any such entry upon the Property, shall upon request provide the City with written evidence of such insurance. BRIDGE shall indemnify, defend, save and hold the City, its officers, and employees harmless from any and all damage, expenses, liens or claims (including reasonable attorneys' fees and costs) arising from BRIDGE's entry or the entry of any of its agents, employees, contractors, and consultants upon the Property prior to the Closing, provided that the foregoing indemnity shall not extend to (1) the mere discovery of pre-existing conditions on the Property or (2) any acts or omissions of the City or any agent, contractor, consultant, invitee, or employee of the City. The provisions of this Section shall survive the Closing without time limitation.

E. Due Diligence Documents. BRIDGE acknowledges that the City posted the following documents related to the Property on its website concurrently with the February 14, 2025 request for proposals: (i) a 2015 Phase I Environmental Site Assessment, (ii) a 2016 Phase II Environmental Site Assessment, (iii) a 2019 Subsurface Exploration/Geotechnical Report, (iv) a 2019 Wetland Reconnaissance Study, (v) a 2019 ALTA Survey (with exhibits update in 2023), (vi) a 2023 Title Report, and (vii) a 2024 Site Appraisal. BRIDGE further acknowledges that it has had an ample opportunity to access and review said materials. The City shall provide BRIDGE with access to any other documents regarding the Property in the City's possession upon reasonable request. Provided, the City makes no representations or warranties as to the accuracy of the appraisal, the Environmental Site Assessments, or any other documents provided, and BRIDGE shall have no rights or cause of action against the City in the event of any inaccuracy.

F. Costs. All actions of BRIDGE in conducting its due diligence under this Section shall be at BRIDGE's sole cost and expense.

G. Property Accepted "As Is, Where Is". Upon satisfaction or waiver of BRIDGE's Feasibility Contingency, BRIDGE agrees that by entering into the Ground Lease, except with respect to the City's representations and warranties hereunder and to be set forth in the Ground Lease, BRIDGE will accept the Property "as is, where is", with all faults and defects and that BRIDGE assumes all risk that adverse physical conditions may not have been revealed by its investigation. The terms of BRIDGE's acceptance are further detailed in the Ground Lease.

9. BRIDGE's Development Agreement Contingency. BRIDGE and the City acknowledge that BRIDGE's proposed Project relies on modifications to existing code requirements. Such modifications

include, but are not limited to, maximum impervious surface/lot coverage, building step-backs, landscape buffers, and allowable floor area above 40' or 80'. BRIDGE has requested that the City and BRIDGE enter into a development agreement pursuant to RCW 36.70B.170, *et seq.*, and Bellevue Land Use Code 20.30C.020.C ("Development Agreement") that would grant the necessary modifications for the Project. If the City and Bridge do not execute a Development Agreement providing development standards and other provisions necessary to develop the Project within 180 days from the date of this Agreement, BRIDGE may terminate this Agreement by providing notice of termination to the City. If the City and BRIDGE enter into a Development Agreement within 180 days from the date of this Agreement, then this Development Agreement Contingency shall be deemed waived upon the execution of the Development Agreement between BRIDGE and the City.

10. BRIDGE's Title Contingency.

A. Condition of Title at Closing. The City agrees that at closing, title to the Property shall be free and clear of all monetary liens, except for non-delinquent real estate taxes and any title exceptions approved by BRIDGE as provided in this Section. BRIDGE's obligation to close and enter into the Ground Lease is contingent upon the City providing clear title as provided in this Section.

B. Title Report. The City agrees to order an updated title report on the Property from First American Title Insurance Company showing all exceptions to the City's fee simple interest and including copies of all recorded documents referenced in the Title Report (collectively, the "Title Report"). The City will provide a copy of the Title Report to BRIDGE or will cause First American Title Company to do so.

C. Review of Title Report. BRIDGE shall have a period of ninety (90) days after the effective date of this Agreement or the date that the updated Title Report is delivered, whichever is later, to review the Title Report and to notify the City in writing of any objections BRIDGE may have to any matters shown or referred to in the Title Report. The City shall notify BRIDGE in writing within fifteen (15) days of receipt of BRIDGE's objections as to which objections that City will not remove as of the Closing Date. BRIDGE may, at its option by written notice within five (5) business days after the City's notice, (i) accept title subject to the objections that the City will not remove, in which event the BRIDGE's title contingency shall be deemed to be waived for all purposes but subject to subsection (D), or (ii) terminate this Agreement. Any exceptions or other items that are set forth in the Title Report and to which BRIDGE does not object within the ninety (90) day review period shall be deemed to have been approved by BRIDGE and shall be "Permitted Exceptions".

D. Exceptions After Expiration of Initial Title Review Period. The City shall not allow, cause or intentionally permit any new exceptions to the City's title to the Property without BRIDGE's prior written approval, unless such new exception is approved under this Agreement. In the event that an exception appears of record, as disclosed in a supplemental title report, that is not a Permitted Exception, BRIDGE shall have fifteen (15) business days from receipt of such supplemental report to provide the City with its supplemental written objections to title. City shall have fifteen (15) days from receipt of a supplemental objection notice from BRIDGE to agree to either cure such defect(s) or provide written notice to BRIDGE that the City will not cure the defect(s). If the City provides notice to BRIDGE that the City will not or is unable to cure the title defect(s), BRIDGE may, at its option by written notice within five (5) business days after the City's notice, (i) accept title subject to the supplemental objections that the City will not remove, in which event BRIDGE's title contingency shall be deemed to be waived with respect to such supplemental objections and the uncured objections shall be additional Permitted Exceptions, or (ii) terminate this Agreement. In the event the City either (a) allows, causes or intentionally permits any new exception(s) to the City's title to the Property without BRIDGE's prior written approval or (b) commits to cure or eliminate any new title exception(s) and fails to do so before or at Closing, or (c) otherwise fails to

deliver title in the condition required by this Agreement, such failure shall constitute a default of the City hereunder, for which BRIDGE may exercise its available remedies in Section 20 below.

11. Financing Plan and Contingency.

A. Required Submittals. Prior to closing and execution of the Ground Lease, BRIDGE will submit a financing plan (“Financing Plan”) consisting of the following elements to the City for City Manager or designee review and reasonable approval, which shall not be unreasonably withheld, conditioned or delayed:

1. A complete development budget for the Project, including proposed sources and uses of funds, detailed hard and soft costs, and appropriate contingencies. BRIDGE will update the budget upon receipt of final construction contract pricing based on firm bids.

2. Copies of commitment letters, term sheets, or award notifications for all external funding sources identified in the development budget, including public, private, and philanthropic sources.

3. Evidence reasonably acceptable to the City that BRIDGE has secured or will secure sufficient funds to cover any gaps between total Project costs and confirmed external financing.

B. Changes. Any material changes to the Financing Plan after City approval and prior to execution of the Ground Lease shall be submitted to the City for review and approval by the City Manager or designee, which shall not be unreasonably withheld, conditioned, or delayed.

C. City Responses. The City will use its best efforts to respond in writing with comments or approval within ten (10) business days of receiving the complete Financing Plan. If execution of the Ground Lease is scheduled within fourteen (14) days of submittal of the Financing Plan, the City will use its best efforts to respond with comments or approval within five (5) business days. The City shall review the plan solely to confirm financial feasibility and alignment with the intended Project scope.

D. Closing Contingent. Closing is expressly conditioned upon the approval of the Financing Plan by the City and on BRIDGE securing adequate financing to develop and construct the Project. BRIDGE shall make its best reasonable efforts to obtain the financing specified in the Financing Plan.

12. Permits. BRIDGE will, at its own expense, apply for and secure all necessary permits and approvals for construction of the Project from the City and any other regulatory agency responsible for permit issuance. All such permits and approvals shall be secured prior to closing (which may be evidenced by a permit-ready letter stating that the permits will be issued subject only to payment of fees). If BRIDGE is unable, through the exercise of reasonable diligence and the submittal of code-compliant applications, to timely obtain the necessary permits to develop and construct the Project or if permit approvals are unreasonably delayed, conditioned, or delayed, BRIDGE may terminate this Agreement and shall have no further obligation to close this transaction. The City, as Lessor, shall render all reasonable assistance (at no cost to the City) to BRIDGE to obtain the building permit. BRIDGE acknowledges that execution of this Agreement by the City does not constitute approval by the City of any required permits, applications, or allocations, and in no way limits the discretion of the City in the permit allocation and approval process for any the improvements..

13. Right-of-Way Dedication. BRIDGE will coordinate with the City during the permitting process to identify and implement any required street improvements of dedications of right-of-way to

support the Project or comply with applicable City infrastructure standards. Any required dedication(s) will be documented and recorded prior to or concurrently with execution of the Ground Lease, subject to mutual agreement between the City and BRIDGE. Any street improvements necessary to serve the Project shall be a Project cost to be paid by BRIDGE as the developer of the Project.

14. City Easements. As part of the permitting process, BRIDGE will coordinate with the City to identify and accommodate any necessary easements related to public utilities, access, drainage, and infrastructure improvements. BRIDGE acknowledges that final site design and development approvals may require the dedication or reservation of certain easement areas to serve public functions or ensure conformance with the BelRed land use district standards. Any such easements will be documented and recorded prior to or concurrently with the execution of the Ground Lease, subject to mutual agreement between the City and BRIDGE.

15. Representations and Warranties.

A. Representations and Warranties of City. As an inducement to BRIDGE to enter into and proceed under this Agreement, the City warrants and represents to BRIDGE as follows, which warranties, representations and covenants are true and correct as of the date of this Lease and will be true and correct as of the Closing, to the best knowledge of the City:

i. The execution and delivery of this Agreement and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the City or the Property by the City have been or will be duly authorized by all necessary agency or other action, and the consummation of any such transactions with or on behalf of the City will not constitute a breach or violation of, or a default under, the charter or by laws or other governing documents of the City or any agreement by which the City is a party, nor constitute a violation of any law, administrative regulation or court decree.

ii. The City has received no written notice and has no knowledge, nor has the City been otherwise advised, of any pending or threatened taking relating to all or any part of the Property.

iii. There is no action, suit, litigation, or proceeding pending or, to the best of the City's knowledge, threatened against the City and/or the Property that could: (i) prevent or impair the City's entry into this Agreement or the performance of its obligations hereunder; or (ii) prevent or impair BRIDGE's ability to construct, rehabilitate or develop the Project on the Property.

iv. There are no mortgages, deeds of trust or other similar encumbrances encumbering the City's fee estate.

v. The City is the owner of the Property and holds good and marketable fee title to the Property. No other person has any ownership interest in the Property or any right to acquire an ownership interest in the Property. Other than the City, no other party has a possessory interest or right of occupancy in the Property.

vi. To the best of the City's actual knowledge as of the date of this Agreement: (i) all environmental reports ("Environmental Reports") performed by or on behalf of the City with respect to the Property have been provided to BRIDGE; and (ii) the City has not received any notice from any federal, state or local governmental agency regarding any violation of any environmental law. As used in this subsection, "the City's actual knowledge" means only the actual knowledge of Loren Matlick, the City's Real Property Division Manager, who the City represents and warrants

is the most knowledgeable current City employee with respect to the subject representations and warranties (notwithstanding anything to the contrary set forth in this Agreement, the foregoing individual shall not have any personal liability with respect to any matters set forth in this Agreement or any of the City's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete).

B. Representations, Warranties and Covenants of BRIDGE. As an inducement to the City to enter into and to proceed under this Agreement, BRIDGE warrants and represents to the City as follows, which warranties, representations and covenants are true and correct as of the date of this Agreement:

i. BRIDGE has the right, power and authority to enter into this Agreement and the right, power and authority to comply with the terms, obligations, provisions and conditions contained in this Agreement; and

ii. The entry by BRIDGE into this Lease and the performance of all of the terms, provisions and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreements to which BRIDGE is a party or by which it is bound.

16. Conditions to Closing. The obligations of the City and BRIDGE to close this transaction and enter into the Ground Lease are subject to the following conditions precedent:

A. BRIDGE's Feasibility Contingency. As provided in Section 8, BRIDGE's Feasibility Contingency must be satisfied or waived.

B. BRIDGE's Development Agreement Contingency. As provided in Section 9, BRIDGE's Development Agreement Contingency must be satisfied or waived.

C. BRIDGE's Title Contingency. As provided in Section 10, BRIDGE's Title Contingency must be satisfied or waived.

D. Title Commitment. First American Title Company must be committed to issue an owner's extended coverage policy of title insurance insuring the leasehold interest of BRIDGE against all liens and encumbrances except for Permitted Exceptions.

E. Financing Plan. As provided in Section 11, BRIDGE must have submitted and the City must have approved a project financing plan demonstrating commitments for sufficient funding to complete development of the Project, including equity, debt, and public subsidies as applicable, and BRIDGE must have obtained the financing required to construct the Project as set forth in the approved Financing Plan (the closing of which financing may be concurrently with the Closing).

F. Permits. As provided in Section 12, BRIDGE must have secured all necessary permits and approvals required to commence construction of the Project.

G. Affordability Levels. BRIDGE and the City must have agreed on the Project's affordability levels, income targeting, and unit mix, which must remain generally consistent with the Proposal, including a minimum of 140 affordable housing units (targeting 172 units), serving households whose incomes at initial occupancy do not exceed 60% of King County AMI. The final number and configuration of affordable units and AMIs served is subject to funder requirements, design constraints, permitting, and site planning outcomes and will be specified in the Ground Lease and the Affordable

Housing Covenant or Regulatory Agreement. A certain number of units will be set aside for persons with disabilities.

H. BRIDGE and the City must have agreed on an Arts Partner and on a design for the affordable housing suitable to artists.

I. BRIDGE and the City must have agreed on the design and use of the ground floor creative facility space.

17. No Brokerage Fees. BRIDGE and the City agree that they have not employed real estate brokers in connection with this transaction and that no brokerage fees will become due and payable as the result of this transaction.

18. Publicity – Inclusion as Project Funder. BRIDGE will include the City as a project funder when and where other project funders area listed. Each party shall be given the opportunity to review press releases or other announcements disseminated by the other party about the Project.

19. Public Disclosure. BRIDGE acknowledges that the City is a public agency subject to the Washington Public Records Act, Chapter 42.56 RCW, and may be required to disclose certain records or elements of this transaction, including without limitation, this Agreement, the Ground Lease, and any other documents referred to in this Agreement, provided by BRIDGE in connection with this Agreement, or generated by the City as part of its internal review and approval processes, including any actions taken by the Bellevue City Council and other governing bodies.

20. Termination. In addition to the termination rights provided elsewhere in this Agreement, the parties may terminate this Agreement as follows:

A. Termination by Mutual Consent. The City and BRIDGE may, in their mutual discretion, terminate this Agreement by voluntary consent. Any such mutual termination shall be effectuated through a writing signed by both parties.

B. Termination for Breach. Either party may terminate this Agreement for a material breach by the other party. Such termination shall become effective ninety (90) days after the non-breaching party gives written notice to the breaching party of the non-breaching party's intent to terminate; provided, that this Agreement shall not terminate if: (i) the breaching party cures the breach within the ninety (90) day period or, (ii) if the breach cannot reasonably be completely cured within the ninety (90) day period, the breaching party (a) gives the non-breaching party notice of the breaching party's intent to cure the breach, (b) commences cure of the breach within the ninety (90) day period, and (c) diligently pursues cure of the breach to completion.

C. Termination for Infeasibility of Affordable Housing. If (i) the City and Bridge mutually determine that affordable housing is not feasible on the Property due to factors beyond BRIDGE's control, e.g., the elimination of the federal low-income housing tax credit program established under 26 U.S.C. §42 and/or lack of alternative gap financing sources, and assuming that BRIDGE is not otherwise in default under this Agreement, or (ii) if BRIDGE, despite good faith and diligent efforts and assuming that BRIDGE is not otherwise in default under this Agreement, is unable to satisfy all of the conditions precedent to the City's obligation to ground lease the Property as set forth hereunder by the dates set forth in the Project Schedule or if BRIDGE is unable to secure sufficient funding on terms acceptable to BRIDGE in its sole discretion by the date set forth in the Project Schedule, the parties can agree to either extend the performance milestone dates in the Project Schedule allowing the BRIDGE to secure sufficient funding through subsequent funding cycles or otherwise satisfy the conditions precedent to the City's obligation to ground lease the Property, in which case BRIDGE will use diligent efforts to obtain such sufficient

funding or otherwise satisfy the closing conditions, or BRIDGE or the City may elect at its option to terminate this Agreement.

D. Termination for Other Impossibility of Performance. If this Agreement or any material term hereof becomes impossible to perform for the foreseeable future due to any force majeure condition described in Section 28, either party may terminate this Agreement by providing ninety (90) days' written notice of such impossibility to the other party.

E. Costs. In the event of termination by either party as provided above, each party shall bear its own costs, including, without limitation, attorney's fees, consultant fees, and employee costs, incurred up to and including the date of termination.

21. Assignment. The City acknowledges that BRIDGE intends to form a limited liability limited partnership ("LLLP") to be initially owned and controlled by BRIDGE, and to assign its rights and obligations under this Agreement and the Ground Lease, Covenant, and Regulatory Agreement to the LLLP. The City hereby approves such assignment in advance. Any other assignment shall be subject to the City's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed.

22. Reservation of Regulatory Authority. It is expressly understood and acknowledged by the City and BRIDGE that the City is entering into this Agreement and the Ground Lease in its capacity as the owner of the Property. Nothing in this Agreement or in the Ground Lease, Covenant, or Regulatory Agreement shall be construed as a waiver, abridgement, or limitation of the City's regulatory authority and police power, or the Bellevue City Council's legislative discretion, which are reserved in full. Without limitation of the foregoing, nothing herein or in the Ground Lease, Covenant, or Regulatory Agreement shall be construed as entitling BRIDGE to the issuance of any permit, license, or other regulatory approval, or as excusing BRIDGE's compliance with any applicable regulatory process and/or condition of regulatory approval.

23. Liens. BRIDGE agrees not to permit any liens to attach to the Property during the term of this Agreement and agrees to indemnify and hold the City harmless from any such liens.

24. Remedies. All remedies and rights accorded herein, or otherwise available to the City or BRIDGE shall be cumulative, and no one such remedy or right shall be exclusive of any other, and the pursuit of any such remedy or rights shall not be deemed to waive any other or different remedy or relief to which the City or BRIDGE might otherwise be entitled, either at law or in equity.

25. Notices. Any notice required to be given under this Agreement to either of the parties hereto shall be in writing and shall be delivered personally or sent by United States Mail certified mail, return receipt requested, postage prepaid, addressed as follows:

City:
City of Bellevue
Office of Housing
450 110th Ave. NE
Attn: Director

With a copy to:
City of Bellevue
City Attorney's Office
450 110th Ave. NE

BRIDGE:
BRIDGE Housing Corporation
350 California Street, Suite 1600
San Francisco, CA 94101
Attention: Noah Rosen

With a copy to:
BRIDGE Housing Corporation
15260 Ventura Blvd, Suite 800
Sherman Oaks, CA 91403

or to such addresses as the parties may hereafter designate in writing. Notices and/or demands shall be sent by registered or certified mail, postage prepaid, or hand delivered. Such notices shall be deemed effective when mailed or hand-delivered at the addresses specified above.

26. Entire Agreement - Amendment. The Agreement, together with attachments or addenda thereto, represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by written instrument properly signed by both parties.

27. Compliance with Laws. BRIDGE and the City shall comply with all applicable state, federal, and local laws, regulations, and ordinances (including, without limitation, environmental laws and regulations) in the use of the Property or the development, construction, operation, and maintenance of the Project. The parties further agree that they will use commercially reasonable efforts to assure that any third party users of the property during the term of this Agreement shall comply with all applicable state, federal, and local laws, regulations and ordinances in the use of the Property, including without limitation, environmental laws and regulations.

28. Force Majeure. In no event shall the City or BRIDGE be deemed to be in default or to have breached this Agreement by reason of any failure or delay in performing its obligations, if and to the extent such failure or delay is caused by any circumstances beyond the City's or BRIDGE's reasonable control, including but not limited to acts of God, flood, fire, earthquake, pandemics, public health emergencies, explosion, war, terrorism, invasion, riot or other civil unrest, strikes, labor stoppages or slowdowns or other industrial disturbances, legal actions attacking the validity of this Agreement, the City's authority to develop the Property, or BRIDGE's occupancy of the Property, or passage of law or any action taken by a governmental or public authority, including imposing an embargo.

29. Severability.

A. If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict and shall be deemed modified to conform to such statutory provision.

30. Fair Meaning. The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

31. Non-Waiver. A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay, or failure of either party to insist upon strict performance of any agreement, covenant, or condition of this Agreement, or to exercise any right herein given in any

one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition, or right.

32. Non-Discrimination. BRIDGE, for itself and its successors and assigns, agrees that it will not discriminate against any employee, applicant for employment, contractor, tenant, or other person because of age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability.

33. Survival. Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement, including but not limited to, the indemnification provisions, shall survive the term or expiration of this Agreement and shall be binding on the parties.

34. Attorney's Fees. In the event that any suit or action is instituted by either of the parties hereto against the other to enforce compliance with any of the terms, covenants or conditions of the Agreement, or to recover damages for the breach of the Agreement, the prevailing party in any such suit or action shall, in addition to costs and disbursements provided statute, be entitled to recover such sums from the non-prevailing party as any court of competent jurisdiction may adjudge reasonable as attorneys' fees in such suit or action, including reasonable attorneys' fees related to any appeal from any judgment rendered therein.

35. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

36. Venue. The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for King County, Washington.

37. Authority. Both parties represent and warrant that they have the full legal authority to enter into this Agreement and that the representatives of each party signing below are legally authorized to sign and to bind their respective parties.

38. Recording. This Agreement shall not be recorded.

39. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

40. Attachments Incorporated. The following attachments, as they now exist or may be hereafter modified by mutual agreement, are incorporated into this Agreement by reference:

EXHIBIT A	LEGAL DESCRIPTION OF LAND
EXHIBIT B	PROJECT SCHEDULE
EXHIBIT C	GROUND LEASE
EXHIBIT D	AFFORDABILITY COVENANT
EXHIBIT E	RIGHT OF ENTRY
EXHIBIT F	UNIT MIX AND LEVELS OF AFFORDABILITY
EXHIBIT G	COLD SHELL DESCRIPTION

[signature page follows]

EXECUTED by the parties and effective as of the last date of signature set forth below.

BRIDGE HOUSING CORPORATION

CITY OF BELLEVUE

Date: _____

Date: _____

By: _____

By: _____

Diane Carlson, City Manager

EXHIBIT A

Legal Description of the Property

Legal Description:

LOT 1, SHORT PLAT NO. 79-13, RECORDED UNDER RECORDING NUMBER 7904040534, BEING A PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONDEMNED UNDER DECREE OF APPROPRIATION FILED JUNE 30, 2017 UNDER KING COUNTY SUPERIOR COURT CASE NO. 16-2-14164-1, RECORDED UNDER RECORDING NO. 20170802000153.

Property Address:

1500 130th Avenue NE
Bellevue, WA 98005

Tax Account Number:

2825059058

EXHIBIT B

Project Schedule

Milestone	Anticipated Date
Submit Applications to Public Funders	August – October 2026
Submit site entitlements application	October 2026
Submit building permit application	January 2027
Site entitlements secured	March 2027
4% LIHTC/Bond Application	March 2027
General Contractor Selection	June 2027
Lender/Investor Selection	July 2027
Building permit application approved	November 2027
Commencement of Construction	January 2028
Completion of Construction	December 2029
Rental Units Occupied	October 2030

GROUND LEASE

BETWEEN

CITY OF BELLEVUE, a Washington municipal corporation,
(Lessor)

and

[_____], a Washington limited liability limited partnership
(Lessee)

for

KELLY TRANSIT ORIENTED DEVELOPMENT SITE

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GROUND LEASE

This GROUND LEASE ("Lease") dated as of the ____ day of _____, 20__, is entered into by and between the CITY OF BELLEVUE, a Washington municipal corporation, ("Lessor") and [_____], a Washington limited liability limited partnership ("Lessee").

RECITALS:

A. The need for affordable housing in Bellevue is critical to supporting the City’s growth, economic diversity, and community well-being. The City is committed to addressing this essential issue and providing housing that is affordable to all income levels, including lower-income individuals and families.

B. The City is also committed to furthering arts and culture in the BelRed Subarea of the City. In 2009, the City formally recognized the BelRed Arts District as part of the BelRed Subarea Plan, and in 2022 the City adopted the BelRed Arts District Implementation Plan. Today the BelRed Arts District is home to more than 100 creative businesses and cultural organizations and is a hotbed of arts and culture activities. The City recognizes the need for affordable housing, especially for artists and the creative workforce, as well as the desirability of providing affordable creative spaces, cultural venues, and community space to serve future residents.

C. The City is the owner of approximately 1.15 acres of land with approximately 33,000 square feet of developable land located at 1500 130th Ave. NE, Bellevue, Washington (“Land”), commonly known as the Kelly TOD site and legally described on Attachment A attached to this Lease and incorporated herein by this reference as if set forth in full.

D. The Land has been identified by the City as a suitable location for a new affordable housing project (the “Project”) near public transit that will spur further walkable development in the BelRed Arts District. The Land has also been identified as a location that can support catalytic placemaking that preserves and continues the creative spirit of the BelRed Arts District and enhances a growing transit-oriented community.

E. On February 14, 2025, the City published a request for proposals for development of the Land with a mixed-use development consisting of approximately 140-300 affordable housing units contained in an equitable, cost-efficient, and high-quality building that includes affordable living spaces tailored to the needs of artists and creative professionals.

F. On June 2, 2025, the City received seven proposals from potential development partners. The City ultimately selected BRIDGE Housing Corporation, a California nonprofit corporation and affiliate of the Lessee (“BRIDGE”) to develop the Kelly TOD site based on the strength of its proposal.

G. The City and BRIDGE executed a Predevelopment Agreement (the “Predevelopment Agreement”) on _____, 2026. The Predevelopment Agreement set forth the parties’ obligations during the design and financing of the Project and provided for execution of this Lease upon satisfaction of certain contingencies and prerequisites, all of which have now been met.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements of Lessor and Lessee set forth in the Lease, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1
THE LEASE

Section 1.1 Leased Land. Subject to the terms and conditions hereof, Lessor hereby leases to Lessee the Land.

Section 1.2 Term. The term of this Lease shall commence as of [REDACTED], 20 [REDACTED] (the “Commencement Date”), and unless sooner terminated pursuant to the provisions hereof, this Ground Lease shall continue in full force and effect for a term (“Term”) of ninety-nine (99) years from the Commencement Date.

Section 1.3 Use. Lessee shall use the Land solely for the development, construction and operation of the Project, consisting of the following elements:

1.3.1 A mixed use building (the “Building”) containing:

1.3.1.1 A total of ____ affordable multifamily rental units. The mix of unit sizes and affordability levels shall be as set forth in Attachment B to this Lease or as otherwise approved by Lessor’s City Manager or designee (collectively hereafter “the City Manager”); and

1.3.1.2 A ground floor creative facility space (“Creative Facility Space”) within the Building of approximately _____ square feet in size which Lessee will be responsible for completing in cold shell condition only in accordance with the plans and specifications and as described in Attachment E attached hereto (“Cold Shell Condition”), with any Creative Facility Unit Owner (defined herein) or sublessee operator to be responsible for the buildout of the tenant improvements and operation of the space. The Creative Facility space shall be provided at no cost, with no rent or purchase price (as applicable) charged to the Creative Facility Unit Owner or sublessee operator except for common area and triple net lease expenses as set forth in the condominium declaration or sublease agreement and mutually agreed upon. The Creative Facility Space is intended to be occupied by arts-focused uses that serve residents and the surrounding neighborhood, which may include, without limitation, such arts-focused uses as private or shared studios, community events or classes, and gallery space to showcase the work of residents and local artists, or any other arts-focused uses as determined to be desirable and appropriate by Lessee and Creative Facility Unit Owner or sublessee of the Creative Facility Space; and

1.3.1.3 Secure bicycle storage for residents, either in a centralized location or within individual units, as well as a secure bicycle storage area for staff associated with the ground floor Creative Facility space. Short-term bike racks will be installed and maintained near primary building entries and around the site perimeter to serve visitors.

1.3.2 Plaza(s), utilities, and other site amenities, as required by the Bellevue City Code or through the City of Bellevue development review process. Lessee will install and maintain wayfinding signage consistent with the City of Bellevue’s design standards to enhance pedestrian access to nearby light rail and transit connections.

1.3.3 Lessee’s use of the Land is also limited by the restrictions set forth in Sections 6.3 and 17 of this Lease and by the land use regulations set forth in the Bellevue City Code, as the same now exists or as hereafter amended.

Section 1.4 Rent - Performance in Lieu of Additional Rent. Lessee shall pay Lessor rent (“Rent”) of One Dollar (\$1.00) per year for each year of the Term and Lessor and Lessee agree that the Rent for the entire term has been paid in full at the execution of this Lease. The parties mutually acknowledge and agree that Lessee’s obligation to construct, operate, and maintain the affordable housing rental units on the Land in accordance with the terms and conditions of this Lease is sufficient additional consideration for Lessor to lease the Land to Lessee and there shall be no additional monetary Rent due and payable from Lessee to Lessor as long as Lessee’s obligations under this Lease are met.

Section 1.5 Lessee Taking Land “As-Is-Where-Is”. Except with respect to the representations and warranties set forth in Section 8.1, Lessee acknowledges (i) that Lessee has entered into this Lease with the intention of making and relying upon its own investigation of the physical, structural and environmental condition of the Land, and (ii) that Lessor is not making and has not at any time made any representation or warranty of any kind or nature, either oral or written, directly or indirectly, expressed, implied, statutory or otherwise, with respect to the Land. Based on Lessee’s familiarity with the Land, Lessee’s due diligence relating to the Land and Lessee’s experience and knowledge as to the market in which the Land are situated and as to the investment in and operation of real estate in the nature of the Land and commercial real estate in general, Lessee will take the Land on the Commencement Date in its “AS IS, WHERE IS AND WITH ALL FAULTS” condition, with existing streets and street improvements, and without any representation or warranty whatsoever. Lessee fully assumes the risk that adverse latent or patent physical, structural, or environmental conditions may not have been revealed by Lessee’s investigations. Lessor and Lessee acknowledge that the terms and conditions of this Lease, including but not limited to, the agreement of Lessor to accept Lessee’s obligations in lieu of rent, have taken into account the provisions of this Section 1.5.

Section 1.6 Regulatory Authority. It is expressly understood and acknowledged by Lessor and Lessee that Lessee has entered into this Lease in its capacity as owner of the Property and not in its capacity as a regulatory agency. Nothing in this Lease shall be construed as a waiver, abridgment, or limitation of Lessee’s regulatory authority and police powers, or of Lessee’s City Council’s legislative discretion, which are reserved in full.

Section 1.7 Leasehold Excise Tax. In addition to the rental amount specified in Section 1.4, Lessee shall pay any applicable leasehold excise tax. To the extent that an exemption or a reduction to the leasehold excise tax is possible, Lessor shall cooperate with Lessee to obtain that exemption or reduction.

ARTICLE 2

THE IMPROVEMENTS

Section 2.1 Construction. Subject to the terms of this Lease, Lessee shall have the right and the obligation (a) to develop and construct the improvements described in Section 1.3 (the “Improvements”), (b) if Lessee requests to have its leasehold interest subjected to a condominium regime, to thereafter assign a portion of this Lease and convey that portion of the Improvements comprising the Creative Facility space to a Creative Facility Unit Owner as provided in Section 2.4 below, or (c) to lease the portion of the Improvements comprising the Creative Facility space to BRIDGE or an affiliate pursuant to a master lease and/or to sublease the Creative Facility space to a third party operator), subject to the review and approval of the City Manager, which shall not be

unreasonably withheld, conditioned or delayed. The Project will be designed, constructed, and maintained to meet or exceed Evergreen Sustainable Development Standard v4.1. The Project will also meet all requirements of the City of Bellevue Land Use Code, including the requirements of the BelRed land use district. If this Lease is terminated prior to the completion of the Improvements, or if construction of the Improvements is abandoned for any reason, and Lessee or a Leasehold Mortgagee (as such term is defined in Section 7.1 below) does not exercise the rights to complete the Project pursuant to Article 7 or Section 11.5, Lessee shall be responsible for and shall bear all costs of removing all structures and debris from the Land and then surrendering possession of the Land to Lessor.

Section 2.2 Permits, Licenses and Easements.

2.2.1 All site plan approvals, building permits and other permits, licenses, permissions, consents, and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Improvements and any subsequent alterations, repairs, replacements, or renewals to the Improvements shall be acquired as required by applicable laws, ordinances, or regulations by and at the sole cost and expense of Lessee. Lessee shall cause all work on the Land during the Term to be performed in accordance with all permits and applicable laws and all directions and regulations of all governmental agencies and representatives of such agencies having jurisdiction.

2.2.2 As part of site planning and permitting, Lessor and Lessee have identified and recorded any necessary right-of-way dedications and easements necessary to support the Project. In the event that additional easements or right-of-way dedications become necessary during the Term, Lessor and Lessee agree to use reasonable efforts to cooperate with and support each other in obtaining any and all permits, licenses, easements, right-of-way authorizations, and other authorizations required by any governmental authority having jurisdiction over the Land, with respect to any construction or other work to be performed on the Land, subject to the reservation of Lessor's regulatory authority as described in Section 1.6 and with the understanding that any such permits, licenses, easements, right-of-way dedications, and other authorizations shall be at no cost to Lessor.

2.2.3 Lessee shall complete construction and obtain a certificate of occupancy (which may be a temporary certificate of occupancy) for the Improvements no later than [REDACTED], 20 [REDACTED] (the "Outside Completion Date"), subject to extension for Force Majeure, unless Lessor consents to an extension, which consent shall not be unreasonably withheld, conditioned, or delayed; provided that notwithstanding any other provisions herein, a Leasehold Mortgagee or Tax Credit Investor and their successors and assigns shall have not less than three years from the Outside Completion Date to complete construction of the Project. Lessee shall market the dwelling units to eligible households for occupancy upon completion of construction and issuance of a certificate of occupancy.

Section 2.3 Ownership.

2.3.1 Lessor will at all times hold legal title to the Land and will be the owner of the Land for Washington state law purposes.

2.3.2 Subject to the provisions of Sections 2.3.3 and 2.4, however, the parties intend that Lessee alone shall be entitled to all of the federal tax attributes of ownership of the Improvements, including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the Low Income Housing Tax Credits ("LIHTCs") described in Section 42 of the United States Internal Revenue Code, and that Lessee shall have the right to amortize capital costs and to claim any other federal tax benefits attributable to the Improvements and the equipment therein.

2.3.3 If Lessee elects to subject its leasehold interest to a condominium regime as contemplated in Section 2.4 below, Lessor acknowledges and agrees that: (i) from the date of this Lease until the establishment of the condominium regime, the Improvements, including all additions, alterations and improvements thereto or replacements thereof and all appurtenances thereto, fixtures, machinery and equipment installed on the Land shall be owned solely by Lessee; (ii) from and after the establishment of the condominium regime, the Improvements, including all additions, alterations and improvements thereto or replacements thereof and all appurtenances thereto, fixtures, machinery and equipment installed on the Land, shall be owned by the Unit Owners as defined in Section 2.4; (iii) following conveyance of the portion of the Improvements comprising the Creative Facility Unit as defined in Section 2.4 to Creative Facility Unit Owner the Creative Facility Unit shall be owned solely by Creative Facility Unit Owner during the Term and the Housing Unit shall be owned solely by Lessee as the Housing Unit Owner during the Term. During the Term and for the tax years after commencement of the Term, and until the establishment of the condominium regime as contemplated by Section 2.4 below, Lessee shall be entitled to all tax attributes of ownership of the Improvements. From and after the establishment of the condominium regime as contemplated by Section 2.4 below, the Housing Unit Owner and the Creative Facility Unit Lessee, as the case may be, shall be entitled to all tax attributes of ownership of each Unit Owner's Unit.

2.3.4 At the expiration or earlier termination of this Lease, the Improvements, additions, alterations, and improvements thereon and thereto or replacements thereof, and all appurtenances, fixtures, machinery, and equipment installed therein, shall become the property of Lessor, provided, that Lessor may, in Lessor's sole discretion, direct Lessee to remove the Improvements from the Land at Lessee's sole cost and expense, and to return the Land to Lessor as vacant land.

Section 2.4 Condominium Regime.

2.4.1 Upon sufficient completion of the Building (as defined above), Lessee may, at Lessee's election, subject Lessee's leasehold interest in the Land to a condominium regime (the "Condominium") under the Washington Common Interest Ownership Act. The Condominium would be comprised of two leasehold condominium units: (1) a unit containing the residential dwelling units and associated improvements (the "Housing Unit" or "Unit 1") meeting the affordability requirements of this Lease, and (2) a unit containing the Creative Facility Space (the "Creative Facility Unit" or "Unit 2"). If created, the Condominium may also include certain common elements and limited common elements, including any landscaping, and other site amenities. After the formation of the Condominium, Lessee may elect to convey ownership of the Creative Facility Unit and a portion of this Lease to a separate entity (the "Creative Facility Unit Owner") meeting the approval of the Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed; provided that the Creative Facility Owner need not be approved by the Lessor if the Creative Facility Owner is BRIDGE or an entity controlled by BRIDGE. If BRIDGE or an entity controlled by BRIDGE is the Creative Facility Owner, any sublessee operator of the Creative Facility Space must be approved by the Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed. Lessee and the approved Creative Facility Unit Owner will execute and deliver a Partial Assignment of Lease (the "Lease Assignment"), pursuant to which the Creative Facility Unit Owner will assume from Lessee all that portion of Lessee's interest in this Lease and the Improvements attributable to ownership of the Creative Facility Unit. Subsequent to the Lease Assignment, the term "Lessee" will refer to the owner of the Housing Unit (the "Housing Unit Owner") and the owner of the Creative Facility Unit (the "Creative Facility Unit Owner"), each individually and only relating to each unit owner's ownership of its respective unit and not jointly and severally. Jointly, the Housing Unit Owner and the Creative Facility Unit Owner shall sometimes be referred to in this Lease as "Unit Owners."

2.4.2 The declaration, bylaws and all other documents to be prepared for the Condominium (the “Condominium Documents”) shall be substantially in the form agreed upon by Lessor, Lessee, Leasehold Mortgagee(s), and Tax Credit Investor (as that term is defined below) prior to execution. The Condominium will be administered and managed by an association (the “Condominium Association”) made up of the Housing Unit Owner and the Creative Facility Unit Owner. Subject to Lessor’s prior written approval of the condominium declaration and condominium map, which approval shall not be unreasonably withheld, conditioned, or delayed, Lessor hereby agrees to the recording of the Condominium, at the sole expense of Lessee, and shall provide such written consents as are necessary for the establishment of the Condominium.

2.4.3 Lessor and Lessee hereby agree that, upon recording of the condominium declaration and condominium map in the real property records of King County and conveyance of the Creative Facility Unit to Creative Facility Unit Owner and execution and delivery of the Lease Assignment by Housing Unit Owner and Creative Facility Unit Owner, the terms “Land” and “Project” as used in this Lease with respect to the Housing Unit Owner’s interest in this Lease shall mean only the Housing Unit and the Housing Unit Owner’s undivided ownership interest in the common elements and limited common elements associated with the Housing Unit, and the term “Improvements” shall mean only those Improvements comprising the Housing Unit and Housing Unit Owner’s undivided ownership interest in the common elements and limited common elements associated with the Housing Unit. The parties further acknowledge and agree that, once the Condominium is established and the Creative Facility Unit is conveyed to Creative Facility Unit Owner and the Lease Assignment is executed and delivered, Housing Unit Owner shall have no obligations under this Lease with respect to the Creative Facility Unit.

2.4.4 Similarly, Lessor hereby agrees that, upon execution and delivery of the Lease Assignment by Housing Unit Owner and Creative Facility Unit Owner, the terms “Land” and “Project” as used in this Lease with respect to Creative Facility Unit Owner’s interest in this Lease shall mean only the Creative Facility Unit and the Creative Facility Unit Owner’s undivided ownership interest in the common elements and limited common elements associated with the Creative Facility Unit, and the term “Improvements” as used in this Lease with respect to Creative Facility Unit Owner’s interest in this Lease shall mean only those Improvements comprising the Creative Facility Unit and the Creative Facility Unit Owner’s undivided ownership interest in the common elements and limited common elements associated with the Creative Facility Unit. Lessor further acknowledges and agrees that, once the Creative Facility Unit is conveyed to Creative Facility Unit Owner and the Lease Assignment is executed and delivered, Creative Facility Unit Owner shall have no obligations under this Lease with respect to the Housing Unit.

2.4.5 As further set out in Section 11.3, Lessor expressly acknowledges that any event of default under this Lease caused by Creative Facility Unit Owner or with respect to the Creative Facility Unit shall not constitute a default by Housing Unit Owner under this Lease.

Section 2.5 Financing. Prior to execution of this Lease and pursuant to the Pre-Development Agreement, Lessor has approved Lessee’s plan to finance construction of the Project (“Financing Plan”), including through the use of public, private, and philanthropic sources. Lessee has secured binding commitments from all funding sources identified in the approved Financing Plan. Lessee will use all funds obtained from the funding sources designated for construction of the Project to construct the Project and will comply with all terms and conditions of such financing. Any material change in the Financing Plan shall require approval of Lessor’s City Manager, which shall not be unreasonably withheld, conditioned, or delayed; provided, that for the avoidance of doubt, future amendments to or refinancing of the initial financing obtained by Lessee pursuant to the Financing Plan throughout the

term of this Lease shall not be subject to Lessor approval provided that such financing arrangements and resulting encumbrances comply with Section 3.2 and do not materially affect Lessor's rights or increase Lessor's duties or obligations under this Lease. If additional financing is necessary, Lessee shall be solely responsible for obtaining the necessary financing.

ARTICLE 3 **LIENS**

Section 3.1 Liens Against Lessor's Fee Interest. Except as otherwise provided herein, Lessee shall not have any right, authority or power to bind Lessor, Lessor's estate or other assets or any interest of Lessor in the Land, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Land, Project and Improvements or any change, alteration or addition thereto. Provided, nothing in this Lease shall be construed as acknowledging or otherwise conceding that the Land is subject to lien rights under Washington law.

3.1.1 Lessee and Lessor have recorded such dedications of right-of-way and easements that have been identified as necessary for Lessee's development of the Land prior to or concurrently with entering into this Lease. In the event that additional easements or dedications become necessary for development or operation of the Improvements, Lessor agrees to consider and to approve the same, provided that such easements or dedications are in locations on the Land reasonably satisfactory to Lessor, do not unreasonably burden any property of Lessor other than the Land, and do not unreasonably restrict or otherwise adversely affect Lessor's use of its other property. Lessor's approval shall not be unreasonably withheld, conditioned, or delayed, and Lessor shall provide such written consents or signatures as are necessary to the recording of such easements or dedications.

3.1.2 Lessor expressly acknowledges that Lessee will be obtaining financing for the development and operation of the Land from a variety of private and governmental funding sources and that such financing may require restrictive covenants or regulatory agreements (collectively, "Restrictive Financing Covenant") to be recorded not only against Lessee's leasehold interest, but also against Lessor's fee interest. Subject to Lessor's prior review and written approval, which shall not be unreasonably withheld, conditioned, or delayed, Lessor hereby agrees to the recording, at Lessee's sole expense, of any Restrictive Financing Covenant as is required for the development and operation of the Improvements and shall provide such written consents as are necessary to the recording of any Restrictive Financing Covenant.

3.1.3 Lessor expressly acknowledges that Lessee will be entering into leases with eligible households with incomes at or below the thresholds set forth in Section 1.3 for rental of the individual dwelling units within the Housing Unit.

Section 3.2 Liens Against Lessee's Leasehold Interest. Lessor acknowledges that Lessee will be obtaining financing for the development and operation of the Land from a variety of private and governmental funding sources, that such financing shall require Lessee to provide security interests in its leasehold interest in the Land and that such financing sources will further require Lessee to enter into various regulatory and other agreements restricting the use of the Land to the uses set forth in Section 1.3. Lessee may encumber its leasehold interest in the Land for the purposes of such financing and Lessor hereby expressly agrees and consents to Lessee entering into such financing arrangements and the resulting encumbrances of Lessee's leasehold interests in the Land, provided that such financing arrangements and resulting encumbrances shall be subject to the terms of this Lease and shall not materially affect Lessor's rights or increase Lessor's duties or obligations under this Lease. Lessee may,

after the initial development of the Project, obtain additional financing (or refinancing) provided that such financing complies with the provisions of this Section 3.2.

Section 3.3 Mechanics' Liens. Lessee agrees that it will not permit any claim of lien made by any mechanic, materialman, laborer, or other similar liens to stand against Lessor's fee simple interest in the Land for work or materials furnished to Lessee in connection with any construction, improvements, maintenance, or repair thereof made by Lessee or its agents upon the Land. Lessee shall cause any such claim or lien to be fully discharged within ninety (90) days after the date of filing thereof; provided, however, that in the event Lessee, in good faith, disputes the validity or amount of any such claim of lien, and if Lessee shall record or file a bond in the office of the King County Recorder in an amount and form sufficient to release the claim of lien as provided RCW 60.04.161, as the same now exists or as hereafter amended or superseded, Lessee shall not be deemed to be in breach of this Section 3.3, so long as Lessee is diligently pursuing a resolution of such dispute. Upon entry of final judgment resolving the dispute, if litigation or arbitration results therefrom, Lessee shall discharge said lien within ninety (90) days.

Section 3.4 Creative Facility Unit Financing. If Lessee requests Lessor to subject Lessee's interest to a condominium regime as provided in Section 2.4, Lessor acknowledges that Creative Facility Unit Owner may be obtaining financing for the development and operation of the Creative Facility Unit from a variety of private and governmental funding sources, that such financing may require Creative Facility Unit Owner to provide security interests in its interest in the Creative Facility Unit and that such financing sources may further require Creative Facility Unit Owner to enter into various regulatory and other agreements restricting the use of the Creative Facility Unit. Creative Facility Unit Owner may encumber its interest in the Creative Facility Unit for the purposes of such financing and Lessor hereby expressly agrees and consents to Creative Facility Unit Owner entering into such financing arrangements and the resulting encumbrances of the Creative Facility Unit, provided that such financing arrangements and resulting encumbrances shall be subject to the terms of this Lease and shall not materially affect Lessor's rights or increase Lessor's duties or obligations under this Lease. Creative Facility Unit Owner may, after the initial development of the Creative Facility Unit, obtain additional financing (or refinancing) provided that such financing complies with the provisions of this Section 3.4. In no event shall Creative Facility Unit Owner have the right to encumber Housing Unit Owner's interest in this Lease or portions of the improvements comprising the Housing Unit.

ARTICLE 4
TAXES; UTILITIES

Section 4.1 Payment of Taxes. Lessee shall pay before they become delinquent, all real property taxes assessed or levied against the Land and Improvements. Lessee shall also pay all personal property taxes assessed or levied against the equipment, machinery, fixtures, furniture, and furnishings thereon and all other taxes, charges, fees or costs imposed by any governmental or quasi-governmental entity or utility, including but not limited to, leasehold excise tax. To the extent that an exemption or a reduction to any real property or personal property tax is possible, Lessor shall cooperate with Lessee to obtain that exemption or reduction. Lessee shall have the right in good faith, in a proper procedural manner, and at its sole cost, to contest and resist any taxes or assessments or other dispositions levied against or imposed upon the Land and Improvements. Lessee shall defend and indemnify Lessor from all taxes incurred during the term of this Lease.

Section 4.2 Utilities. Lessee shall arrange for and pay before they become delinquent all charges for utility services furnished to the Land including, but not limited to, electricity, gas, water, sanitary sewer, stormwater, telephone and solid waste collection charges. Lessor shall have no responsibility for

the payment of these utility costs. Lessee shall defend and indemnify Lessor from all such charges incurred during the term of this Lease.

ARTICLE 5 **INSURANCE**

Section 5.1 General. Lessee shall maintain in full force and effect during the Term, and at Lessee's sole cost and expense, insurance satisfying all the requirements set forth below, provided that insurance that complies with the requirement of any Leasehold Mortgagee shall meet the requirements of this Article 5. The insurance policies are subject to approval by Lessor in its sole discretion as to amount, form, endorsements, deductibles and insurer, and must cover all risks Lessor requires. The specific coverages, limits, standards and forms set forth in this Section establish the requirements that shall apply unless the Lessor shall, by notice in writing, approve or require different or additional coverages, limits, standards or forms. Capitalized terms used in this Section and not defined shall be construed in accordance with customary usage in the insurance industry as of the date of this Lease, unless the context clearly requires otherwise. Failure of Lessee to fully comply with the insurance requirements of this Section will be considered a material breach of contract.

Section 5.2 Coverages Required of Lessee. Lessee shall maintain all of the following:

5.2.1 Commercial General Liability ("CGL") insurance, written on an Insurance Services Office ("ISO") occurrence form (ISO form CG 00 01) or equivalent, including Land/Operations; Products/Completed Operations; Personal/Advertising injury; Contractual Liability; and Independent Contractors Liability. The minimum limits of liability for bodily injury and property damage shall be \$2,000,000 each occurrence and \$5,000,000 general and Products/Completed Operations aggregate. The use of umbrella/excess liability policies to reach the limits required is acceptable.

5.2.2 Property insurance on all buildings, improvements and fixtures on a "Special Form" perils basis, in an amount equal to 100% replacement cost thereof, against (i) Loss from the perils of fire and other risks of direct physical loss (excluding earthquake but including flood damage if the Land is in a SFHA flood hazard area), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (CP 10 30)"; (ii) Loss or damage from water damage, or sprinkler systems now or hereafter installed in any building on the Land; (iii) loss or damage by explosion of steam boilers, pressure vessels, oil, or gasoline storage tanks; machinery, heating or air conditioning, elevator and escalator equipment or similar apparatus, provided the Land contains equipment of such nature; (iv) business interruption or extra expense, with sufficient coverage to provide for the loss of rent and other fixed costs during any interruption of Lessee's business, loss of occupancy, or use because of fire or other cause, in such amounts as are satisfactory to Lessor, and (v) any other insurance required by law or by the terms of any other financing documents.

Section 5.3 Additional Required Coverage During Construction. Lessee shall maintain the following additional insurance coverage during construction of the Improvements:

5.3.1 Builder's Risk. Lessee shall maintain or cause to be maintained, at Lessee's expense, Builder's Risk Property insurance which shall be in effect during any construction, modification, renovation or demolition activity where the Lessee's property insurance cannot accommodate the coverage, covering all such activity and all portions of the Land affected thereby. Such Builder's Risk policy shall provide "Special Form" perils coverage, in an amount equal to 100% replacement cost, against loss from the perils of fire and other risks of direct physical loss (excluding earthquake coverage but including flood coverage if the Land is in a SFHA flood hazard area), together

with such “soft costs” and other endorsements and coverages as City may from time to time reasonably require. Notwithstanding the foregoing, if Lessee self-insures for such Builder’s Risk policy, “soft cost” coverages shall not be required.

5.3.2 Contractors. Lessee shall ensure that any contractor working on the Land maintains CGL insurance, written on an Insurance Services Office (“ISO”) occurrence form (ISO form CG 00 01) or equivalent, including Land/Operations; Products/Completed Operations; Personal/Advertising injury; Contractual Liability; and Independent Contractors Liability. The minimum limits of liability for bodily injury and property damage shall be \$1,000,000 each occurrence and \$1,000,000 general and Products/Completed Operations aggregate. Notwithstanding the foregoing, the prime contractor shall carry \$5,000,000 general and Products/Completed Operations aggregate. If the Land contains any hazardous materials, asbestos or lead-based paint, Lessee shall ensure that the prime and any abatement contractor or subcontractor performing abatement or handling hazardous materials working on the Land, or if Lessee is working on the Land, that said party also maintains Pollution Legal Liability coverage at a minimum limit of \$5,000,000 per occurrence and aggregate. Lessee shall further ensure that the CGL and Pollution Legal Liability insurance maintained by Lessee and/or Lessee’s contractor(s) shall include “The City of Bellevue and all funding agencies, their officers, elected officials, employees, agents, and volunteers” as additional insureds for primary and non-contributory limits of liability.

5.3.3 Worker’s Compensation. Lessee shall ensure that Lessee and any contractor on the Land maintain Worker’s Compensation for the State of Washington (“Industrial Insurance”) as required by Title 51 of the Revised Code of Washington.

5.3.4 Policy Requirements. Lessee shall ensure that any policy maintained to meet the requirements of this Section 5.3 shall include the general contractor and all subcontractors as insured or that a separate policy of insurance as stated above is maintained for the contractor and each subcontractor. All coverages for contractors and subcontractors shall be subject to all the requirements stated herein and applicable to their activities.

Section 5.4 Deductible or Self-Insured Retention. If Lessee's insurance contains a deductible or self-insured retention amount, Lessee shall:

5.4.1 Obtain the written approval of Lessor for the deductible or self-insured retention amount in excess of Two Hundred Fifty Thousand Dollars (\$250,000) per occurrence prior to the effective date of such policy.

5.4.2 Be responsible for payment of the portion of any claim or loss equal to or less than the deductible or self-insured retention amount).

5.4.3 Intentionally deleted.

Section 5.5 Conditions. The insurance policy or policies, endorsements therefore, and subsequent renewals shall:

5.5.1 Be issued by an insurance company that is (i) rated A- or better and VI or larger in the A.M. Best’s Key Rating Guide; and (ii) approved to do business in the State of Washington or filed with the Washington Insurance Commissioner as a surplus line by a Washington surplus line broker;

5.5.2 Be primary as respects Lessor, and any other insurance maintained by Lessor shall be excess and not contributing insurance with Lessee's insurance; and

5.5.3 In the case of any liability policy, include a provision (whether by endorsement or otherwise) agreeing that, except with respect to the limits of insurance and any rights specifically assigned to the first named insured, the insurance will apply (i) as if each party insured thereunder (whether as a named insured, additional named insured, or additional insured) were the only party insured by such policy; and (ii) separately as to each insured against whom a claim is made or a suit is brought).

Section 5.6 Endorsements in Favor of Lessor.

5.6.1 Lessee shall ensure that the CGL and, if required, the Pollution Legal Liability insurance maintained by Lessee shall include the City of Bellevue and its officers, elected officials, employees, agents, and volunteers as additional insureds for primary and non-contributory limits of liability.

5.6.2 Lessee shall ensure that all Property Insurance policies, including Builder's Risk, shall (i) contain a standard mortgagee or lender clause (438BFU or equivalent acceptable to the Lessor) making all losses payable to Lessor except as otherwise provided in this Lease, (ii) contain cancellation provisions requiring not less than thirty (30) days written notice, except ten (10) days with respect to cancellation for non-payment of premium, to Lessor as a condition precedent to any cancellation thereof; (iii) not be subject to any co-insurance or other similar contribution or limitation provisions unless such provisions are expressly approved in writing by Lessor.

Section 5.7 Evidence of Insurance. Lessee shall furnish Lessor with certificates of insurance and endorsements required by this Lease. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be received and approved by Lessor prior to the commencement of construction activities. Lessor reserves the right to require complete, certified and redacted copies of all required insurance policies at any time. Within ten (10) days following the expiration of the term of any insurance policy, Lessee shall furnish Lessor with written evidence of renewal, with premiums paid, or issuance of a satisfactory replacement policy. With respect to any multi-property insurance policy that is based on a Schedule of Values, Lessee shall deliver a current schedule as approved by the insurer no less frequently than annually. The approval of any insurance by Lessor will not be a representation of the solvency of any insurer or the sufficiency of any insurance. Lessee shall reimburse Lessor for any premiums paid for such insurance by Lessor upon Lessee's default in so insuring the improvements or failure timely to provide evidence of renewal thereof.

Section 5.8 Waiver of Subrogation. All insurance required to be maintained by Lessee hereunder shall contain a waiver of subrogation against Lessor, and an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Lessee that might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim or deductions against Lessor. To the extent any loss is covered by property insurance carried by a party, each party waives all right of recovery against the other for any loss or damage covered by the party's respective first party commercial property insurance policies for all perils insured thereunder and in the event of any commercially insured property loss, neither party's insurance carrier shall have a subrogation claim against the other party.

Section 5.9 Right of Lessor to Obtain Insurance. Notwithstanding anything to the contrary herein, in the event Lessee fails to pay any premium required to renew any policy when required hereunder or otherwise fails to provide, maintain, keep in full force and effect or, after not less than ten (10) days prior written notice to Lessee, to deliver and furnish to Lessor the policies of insurance required hereunder, in addition to all other remedies available under this Lease, Lessor, in its sole and absolute discretion and without obligation with respect thereto, may pay such premiums or procure such insurance or single-interest insurance of such risks covering Lessor's interest, and Lessee will reimburse Lessor for all premiums thereon (and interest thereon at the rate of percent (2%) per annum from the date of expenditure by Lessor until the date of payment by Lessee) promptly upon demand by Lessor, and until such payment is made by Lessee the amount of all such premiums together with interest thereon shall be secured by this Lease.

5.10 Lessor Insurance. Lessor shall maintain in effect at all times insurance coverage consistent with the coverage customarily carried by ground lessors of property comparable in size, type, quality and location as the Land.

ARTICLE 6

MAINTENANCE AND ALTERATIONS

Section 6.1 Maintenance of Leased Land and Improvements. During the Term, at Lessee's sole cost and expense, Lessee shall keep and maintain the Project, all Improvements, and all appurtenances thereunto belonging, in good and safe order, condition and repair. Lessee shall be responsible for any repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, necessary to maintain the Improvements thereon. At Lessee's own expense, Lessee shall keep and maintain the Improvements in compliance with all applicable laws, rules, regulations and ordinances of all federal, state, county, municipal and other public authorities having or claiming jurisdiction. Additionally, Lessee shall protect against and refrain from creating or allowing the creation of a Recognized Environmental Condition (as defined in ASTM Standard E1527-21, as the same now exists or is hereafter amended). During the Term, Lessee, at Lessee's sole cost and expense, shall take all actions necessary to eliminate, remove, remediate or otherwise clean up any Recognized Environmental Condition that is attributable to Lessee's use of the Land.

Section 6.2 Alterations to Leased Land and Improvements. Lessee shall make no major additions, alterations or changes in or to the Improvements after initial construction unless approved in writing by the Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed. As used in this Section, a "major addition, alteration, or change" is one which 1) requires a permit and results in a change to the building envelope, the number of units, or unit size, or 2) has a total cost exceeding \$100,000, as adjusted annually on January 1 by the greater of three percent (3%) or the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) published by the U.S. Bureau of Labor Statistics, but excludes routine maintenance and normal wear and tear repairs or renovations or replacements in kind that restore the property to its previous condition without materially changing its character or function. All additions, alterations or changes shall be subject to the permitted uses of the Land set forth in Section 1.3 and any restriction on the use of financing proceeds set forth in Section 3.2.

Section 6.3 Prohibited Uses of Leased Land. In addition to any other prohibitions or limitations on Lessee's use of the Land contained in the Lease, Lessee shall not: i) use the Land in any illegal manner; ii) create any damage, nuisance or waste to the Land, including any objectionable noise, vibration, or odor to be emitted or escape from the Land to the extent that they constitute a nuisance, or cause defacement or injury of the Improvements, including impairment of their strength or durability;

iii) cause damage or injury to nearby properties or property owners; iv) create any condition which would constitute a fire or environmental hazard, or be dangerous to persons or property; v) sell any alcoholic beverages or alcoholic liquors on the Land excepting upon Lessor's prior written consent and pursuant to the limitations of state issued permit(s) or license(s); vi) sell or dispense any controlled substances or any marijuana (medical or recreational) on or about the Land; vii) store gasoline or other highly combustible materials on the Land except for commercially reasonable amounts of gasoline or fuel for yard equipment; viii) permit the sale of any pornographic or sexually explicit material or sex paraphernalia on the Land; ix) permit any cash, credit card, or coin-operated novelty or gaming machines or other facility used for gambling such as off-track betting on the Land without the prior written consent of Lessor; x) permit the use of the Land for a second-hand store, pawnshop, or for conducting auction, distress or fire sale, or bankruptcy or going-out-of-business sale or the like; xi) maintain disabled vehicles, or engage in automotive repair or maintenance on parking lots, in garages, or elsewhere on the Land; xii) operate a mortuary, funeral parlor or home or similar service establishment on the Land; xiii) allow any industrial use or processing or rendering use on the Land; xiv) operate any facility for the dumping, disposing, incinerating or reducing of garbage on the Land; xv) operate a massage parlor, hot tub facility or suntan facility on the Land; xvi) permit any on-site dry cleaning facility on the Land; xvii) operate a night club, bar or all night convenience store on the Land; xviii) permit any drug or alcohol treatment facilities or clinics on the Land; xix) permit an adult motion picture arcade or show, strip show, sale of nudity or sexual services or escort services on the Land; xx) operate a check cashing or pay day loan business on the Land; xxi) permit a bail bonds business or other similar services on the Land; xxii) permit any use not permitted under applicable zoning laws on the Land; xxiii) operate a tattoo or piercing parlor or headshop on the Land; xxiv) permit the operation of any 24-hour establishment on the Land; (xxv) permit any business providing palmistry, palm reading, fortune telling, phrenology, clairvoyance, or other psychic services; xxvi) permit the premises to be used, directly or indirectly, for the purpose of assisting a campaign for the election of any person to any office or for the promotion of or opposition to any ballot proposition, provided that this subsection (xxvi) shall not be construed as prohibiting individual residents from running for office or volunteering for or being employed by campaigns or ballot initiatives; or xxvii) permit any food establishment that is open before 6:00 a.m. or after 9:00 p.m. on the Land.

ARTICLE 7

PERMITTED MORTGAGES

Section 7.1 Leasehold Mortgage Provisions. Lessee intends that the development of the Improvements be financed with various public and private debt and/or grants from public agencies and lenders referred to collectively herein as "Lenders." For purposes of this Lease, a "Leasehold Mortgage" is (1) any mortgage, deed of trust, security agreement or collateral assignment in favor of a public agency or an Institutional Lender, (2) any mortgage, deed of trust, security agreement, or collateral assignment entered into as part of the development of the Project, and (3) any other mortgages, deeds of trust, security agreements or collateral assignments permitted by Lessor hereunder encumbering either (a) Lessee's leasehold interest in the Land or (b) an owner's interest in the Housing Unit or Creative Facility Unit. A "Leasehold Mortgagee" is a holder of a Leasehold Mortgage. For purposes hereof an "Institutional Lender" shall mean an entity that is a commercial bank, savings bank, savings and loan institution, insurance company, pension fund, investment bank, opportunity fund, mortgage investment conduit, real estate investment trust, commercial finance lender or other similar financial institution which ordinarily engages in the business of making, holding or servicing commercial (including multifamily residential) real estate loans, including any Affiliate thereof. Any Leasehold Mortgagee or designee thereof that acquires title to the leasehold estate or any part thereof, any person that acquires title to the leasehold estate through any judicial or non-judicial foreclosure sale, deed or assignment in lieu thereof, or any sale or transfer made under any order of any court to satisfy wholly or in part

obligations secured by any Leasehold Mortgage, and the successors and assigns of any such Leasehold Mortgagee, is referred to as a “Transferee”. Each Leasehold Mortgagee and Transferee is an intended beneficiary of the terms of this Lease.

Section 7.2 Leasehold Mortgages and Transfers Authorized - Limitations. Lessor acknowledges that Lessee’s financing for the Project will require Lessee to provide security interests in Lessee’s leasehold interest in the Land, and its interests in the Improvements, Lessor acknowledges that Creative Facility Unit Owner’s financing for the Creative Facility Unit will require Creative Facility Unit Owner or its affiliate to provide security interests in its interest in the Creative Facility Unit (such security interests, and any assignments of rents, issues or profits derived from the ownership, use or operation of the Improvements shall also be considered Leasehold Mortgages). For the purposes of this Article 7, “Lessee” shall refer to both Housing Unit Owner and Creative Facility Unit Owner if and when Creative Facility Unit Owner becomes the owner of the Creative Facility Unit, as applicable in the context in which such term is used. Subject to the terms of this Lease (including the prior notice requirements set forth in this Section), Housing Unit Owner and/or Creative Facility Unit Owner may grant Leasehold Mortgages upon or affecting their rights (and only their rights) in this Lease or in the Land, and such Leasehold Mortgages shall be expressly permitted and shall not require the consent of Lessor or constitute a breach of any provision of or a default under this Lease. Lessee shall provide Lessor with copies of all proposed loan and security documents at least thirty (30) days prior to the grant of any Leasehold Mortgage for a refinance transaction. Modifications or amendment of any Leasehold Mortgage or any document or agreement entered into connection therewith shall not require the consent of Lessor.

Section 7.3 Foreclosure. Foreclosure of any Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the Leasehold Mortgage, or any conveyance of the leasehold estate hereunder or any part thereof and Lessee’s interest in the Improvements and other rights hereunder, or any part thereof, to any Leasehold Mortgagee or other person through, or in lieu of, foreclosure, trustee’s sale or other proceedings in the nature thereof shall not require the consent of Lessor or constitute a breach of any provision of or a default under the Lease, and upon such foreclosure, sale or conveyance Lessor shall recognize the purchaser or other direct or indirect transferee in connection therewith as the Lessee hereunder to the extent of the interest so transferred. Lessor reserves the right, but shall have no obligation whatsoever, to cure any default by Lessee to prevent foreclosure and may exercise any rights it may have to recover its costs from Lessee or to otherwise terminate Lessee’s interest in this Lease. Lessor reserves the right to bid at any trustee’s sale or other proceeding brought by any Leasehold Mortgagee to foreclose any Leasehold Mortgage.

Section 7.4 Notice to Leasehold Mortgagee. During any period in which a Leasehold Mortgage is in place, Lessor shall give each Leasehold Mortgagee at the address set forth in this Lease or at the last address of such Leasehold Mortgagee provided in a written notice to Lessor pursuant to the terms hereof, a duplicate copy of all notices of default or other notices (other than rent or periodic billing notices) that Lessor may give to or serve in writing upon Lessee pursuant to the terms of the Lease, at the same time as such notice is given to or served upon Lessee, provided that such notice shall be duly given when sent to the Leasehold Mortgagee at the notice address set forth herein (or the last address of such Leasehold Mortgagee provided in a written notice to Lessor pursuant to the terms hereof), by US Mail, certified or registered mail, return receipt requested, or by a recognized overnight commercial delivery service; and provided, further, that the failure of Lessor to send a copy of such notice to Leasehold Mortgagee shall not subject Lessor to any liability hereunder. Notwithstanding the foregoing, in no event may Lessor exercise any remedy following a default hereunder unless and until it has provided written notice of the same to Leasehold Mortgagees in accordance with this Lease. The address of the Leasehold Mortgagee originally designated in the Leasehold Mortgage may be changed upon

written notice delivered to Lessor. Lessor may additionally provide a copy of such notice to a Leasehold Mortgagee by email as a courtesy but Lessor is under no obligation to do so.

Section 7.5 Right of Leasehold Mortgagee to Cure. Any Leasehold Mortgagee, at its option at any time within one hundred twenty (120) days, or such longer period as may be applicable as provided below, following the expiration of the right of Lessee to cure any default under the Lease, may pay any amount or do any act or thing required of Lessee by the terms of the Lease. Payments made and acts performed by such Leasehold Mortgagee within such one hundred twenty (120) day period, or such longer period as may be applicable as provided below, shall be effective to prevent a termination of the rights of Lessee hereunder, if such payments and acts conform to the terms of such notice from Lessor or if, together with any performance by Lessee or any other person with any cure rights, they are sufficient, except as to timing, to exercise the Lessee's right to cure that so expired, but in order to prevent termination of the Lease, a Leasehold Mortgagee shall not be required to cure (A) default on obligations of Lessee to satisfy or otherwise discharge any lien, charge, or encumbrance against Lessee's interest in the Lease caused by a wrongful act of Lessee; or (B) defaults on obligations of Lessee under any indemnity provision in this Lease arising from acts or omissions of Lessee; or (C) other past monetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee (it being understood that the lack of funds of the Lessee or the Leasehold Mortgagee shall not excuse performance by Lessee or Leasehold Mortgagee); (D) defaults which are of a nature personal to the Lessee and therefore not capable of being cured by a Leasehold Mortgagee or are otherwise not reasonably susceptible of cure by a Leasehold Mortgagee; or (E) any default resulting from the acts or omissions of the Lessor ("Excluded Defaults"). For purposes of clarification and illustration, it is the intention of the parties hereto that Excluded Defaults shall include (but not as an exclusive list) claims, damages, liability and expenses, including personal injury and property damage arising or alleged to be arising from actions or inactions of Lessee such as failure to pay insurance premiums, allowing dangerous conditions to exist at the Land or failure to operate the Land in accordance with regulatory restrictions. Accordingly, in such event Leasehold Mortgagee shall not be required to cure such Excluded Defaults to avoid termination of the Lease, but Leasehold Mortgagee would be required to remediate, ameliorate, or eliminate such continuing conditions to Lessor's reasonable satisfaction to avoid such termination. If the default by Lessee is of such nature that it cannot practicably be cured without possession of the Land, then the one hundred twenty-day period set forth above shall be extended for so long as a Leasehold Mortgagee shall be proceeding with reasonable diligence to foreclose on the Lessee's interest or otherwise obtain possession of the Land for itself or a receiver.

Prior to the expiration of the cure rights of Leasehold Mortgagees and the Tax Credit Investor, Lessor shall not effect or cause any purported termination of the Lease nor take any action to deny Lessee or any sublessee possession, occupancy, or quiet enjoyment of the Land or any part thereof.

Without limiting the rights of Leasehold Mortgagees as stated above, and whether or not there shall be any notice of default hereunder, each Leasehold Mortgagee shall have the right, but not the obligation, at any time prior to termination of the Lease to pay all of the rent due hereunder, with all due interest and late charges, to procure any insurance, to pay any taxes or assessments, to make any repairs or improvements, to do any other act or thing required of Lessee hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of and/or cure a default under the Lease. Any Leasehold Mortgagee and its agents and contractors shall have full access to the Land for purposes of accomplishing any of the foregoing. Any of the foregoing done by any Leasehold Mortgagee shall be as effective to prevent a termination of and/or cure a default under the Lease as the same would have been if done by Lessee.

Section 7.6 Right to New Lease. If this Lease terminates for any reason, including the rejection of this Lease in a bankruptcy proceeding, then Lessor shall give written notice of such fact to each Leasehold Mortgagee and Creative Facility Unit Owner, and if one or more Leasehold Mortgagees or Creative Facility Unit Owner gives written notice to Lessor within thirty (30) days following delivery of such notice of termination by Lessor, Lessor agrees in such case to enter into a new ground lease for the Land (a "New Lease") with the most senior Leasehold Mortgagee or its affiliated designee providing such notice for the remainder of the term of this Lease (including any option terms) effective as of the date of such termination, or if no Leasehold Mortgagee gives such notice, then with Creative Facility Unit Owner if it timely gives such notice, at the rent and additional rent and upon the other terms, conditions, covenants and agreements contained in this Lease and with equal priority thereto, on the conditions set forth in this Article 7. Notwithstanding anything to the contrary contained herein, no termination of this Lease shall become effective until, and the lien of each Leasehold Mortgage on the Land shall remain effective until, either a New Lease has been made pursuant to this Article 7 or no Leasehold Mortgagee or Creative Facility Unit Owner has timely accepted (or caused to be accepted) a New Lease, upon the expiration of the 30-day period as set forth above. Upon entering into a New Lease, such Leasehold Mortgagee or Creative Facility Unit Owner or its affiliated designee shall cure any monetary default by Lessee hereunder, except Excluded Defaults.

The Lessee under the New Lease shall have the same right, title and interest in and to all Improvements and all obligations as Lessee had under the terminated Lease (other than with respect to Excluded Defaults) and the Lessor and the new Lessee shall execute and deliver any deed or other instrument and take such other action as may be reasonably necessary to confirm or assure such right, title, interest or obligations.

Nothing in this Article or the Lease shall be construed to imply that the Lease may be terminated by reason of rejection in any bankruptcy proceeding of the Lessee. The parties intend, for the protection of Leasehold Mortgagees, that any such rejection shall not cause a termination of the Lease.

If the Lessor shall, without termination of the Lease, evict the Lessee, or if the Lessee shall abandon the Land, then any reletting thereof shall be subject to the liens and rights of Leasehold Mortgagees, and in any event Lessor shall not relet the Land or any part thereof, other than renewal of occupancies of residential Lessees and leases or other occupancy agreements with new residential Lessees consistent with any covenants of record for low-income housing, without sixty (60) days' advance written notice to all Leasehold Mortgagees of the intended reletting and the terms thereof, and if any Leasehold Mortgagee shall, within thirty days of receipt of such notice, give notice to the Lessor of such Leasehold Mortgagee's intent to pursue proceedings to foreclose on the Land or otherwise cause the transfer thereof, then so long as the Leasehold Mortgagee shall diligently pursue such proceedings the Lessor shall not proceed with such reletting without the written consent of such Leasehold Mortgagee.

If a Leasehold Mortgagee shall elect to demand a New Lease under this Article and only in the event that such Leasehold Mortgagee is not recognized as a proper plaintiff, Lessor agrees, at the request of, on behalf of and at the expense of the Leasehold Mortgagee, to institute and pursue diligently to conclusion any appropriate legal remedy or remedies to oust or remove the original Lessee from the Land, and those sublessees actually occupying the Land, or any part thereof, as designated by the Leasehold Mortgagee, subject to the rights of non-defaulting residential Lessees in occupancy of apartment units at the Land. Leasehold Mortgagees shall cooperate with Lessor in connection with any such actions.

Nothing herein contained shall require any Leasehold Mortgagee to accept a New Lease.

Section 7.7 Limitation on Liability of Leasehold Mortgagee. No Leasehold Mortgagee shall be liable to Lessor unless it expressly assumes such liability in writing. In the event any Leasehold Mortgagee or other Transferee becomes the Lessee under the Lease or under any new lease obtained pursuant to this Article, the Leasehold Mortgagee or other Transferee shall not be liable for the obligations of the Lessee under the Lease that do not accrue during the period of time that the Leasehold Mortgagee or such other Transferee, as the case may be, remains the actual Lessee under the Lease or new lease, holding record title to the leasehold interest thereunder. In no event shall any Leasehold Mortgagee or other Transferee be (i) liable for the erection, completion or restoration of any improvements; (ii) liable for any condition of the Improvements that existed prior to the date of its acquisition of Lessee's interest in the Improvements, or for any damage, loss, or injury caused by such preexisting condition, or for the correction thereof or the compliance with any law related thereto; (iii) bound by any amendment of the Lease made without the prior written consent of the Leasehold Mortgagee; or (iv) liable for any act or omission of any prior lessee of any portion of the Improvements (including Lessee). Any liability of any Leasehold Mortgagee or other Transferee shall be limited to its interests in the leasehold and the Land and shall be enforceable solely against those interests.

Section 7.8 Estoppel Certificates; Non-disturbance Agreements. Lessor and Lessee agree that upon request from any sublessee(s) of the non-residential space, Lessor will agree to grant nondisturbance and attornment agreement(s) in a form reasonably acceptable to Lessor. Lessor and Lessee agree that at any time and from time to time upon not less than twenty (20) days' prior written notice by the other party, or upon request from any Leasehold Mortgagee or a permitted assignee, Lessor or Lessee will execute, acknowledge and deliver to the other party or to such Leasehold Mortgagee a statement in writing certifying (a) that the Lease is unmodified and in full force and effect if such be the case or, if not, the extent to which the Lease has been modified; (b) the date through which the Rent has been paid; and (c) that, to the knowledge of the certifier (if such be the case), there is no default, set-off, defense or other claim against Lessor or Lessee, as applicable, other than those, if any, so specified under the provisions of the Lease or such statement. It is intended that any such statement may be relied upon by any persons proposing to acquire the interest of Lessor, Lessee or any Leasehold Mortgagee, as the case may be, in the Lease or by any prospective Leasehold Mortgagee or assignee of any Leasehold Mortgage. The Estoppel Certificate shall be in substantially the form attached as Attachment C to this Lease and incorporated herein by this reference as if set forth in full.

Section 7.9 Actions not Effective Without Leasehold Mortgagee and Tax Credit Investor Consent. No cancellation, surrender, or modification or amendment of the Lease, and no waiver of any of Lessee's rights thereunder, shall be effective as to any Leasehold Mortgagee unless consented to in writing by each Leasehold Mortgagee and the Tax Credit Investor. No subordination of Lessee's interest in the leasehold or the Land, or the rents or income therefrom, to any encumbrance or assignment granted by Lessor, and no joinder by Lessee in any such encumbrance or assignment, shall be valid without the express written consent of each Leasehold Mortgagee and the Tax Credit Investor. No consent or waiver of any Lender as Leasehold Mortgagee or the Tax Credit Investor shall be effective for purposes of the Lease unless it is made in writing.

Section 7.10 No Merger. Any acquisition of the fee interest in the Land by Lessee (or any fee interest in the Improvements by Lessor), or other event by which the leasehold estate hereunder or any part thereof and the fee interest in the Improvements shall come into common ownership, shall not cause a merger of the leasehold interest hereunder or the fee interest in the Improvements with the fee interest in Land, without the express written consent of each Leasehold Mortgagee. Any merger of fee and leasehold estates that may occur, whether voluntary or involuntary, in whole or in part, shall not result

in termination of this Lease or extinguishment of any Leasehold Mortgage, in whole or in part, without the express written consent of each Leasehold Mortgagee.

Section 7.11 Bankruptcy of Lessor. If the Lease is rejected by Lessor or Lessor's trustee in bankruptcy following the bankruptcy of Lessor under the United States Bankruptcy Code (Title 11 U.S.C.), as now or hereafter in effect, Lessee shall not have the right to treat the Lease as terminated except with the prior written consent of all Leasehold Mortgagees, and the right to treat the Lease as terminated in such event shall be deemed assigned to each and every Leasehold Mortgagee whether or not specifically set forth in any such Leasehold Mortgage, so that the concurrence in writing of Lessee and each Leasehold Mortgagee shall be required as a condition to treating the Lease as terminated in connection with any such bankruptcy proceeding.

Section 7.12 Encumbrances by Lessor. Except as provided in Sections 3.2 and 3.4, Lessor shall not encumber the fee interest in the Land, nor assign or encumber Lessor's interest in the Lease, unless the assignment or encumbrance is required or imposed by law or by its express terms is subject and subordinate to this Lease and the rights and interests of the Lessee and Leasehold Mortgagees hereunder.

Section 7.13 Registration of Leasehold Mortgagees. Lessee shall provide written notice to Lessor of the name and address of each Leasehold Mortgagee under this Lease.

Section 7.14 Rights of Investor and Notice. Any person, firm, or corporation acquiring a limited partnership interest in Lessee in connection with the syndication of federal Low-Income Housing Tax Credits or other tax credits (the "Tax Credit Investor") shall have the same notice and cure rights as any Leasehold Mortgagee, which rights shall run concurrently with those of the Leasehold Mortgagee for so long as it is a limited partner of the Lessee. The initial addresses for any notices to Tax Credit Investor, as of the date hereof, are set forth in Section 19.11 of this Lease.

The initial addresses for notice to the Leasehold Mortgagees pursuant to this Article are set forth in Section 19.11 of the Lease.

ARTICLE 8

REPRESENTATIONS AND WARRANTIES

Section 8.1 Representations and Warranties of Lessor. As an inducement to Lessee to enter into and proceed under this Lease, Lessor warrants and represents to Lessee as follows, which warranties, representations and covenants are true and correct as of the date of this Lease and will be true and correct as of the Commencement Date, to the best knowledge of the Lessor:

8.1.1 The execution and delivery of this Lease and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Lessor or the Land by the Lessor have been or will be duly authorized by all necessary agency or other action, and the consummation of any such transactions with or on behalf of the Lessor will not constitute a breach or violation of, or a default under, the charter or by laws or other governing documents of the Lessor or any agreement by which Lessor, nor constitute a violation of any law, administrative regulation or court decree; and

8.1.2 Lessor has received no written notice and has no knowledge, nor has Lessor been otherwise advised, of any pending or threatened taking relating to all or any part of the Land.

8.1.3 There is no action, suit, litigation, or proceeding pending or, to the best of Lessor's knowledge, threatened against Lessor and/or the Land that could: (i) prevent or impair Lessor's entry into this Lease or the performance of its obligations hereunder; or (ii) prevent or impair the Lessee's ability to construct, rehabilitate or develop the Project on the Land.

8.1.4 There are no mortgages, deeds of trust or other similar encumbrances encumbering Lessor's fee estate.

8.1.5 Lessor is the owner of the Land and holds good and marketable fee title to the Land. No other person has any ownership interest in the Land or any right to acquire an ownership interest in the Land. Other than the Lessor, no other party has a possessory interest or right of occupancy in the Land.

8.1.6 To the best of Lessor's actual knowledge as of the date of this Agreement: (i) all environmental reports ("Environmental Reports") performed by or on behalf of Lessor with respect to the Land have been provided to Lessee; and (ii) Lessor has not received any notice from any federal, state or local governmental agency regarding any violation of any Environmental Law. As used in this subsection, "Lessor's actual knowledge" means only the actual knowledge of Loren Matlick, the City's Real Property Division Manager, who Lessor represents and warrants is the most knowledgeable current employee of Lessor's with respect to the subject representations and warranties (notwithstanding anything to the contrary set forth in this Lease, the foregoing individual shall not have any personal liability with respect to any matters set forth in this Lease or any of Lessor's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete).

Section 8.2 Representations, Warranties and Covenants of Lessee. As an inducement to Lessor to enter into and to proceed under this Lease, Lessee warrants and represents to Lessor as follows, which warranties, representations and covenants are true and correct as of the date of this Lease:

8.2.1 Lessee has the right, power and authority to enter into this Lease and the right, power and authority to comply with the terms, obligations, provisions and conditions contained in this Lease; and

8.2.2 The entry by Lessee into this Lease and the performance of all of the terms, provisions and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreements to which Lessee is a party or by which it is bound.

ARTICLE 9

EMINENT DOMAIN

Section 9.1 Total Condemnation. If the whole of the Land and the Improvements, (or such portion of the Land and Improvements as renders it infeasible, in Lessee's sole discretion, for Lessee to continue to operate and maintain the Land and Improvements), shall be appropriated or condemned under power of eminent domain during the Term (including any transfer made under threat of any such taking, appropriation, or condemnation), Lessee reserves unto itself the right to prosecute its claim for an award for damages for the termination of this Lease caused by such appropriation or taking, together with damages based on the value of Lessee's Improvements on the Land and damages Lessee may sustain caused by such appropriation and taking of, or the injury to, Lessee's leasehold interest in the Land and ownership interest in the Improvements. Lessor shall be entitled to prosecute its claim for the fee interest in the Land, subject to this Lease and damages Lessor may sustain caused by such

appropriation and taking of, or the injury to, Lessor's fee interest. In such event, this Lease shall terminate when Lessee can no longer use the Land in the manner herein intended, or when possession thereof shall be required by the appropriating or condemning authority, whichever shall first occur; but such termination of this Lease shall not preclude nor restrict Lessee's right to an award as herein before provided.

Section 9.2 Partial Condemnation. In the event that a part of the Land shall be taken or condemned under circumstances in which Lessee desires to continue this Lease, this Lease shall continue in full force and effect and shall terminate only as to that part of the Land so taken. In that event Lessee shall, at its own cost and expense, make all repairs to the buildings and Improvements on the Land affected by such taking or condemnation to the extent necessary to restore the same to a complete architectural unit (to the extent permitted, however, taking into consideration the amount of land remaining after any such taking or purchase). Compensation available or paid to Lessor or Lessee upon such a partial taking or condemnation shall be paid (i) to Lessee to the extent that such compensation is attributable the taking of Lessee's leasehold interest in the Land and ownership interest in the Improvements, and (ii) to Creative Facility Unit Owner to the extent that such compensation is attributable the taking of the Creative Facility Unit, and any remainder shall be paid to Lessor.

Section 9.3 Temporary Taking. If there shall be a temporary taking with respect to all or any part of the Land or of Lessee's interest in this Lease, then the Term shall not be reduced and Lessee shall continue to pay in full all rents, and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Lessee shall not be required to perform such obligations that Lessee is prevented from performing by reason of such temporary taking.

Section 9.4 Joinder. If a Leasehold Mortgage exists, Lessor agrees that it will not object to the the Leasehold Mortgagees, to the extent permitted by law, intervening or being joined as parties in the litigation. Leasehold Mortgagees shall have such rights to participate in the condemnation proceedings and to share in the condemnation proceeds as may be prescribed by law and by the terms of the Leasehold Mortgages.

ARTICLE 10

DAMAGE OR DESTRUCTION

Section 10.1 Damage or Destruction to Leased Land. Lessee shall give prompt written notice to Lessor after the occurrence of any material damage or destruction caused by fire, earthquake, act of God or other casualty to or in connection with the Land, the Improvements or any portion thereof (hereinafter sometimes referred to as a "Casualty"). Subject to Section 10.2 below, if during the Term the Improvements shall be materially damaged or destroyed by Casualty, Lessee shall, subject to the terms of the Leasehold Mortgages and the Condominium declaration, promptly and with all due diligence, apply for and collect all applicable insurance proceeds recoverable with respect to such casualty and shall fully repair or restore the Improvements in accordance with the requirements of the most senior Leasehold Mortgage. For purposes of the foregoing, "material damage" shall mean damage with a cost to repair of over \$200,000, as adjusted annually on January 1 by the greater of three percent (3%) or the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) published by the U.S. Bureau of Labor Statistics.

Section 10.2 Right to Terminate. In the event Lessee shall determine, subject to the rights of the Leasehold Mortgagees and subject to the terms of the Condominium declaration, by notice to Lessor given within thirty (30) days after receipt by Lessee of any such insurance proceeds, that it is not economically practical to restore the Improvements and/or the Land to substantially the same condition

in which they existed prior to the occurrence of such Casualty, then Lessee may terminate this Lease as of a date that is not less than thirty (30) days after the date of such notice. However, notwithstanding anything to the contrary in the foregoing, Lessee shall not have the right to terminate this Lease pursuant to this Section 10.2 without Lessor's prior written consent, which may be withheld in Lessor's sole discretion, if there are, at the time of such Casualty or at the time Lessee desires to exercise such right of termination, any encumbrances on the fee interest of Lessor requested by Lessee (including, without limitation, any Extended Use Regulatory Agreement required under Section 42 of the Internal Revenue Code); provided that the Condominium regime shall not prohibit Lessee's termination of this Lease. If Lessee terminates this Lease pursuant to this Section 10.2, Lessee shall be responsible for and shall bear all costs of removing the remaining Improvements and debris from the Land and then surrendering possession of the Land to Lessor immediately.

Section 10.3 Damage or Destruction near the end of the Term. If, during the last ten (10) years of the Term, the Improvements shall be damaged by casualty, then Lessee shall have the option, to be exercised within one hundred eighty (180) days after such casualty:

10.3.1 To repair or restore the Improvements as provided in Section 10.1; or

10.3.2 Subject to the rights of Leasehold Mortgagees, to terminate this Lease by notice to Lessor, which termination shall be deemed to be effective as of a date not less than thirty (30) days after the date such notice is received by Lessor. If Lessee terminates this Lease pursuant to this Section 10.3, Lessee shall surrender possession of the Land to Lessor upon the effective date of termination and assign to Lessor (or, if same has already been received by Lessee, pay to Lessor) all of its right, title and interest in and to the proceeds from Lessee's insurance upon the Land, subject to the prior rights of any Leasehold Mortgage therein, as referenced in Section 10.4 below.

Section 10.4 Distribution of Insurance Proceeds. In the event that this Lease is terminated pursuant to this Article 10, the insurance proceeds received as the result of such casualty shall be distributed as follows: (a) if any Leasehold Mortgages are in place, to the Leasehold Mortgagee to the extent of any indebtedness then owed to such Leasehold Mortgagees; and (b) to Lessee or Lessor pursuant to Section 10.3.

Section 10.5 Obligations of the Condominium Association. Pursuant to Article 14 of the Lease, the obligations of Lessee pursuant to this Article may be performed by the Condominium Association. The Condominium Association shall not be required to carry out the obligations of the Lessee pursuant to this Article.

ARTICLE 11

EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Default By Lessee. Each of the following is a material default and breach of this Lease by Lessee, provided that any failure to comply with any of the covenants or provisions of this Lease shall be subject to extension for Force Majeure:

11.1.1 Failure to make any required Rent or any other payment as and when due, if the failure continues for a period of ten (10) business days after written notice from Lessor.

11.1.2 Material breach of or failure to comply with any of the covenants or provisions of this Lease, other than those described in Section 11.1.1, if the failure continues for a period of sixty (60) days after written notice from Lessor. If the nature of Lessee's default reasonably requires more

than sixty (60) days for its cure, Lessee will not be in default if it commences to cure within the sixty (60) day period and thereafter diligently pursues its completion.

11.1.3 Failure to complete construction of and obtain a certificate of occupancy for the Improvements by the deadline provided in Section 2.2.3, unless an extension is consented to by Lessor, which consent shall not be unreasonably withheld.

11.1.4 Failure to operate the Improvements for the uses provided in Sections 1.3 and 17 for any reason other than occurrence of a casualty, condemnation, or *Force Majeure* for a period of one hundred twenty (120) or more consecutive calendar days, provided that if Housing Unit Owner or Creative Facility Unit Owner resumes operation of the Housing Unit or the Creative Facility Unit, respectively, according to the terms of this Lease within sixty (60) days after Lessor gives notice of default, the default shall be deemed cured.

11.1.5 As used in this Lease the term "Force Majeure" means any prevention, delay, or stoppage due to events beyond Lessee's reasonable control, including pandemics, epidemics or similar infection outbreak; fire, flood, earthquake or explosion; extreme adverse weather more severe than the average weather expected for the season; strikes or labor disputes; materials or equipment embargoes or blockades; supply chain disruptions; acts of God; war, insurrection, invasion, or hostile government actions; civil commotion, riots or other casualty; any actions by any governmental authorities (other than issuance or an appeal of any permits, approval or other entitlements); legal actions attacking the validity of this Lease, the Lessor's authority to lease or develop the Property, or the Lessee's occupancy of the Property, or any other similar casualties beyond the reasonable control of the Lessee, except casualties directly or indirectly resulting from the acts or omissions of the Lessee.

Section 11.2 Remedies Upon Default By Lessee. If any material default or breach by Lessee occurs, Lessor may, subject in all respects to the provisions of this Lease with respect to Lessor's rights to cure defaults by Lessee, with respect to the rights of any Leasehold Mortgagees and the Tax Credit Investor and with respect to the rights of any owner of the Creative Facility Unit, and subject further to the provisions of Section 11.3 and 11.5 of this Lease, do any or all of the following:

11.2.1 Except as set forth in Section 11.7, upon one hundred twenty (120) day's written notice to Lessee, terminate Lessee's right to possession of the Land, and this Lease shall terminate. Lessor may re-enter and take possession of and remove, at Lessee's costs and expense, all persons or property, and Lessee shall immediately surrender possession of the Land to Lessor.

11.2.2 Maintain Lessee's right to possession, and this Lease shall continue in force whether or not Lessee has abandoned the Land. Lessor shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover rent as it becomes due.

11.2.3 Pursue any other remedy available to Lessor under the law or equity. These remedies are not exclusive.

Notwithstanding any other provision herein, in the event Lessor exercises its remedies pursuant to Section 11.2.1 or 11.2.3 and terminates this Lease, Lessee may, within thirty (30) days following such termination reinstate this Lease for the balance of the term, by paying to Lessor an amount equal to the actual damages incurred by Lessor as a result of such breach and payment of any actual costs or expenses incurred by Lessor, including reasonable attorneys' fees and disbursements, as a result of such breach or reinstatement of this Lease.

Further notwithstanding anything to contrary herein, Lessor agrees that it will take no action to effect a termination of this Lease by reason of any breach or default by Lessee under this Lease at any time that Lessee or any affiliate of Lessee is the general partner of the Lessee without first giving to the Tax Credit Investor reasonable time, not to exceed one hundred twenty (120) days, to replace the Lessee's general partner and/or to admit an additional general partner of the Lessee and cause such new general partner to cure the breach or default hereunder, provided, however, that as a condition of such forbearance, Lessor must receive notice from the Tax Credit Investor of the substitution of a new general partner of the Lessee within sixty (60) days following receipt of Lessor's notice of the breach or default, and Lessee, following such substitution of general partner, shall thereupon proceed with reasonable diligence to cure such breach or default.

Section 11.3 Severance of Defaults. If and at such time as the Land is submitted to the Washington Common Interest Ownership Act, the Creative Facility Unit is conveyed to Creative Facility Unit Owner and the Lease is partially assigned pursuant to Section 15.2, no further act or failure to act by a Unit Owner shall constitute a default under this Lease except as to the defaulting Unit Owner and therefore if the default is the result of an act or omission of a particular Unit Owner, no other Unit Owner shall be considered in default under this Lease so long as such other Unit Owner complies with the terms of this Lease. In no event shall Housing Unit Owner have any obligation, liability, or responsibility for anything relative to the Creative Facility Unit or any obligation of Creative Facility Unit Owner with respect to Creative Facility Unit Owner's interest in this Lease, including, without limitation, taxes, insurance, and utilities.

Section 11.4 Default by Lessor. Lessor shall be in default of this Lease if it fails to perform any material provision of this Lease that it is obligated to perform or if any of Lessor's representations or warranties is untrue in any material respect and if the failure to perform is not cured within thirty (30) days after written notice of the default has been given to Lessor. If the default cannot reasonably be cured within thirty (30) days, Lessor shall not be in default of this Lease if Lessor commences to cure the default within such thirty-day period and thereafter diligently pursues its completion.

Section 11.5 Remedies Upon Default by Lessor. Lessee may upon Lessor's default pursue any remedy available to Lessee under the law or equity.

Section 11.6 Notice of Default and Right to Cure by Owner of the Creative Facility Unit. The Creative Facility Unit Owner shall have the right to cure any default of the Housing Unit Owner under this Lease as to such defaulting party's interest and Creative Facility Unit Owner shall have the right to reinstate this Lease for the balance of the Term pursuant to Section 11.2. Lessor shall deliver written notice of any default of Lessee under this Lease to the owner of the Creative Facility Unit at the address provided in writing by the Lessee. The owner of the Creative Facility Unit shall have the same time periods to effect a cure of such default as provided to the Lessee in Section 11.1.

Section 11.7 Reversion. Upon expiration of the Term of this Lease or earlier termination or cancellation of this Lease with respect to all units of the Condominium and subject to Article 7, the Land shall revert to and become the sole property of Lessor and all rights of the Unit Owners in their respective units shall terminate. Upon expiration of the Term of this Lease or earlier termination or cancellation of this Lease with respect to less than all of units of the Condominium and subject to Article 7, the defaulting Unit Owner's unit of the Condominium shall revert to and become the sole property of Lessor and all rights of the defaulting Unit Owner in such unit shall terminate. In such an event, Lessor shall not terminate this Lease and Lessor shall become the successor owner of the defaulting Unit Owner's unit in the Condominium.

ARTICLE 12
QUIET ENJOYMENT AND POSSESSION, INSPECTIONS

Lessor covenants and warrants that Lessee, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Land during the Term, subject only to the provisions of this Lease, Lessor's reserve use and rights provided in Sections 3.2 and 3.4, and all applicable laws, ordinances and regulations.

ARTICLE 13
VACATION OF LEASED LAND

Lessee covenants that upon any termination of this Lease, whether by lapse of time or because of any of the conditions or provisions contained herein, Lessee will peaceably and quietly yield and surrender possession of the Land to Lessor. An action of forcible detainer shall lie if Lessee holds over after a demand for possession is made by Lessor.

ARTICLE 14
PERFORMANCE BY CONDOMINIUM ASSOCIATION

Any act required to be performed by Lessee pursuant to the terms of this Lease may be performed by the Condominium Association and shall be acceptable as Lessee's act by Lessor.

ARTICLE 15
TRANSFERS

Section 15.1 Permitted Transfer by Lessee. Except as otherwise provided in this Article 15 and subject to all statutory and regulatory requirements applicable to this leasehold, Lessee shall have no right to transfer any legal or beneficial interest in Lessee's estate hereunder without Lessor's prior written consent, which shall not be unreasonably withheld. Notwithstanding the foregoing, Lessor consents to the following transfers or assignments without further Lessor approval: (i) transfer of this Lease by Lessee to BRIDGE or its affiliate at the end of the initial fifteen year LIHTC compliance period; (ii) the conveyance of the Creative Facility Unit to a Creative Facility Unit Owner if a condominium is formed, subject to Lessor's written approval of the conveyance documents, which approval shall not be unreasonably withheld, conditioned, or delayed, and, if a condominium is not formed, a master lease to BRIDGE or an affiliate and/or a sublease of the Creative Facility Space to a 3rd party operator pursuant to Section 2.1; (iii) a transfer by Lessee to any Leasehold Mortgagee in compliance with Article 7 hereof, and to an assignment or other transfer by any Leasehold Mortgagee to a third party purchaser following a foreclosure sale or acceptance by the Leasehold Mortgagee or its designee of a deed-in-lieu of foreclosure; (iv) any residential leases or rentals by Lessee to households qualifying as described in Section 1.3 and Attachment B for residential dwellings to be constructed as part of the Improvements and any lease of a portion of the Creative Facility Unit by Creative Facility Unit Owner pursuant to Section 1.3 if a separate condominium unit is created; (v) any transfer of a partnership interest in the Lessee, including syndication by Tax Credit Investor (which includes the transfer, sale or assignment of limited partnership interests in Lessee to any entity in which the Tax Credit Investor or an affiliate thereof, has an ownership interest, directly or indirectly, and manages directly or indirectly the affairs of such entity); (vi) any transfer of a partnership interest in Lessee or in Housing Unit Owner if a separate condominium unit is created that occurs in connection with the exercise of general partner removal rights by the Tax Credit Investor; and (vii) any transfer of the Housing Unit if a separate condominium unit is created to Lessee or an affiliate at the end of the initial fifteen year tax credit compliance period

or pursuant to any repurchase right or option granted under the amended and restated partnership agreement of Lessee. Lessor agrees to consider approving a transfer of this Lease or the Housing Unit, as applicable, to an eligible organization as defined in RCW 43.185A.040 following the end of the initial fifteen year tax credit compliance period, which approval shall not be unreasonably withheld, conditioned, or delayed. Furthermore, notwithstanding the foregoing, following completion of construction of the Improvements, Lessor acknowledges that Lessor's consent shall not be required for an internal reorganization of the corporate structure of the sole member of the general partner of Lessee.

Upon the granting of any consent (deemed or otherwise) by Lessor with respect to a transfer by Lessee, this Lease shall be binding upon the assignee, Leasehold Mortgagees and other transferees.

Section 15.2 Assignment. Conveyance of all or any part of an interest in a unit in the Condominium by Lessee shall constitute an assignment to the transferee of all or the appropriate part of Lessee's interest in the Land, equal to Lessee's allocation of undivided interest in the common elements of the Condominium, even if no instrument of assignment is executed. Acceptance of a deed to a unit by a unit purchaser shall be deemed to constitute acceptance of such assignment and no separate instrument shall be required. Upon such conveyance, this Lease shall be construed as a separate lease between Lessor and such new Unit Owner, subject to modification and termination without affecting the remainder of the Land. Upon conveyance of an interest in a unit by Lessee and the assignment by Lessee of its entire interest under this Lease with respect to a unit, Lessee shall be released from further liability under this Lease with respect to such unit.

ARTICLE 16 **INDEMNIFICATIONS**

Section 16.1 General Indemnifications

16.1.1 By Lessor. Subject to the Washington Tort Claims Act and the Washington Constitution, Lessor agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Lessee) the Lessee, its partners, its officers, commissioners, directors, affiliates, agents and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys fees and expenses), arising directly or indirectly out of the performance of, or arising from or relating to Lessor's obligations under this Lease or otherwise caused by Lessor, its affiliates, directors, agents or employees.

These indemnities shall survive the termination of the Lease.

16.1.2 By Lessee. Notwithstanding any other provision of this Lease, the Lessee hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Lessor) the Lessor, its officers, agents and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys fees and expenses), arising directly or indirectly out of the performance of, or arising from or relating to Lessee's obligations under, this Lease or the construction or operation of the Improvements, including, without limitation, any and all claims by, for, or against tenants of Lessee or the invitees of such tenants; provided, that the foregoing indemnification obligations by Lessee shall not extend or apply to the negligent acts and omissions or willful misconduct of Lessor. In addition, if any contractor or subcontractor which performed any

construction work for the Lessee or the Lessee's affiliates on the Improvements shall assert any claim against the Lessor on account of any damage alleged to have been caused by the Lessee or the Lessee's affiliates, their members, partners, officers, commissioners, directors, affiliates (other than Lessor), agents or employees, or their construction contractors, the Lessee shall defend at its own expense any suit based upon such claim; and if any judgment or claim against the Lessor shall be allowed, the Lessee shall pay or cause to be paid or satisfied such judgment or claim and pay all costs and expenses in connection therewith.

These indemnities shall survive the termination or expiration of the Lease.

Section 16.2 Environmental Indemnification by Lessee.

16.2.1 Definitions. As used in this Lease:

16.2.1.1 The term "Environmental Laws" means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes, and any judicial or administrative interpretation thereof or requirement thereunder, relating to the regulation or protection of human health, safety, the environment and natural resources, including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001 et seq.), and any similar or comparable state or local laws, including without limitation, the Model Toxics Control Act (Chapter 70A.305 RCW).

16.2.1.2 The term "Hazardous Materials" means any waste, pollutant, contaminant, chemical, petroleum product, pesticide, fertilizer, substance, or material that: (i) after release into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities; or (ii) is defined, classified, or designated as hazardous, toxic, radioactive, dangerous, or other comparable term or category under any Environmental Laws; provided, that Hazardous Materials shall not include safe and lawful use, transportation and storage of reasonable quantities and types of ordinary cleaning supplies, art supplies, household products and similar items routinely used in the normal construction, operation, maintenance, repair, and occupancy of a mixed-use building with arts-focused space and multifamily residential units and petroleum products customarily used in the operation and maintenance of motor vehicles from time to time located on the property's parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with applicable Environmental Laws.

16.2.1.3 The term "Environmental Claim" means any claim, action, cause of action, investigation or notice (written or oral) by any person or entity alleging potential liability (including, without limitation, potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (i) the manufacture, treatment, processing, distribution, use, transport, handling, deposit, storage, disposal, leaking or other presence, or release into the environment of any "Hazardous Materials" (as defined above) in, at, on, under, from or about any location, whether or not owned or operated by Lessor or Lessee, or (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law.

16.2.2 EXCEPT WITH RESPECT TO THE LESSOR'S EXPRESS REPRESENTATIONS AND WARRANTIES HEREUNDER, LESSEE HEREBY EXPRESSLY ASSUMES ALL RISKS, LIABILITIES, CLAIMS, DAMAGES, AND COSTS (AND AGREES THAT LESSOR SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATED TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR OR OPERATION OF THE PROJECT ON THE LAND. LESSEE ACKNOWLEDGES THAT ANY CONDITION OF THE LAND WHICH LESSEE DISCOVERS PRIOR TO OR AFTER THE CLOSING DATE HAS BEEN ACCEPTED BY LESSEE AND, EXCEPT AS TO ANY LIABILITY ARISING FROM LESSOR'S EXPRESS REPRESENTATIONS AND WARRANTIES HEREUNDER, LESSEE EXPRESSLY WAIVES, RELEASES, AND AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS LESSOR AND LESSOR'S OFFICERS, AGENTS, AND EMPLOYEES FROM ANY CLAIMS UNDER FEDERAL LAW, STATE LAW, OR OTHER LAW, WHETHER KNOWN OR UNKNOWN, PAST, PRESENT OR FUTURE, THAT LESSEE MIGHT OTHERWISE HAVE AGAINST LESSOR OR LESSOR'S OFFICERS, AGENTS, OR EMPLOYEES RELATING TO THE PHYSICAL CHARACTERISTICS OR CONDITION OF THE LAND INCLUDING THE ENVIRONMENTAL CONDITION OF THE LAND AND ANY OBLIGATION OF THE LESSOR TO CONTRIBUTE TO REMEDIATION OF ANY SUCH ENVIRONMENTAL CONDITION. LESSEE ACKNOWLEDGES THAT THE TERMS AND CONDITIONS OF THIS LEASE REFLECT THE "AS-IS" NATURE OF THIS LAND TRANSACTION AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE LAND. LESSEE HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS LEASE WITH ITS COUNSEL AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF

ARTICLE 17

MANAGEMENT AND OPERATION

Section 17.1 Generally. Lessee shall at all times manage and operate the Land, Improvements, and Project for the purposes set forth in Section 1.3, including but not limited to, managing the multifamily dwelling units to be affordable to households with incomes that meet the limits described on Attachment B to this Lease, and constructing the cold shell of the Creative Facility Space and subsequently conveying or leasing such space as provided in Section 17.3 below.

Section 17.2 Affordable Housing Covenant. As a condition of entering into this Lease, Lessee and Lessor have recorded or are recording concurrently herewith an Affordable Housing Covenant ("Affordable Housing Covenant") or Regulatory Agreement requiring Lessee to develop, operate, and maintain the multifamily rental units in the Project at rent levels affordable to households with income levels set forth in the Covenant or Regulatory Agreement. Lessee and Lessor do not intend that any merger of estates will occur as the result of the recording of the Covenant or Regulatory Agreement, regardless of the retained ownership of the Land by Lessor or the leasehold or unit owner interests of Lessee. Lessee shall comply with the recorded Affordable Housing Covenant or Regulatory Agreement, and any breach thereof shall constitute a material breach and grounds for termination of this Lease as provided in Article 11.

Section 17.3 Operation of Creative Facility Space. Lessee shall be responsible for completing the Creative Facility Space/Unit in Cold Shell Condition only and thereafter either assigning a portion of this Lease and conveying that portion of the Improvements comprising the Creative Facility space to

a Creative Facility Unit Owner as provided in Section 2.4, or leasing the portion of the Improvements comprising the Creative Facility space to BRIDGE or an affiliate pursuant to a master lease and/or subleasing the Creative Facility space to a third party operator. Such creative facility space shall be used for arts-focused uses that serve residents and the surrounding neighborhood, which arts-focused uses may include, without limitation, private or shared studios, community arts events or classes, and gallery space to showcase the work of residents and local artists or any other arts-focused uses as determined to be desirable and appropriate by Lessee. For the avoidance of doubt, any use(s) of the Creative Facility Space, including by any Creative Facility Unit Owner or sublessee of the Creative Facility Space, must be approved by the Lessee and Lessor. In addition, a portion of the Creative Facility Space/Unit may be used for micro-retail and pop-up retail, including spaces for local artists, visiting artists, and residents to display and sell their artwork. The BelRed Arts District Community Alliance, along with any additional nonprofit arts-focused community-based organization(s), which shall have an "Arts, Culture, & Heritage" National Taxonomy of Exempt Entities (NTEE) code ("Arts Partner"), identified by Lessee and approved by Lessor (which approval shall not be unreasonably withheld, conditioned or delayed) shall be consulted with and shall assist with the management and operation of the Creative Facility Space/Unit, including that such Arts Partner may act as the Creative Facility Unit Owner or sublessee of such space. If the BelRed Arts District Community Alliance is unable to or chooses not to participate in the Project, or if BRIDGE deems in consultation with the City that it is in the best interest of the Project to work with alternative Arts Partner(s), BRIDGE will propose to the City alternative Arts Partner(s) that can contribute to the vitality and inclusiveness of the Project and will proceed with a mutually agreeable Arts Partner(s). The replacement Arts Partner shall be subject to approval of the City, which shall not be unreasonably withheld, conditioned or denied. Any buildout of tenant improvements, furnishing, equipping or operating of such Creative Facility Space shall be solely the responsibility of the Creative Facility Unit Owner or sublessee of such space, and Lessee shall have no responsibility for construction of the Creative Facility Space beyond Cold Shell Condition or ongoing operation of such Creative Facility Space for arts-focused uses. The parties acknowledge and agree that any buildout of tenant improvements, furnishing, equipping or operating of such Creative Facility Space shall in no event be commenced prior to the receipt of a temporary certificate of occupancy for the Improvements without the prior written consent of the Lessee, in Lessee's sole discretion. If such arts-focused uses become infeasible or impractical for any reason in Lessee's and/or the Creative Facility Unit Owner's determination, a failure to use the space exclusively for arts-focused uses shall not be a default hereunder, however, Lessee and/or the Creative Facility Unit Owner, as applicable, shall use commercially reasonable efforts to coordinate with Lessor to identify alternative community uses or organizations that may occupy and use the space in a manner that contributes to the vitality and inclusiveness of the development.

Section 17.4 Ongoing Engagement of Arts and Culture Community. Lessee and Lessor have agreed upon an initial ongoing engagement strategy attached hereto as Attachment D, which may be subject to modification from time to time, to be followed by Lessee and/or the Creative Facility Unit Owner or sublessee, as applicable, during the term of this Lease. Lessee and/or the Creative Facility Unit Owner or sublessee shall use commercially reasonable good faith efforts to follow this engagement strategy unless a modification is approved by the City Manager, not to be unreasonably withheld, conditioned or delayed; provided, that for the avoidance of doubt, a failure to conduct ongoing outreach under the approved engagement strategy shall not be a default hereunder.

ARTICLE 18
REPORTING, INSPECTIONS, AND ACCESS TO RECORDS

Section 18.1 Inspections. In addition to any inspections required in the normal course of permitting and construction, Lessee shall permit Lessor, its agents and employees, subject to the rights of tenants under their residential leases and the privacy rights of tenants, to enter the Building and the Land at reasonable hours and with advance notice for the purpose of inspecting the same in order to determine compliance with the terms, covenants and conditions of this Lease. Lessee's permission shall not constitute any indemnity nor create any liability concerning claims or causes of action by tenants related to such entering or inspection.

Section 18.2 Records. Lessee shall maintain complete and accurate records pertaining to the construction, maintenance, and operation of the Project and shall make such records available to the City for inspection upon request. Lessor shall have the right to inspect such records maintained on the Land or elsewhere upon reasonable advance notice to Lessee. The purpose of such inspection shall be solely to determine whether Lessee is in compliance with the terms of this Lease.

Section 18.3 Public Disclosure. Lessee acknowledges that Lessor is a public agency and is subject to the Washington Public Records Act, Chapter 42.56 RCW, as the same now exists or as it may hereafter be superseded or amended. Lessee further acknowledges that Lessor may be required to disclose certain records related to this Lease or the Project, in accordance with applicable law or as part of Lessor's internal review and approval process. Lessee agrees to cooperate with Lessor and provide copies of any records necessary to satisfy Lessor's public disclosure obligations at no cost to Lessor.

ARTICLE 19

MISCELLANEOUS PROVISIONS

Section 19.1 Entire Agreement, Modifications. This Lease, including all Attachments hereto, supersedes all prior discussions and agreements between the parties with respect to the leasing of the Land. Specifically, but without limitation, this Lease supersedes the Predevelopment Agreement, as provided therein. This Lease contains the sole and entire understanding between the parties with respect to the leasing of the Land pursuant to this Lease, and all promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the Parties, if any, are merged into this Lease. This Lease, including all Attachments hereto, shall not be modified or amended in any respect, except by written instrument specifically referencing such a modification or amendment which is executed by or on behalf of the Parties in the same manner as this Lease, including all Attachments hereto, is executed and to which each Leasehold Mortgagee has consented in writing. Minor amendments to this Lease, including amendments to the dates set forth in this Lease may be approved on behalf of Lessor by Lessor's City Manager. As used herein, the term "minor amendment" means an amendment that does not significantly alter or delete any of the elements of the Improvements described herein and which does not significantly delay construction of the Improvements or the provision of the affordable housing units or Creative Facility facilities which are the subject of this Lease. Such minor amendments include, but are not limited to, changes to any proposed special populations served as a requirement of funding, changes to the total number of units such that the total unit count remains at or above 140 units, a change in the overall unit mix such that the number of 2 and 3-bedroom units remain above 35% of the overall project unit mix, a change to affordability levels such that the weighted average AMI remains within 10 percentage points above the affordability levels in Attachment B, revisions to any insurance or reporting requirements, alternative uses of the Creative Facility Space pursuant to Section 17.3, and any changes to the initial community engagement strategy attached as Attachment D. Any amendment of this Lease that is not a "minor amendment" under the preceding sentence shall be considered a "major amendment." Major amendments to this Lease must be approved by Lessor's City Council to be binding upon Lessor.

Section 19.2 Governing Law and Choice of Venue. This Lease, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of Washington. Any legal action to enforce the terms of this Lease shall be brought in King County, Washington. The prevailing party in such action shall be entitled to its attorney's fees and costs.

Section 19.3 Binding Effect. This Lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, successors, administrators, executors and permitted assigns.

Section 19.4 Severability. In the event any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holdings shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof, except to the extent the rights and obligations of the parties have been materially altered by such unenforceability.

Section 19.5 Further Assurances. From and after the Commencement of this Lease, Lessor and Lessee, at the request of the other party, shall make, execute and deliver or obtain and deliver all such affidavits, deeds, certificates, resolutions and other instruments and documents, and shall do or cause to be done all such other things that either party may reasonably require in order to effectuate the provisions and the intention of this Lease.

Section 19.6 Captions. All captions, headings, paragraphs, subparagraphs, letters and other reference captions are solely for the purpose of facilitating convenient reference to this Lease, shall not supplement, limit or otherwise vary the text of this Lease in any respect, and shall be wholly disregarded when interpreting the meaning of any terms or provisions hereof. All references to particular articles, sections, subsections, paragraphs and subparagraphs by number refer to the text of such items as so numbered in this Lease.

Section 19.7 Gender. Words of any gender used in this Lease shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

Section 19.8 Attachments. Each and every Attachment referred to or otherwise mentioned in this Lease is attached to this Lease and is and shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each Attachment were set forth in full at length every time it is referred to and other-wise mentioned.

Section 19.9 References. All references to paragraphs or subparagraphs shall be deemed to refer to the appropriate paragraph or subparagraph of this Lease. Unless otherwise specified in this Lease, the terms "herein", "hereof", "hereinafter", "hereunder" and other terms of like or similar import, shall be deemed to refer to this Lease as a whole, and not to any particular paragraph or subparagraph hereof.

Section 19.10 Rights Cumulative. Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 19.11 Notices. All, notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by Federal Express, or another recognized, reputable

overnight courier service, or by hand delivery by a recognized, reputable courier, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any party, from time to time, may change its address for notices hereunder. Legal counsel for the respective parties may send to the other party any notices, requests, demands or other communications required or permitted to be given hereunder by such party.

To Lessor: City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004
Attn: Finance and Asset Management Real Property Division

With a copy to: City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004
Attn: City Attorney

To Lessee: [_____]
c/o BRIDGE Housing Corporation
350 California Street, Suite 1600
San Francisco, CA 94101
Attention: [Noah Rosen]

With a Copy to: BRIDGE Housing Corporation
15260 Ventura Blvd, Suite 800
Sherman Oaks, CA 91403
Attention: Legal Counsel

With a Copy to: [_____]

To Tax Credit
Investor: [_____]

With a Copy to: [_____]

For so long as the Tax Credit Investor is a limited partner of Lessee, a copy of all notices to the Lessee shall also be delivered to the Tax Credit Investor at the address set forth in Section 7.13.

Section 19.12 Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

Section 19.13 Time of Essence. Time is and shall be of the essence in this Lease.

Section 19.14 Memorandum of Lease. This Lease shall not be recorded but Lessor and Lessee agree to record a Memorandum of Lease at Lessee's expense.

Section 19.15 No Third-Party Beneficiaries. Except to the extent expressly provided in this Lease, this Lease is not intended to confer upon any person other than the parties to this Lease any rights or remedies under this Lease.

Section 19.16. Unit Owners to Attempt to Resolve Disputes. In the event Lessor declares an alleged breach by a Unit Owner of such Unit Owner's obligations under the Lease (a "Unit Owner Lease Default"), then, if requested by Lessor as provided in the Condominium Documents, the Condominium Association will participate in joint communications among Lessor, the allegedly defaulting Unit Owner, and the Condominium Association to attempt to arrive at a mutually acceptable resolution to the alleged Unit Owner Lease Default. The Unit Owners, as the members of the Condominium Association, hereby acknowledge and agree to act in accordance with the foregoing provision. Failure of the Condominium Association or the allegedly defaulting Unit Owner to participate in such joint communications as set forth herein or the failure to reach a resolution of such alleged Unit Owner Lease Default shall not, in and of itself, constitute a default under the Lease.

In the event Lessor declares an alleged breach under the Lease which is not attributable to a particular Unit Owner or which is attributable to the Condominium Association (a "Condominium Lease Default"), then, if requested by the Condominium Association as provided in the Condominium Documents, each of the Unit Owners will participate in joint communications among Lessor, the Condominium Association, and Unit Owners to attempt to arrive at a mutually acceptable resolution to the alleged Condominium Lease Default. The Unit Owners, as the members of the Condominium Association, hereby acknowledge and agree to act in accordance with the foregoing provision. Failure of the Condominium Association or the Unit Owners to participate in such joint communications as set forth herein or the failure to reach a resolution of such alleged Condominium Lease Default shall not, in and of itself, constitute a default under the Lease.

Section 19.17 Nondiscrimination.

19.17.1 Fair Housing. Lessee agrees to and shall comply with all Federal, State and local laws and ordinances, including without limitation fair housing laws prohibiting discrimination with regard to age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, unless based upon a bona fide occupational qualification.

19.17.2 Equal Employment Opportunity. Lessee shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Bellevue, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

Section 19.18 Audits and Reports. In addition to the reports required by Section 18, Lessee will furnish the following reports to Lessor:

19.18.1 For the Housing Unit, annually:

19.18.1.1 Audited financials for Lessee (including operating statement including calculation of net cash flow, financial statement or audit and an account of expenditures and remaining fund balances).

19.18.1.2 Current certificates of insurance.

19.18.1.3 A Narrative statement describing any activities undertaken under the lease (e.g. material capital repairs, material capital replacements, substantial improvements undertaken, insurance claims, litigation, fair housing and neighborhood complaints and their outcomes, and to the extent there are any changes to policies and procedures such as marketing materials showing approach to affirmative marketing, changes to management plan and Lessee service charges). As used in this subsection, a “material capital repair,” “material capital replacement,” or “substantial improvement” is a repair, replacement, or improvement for which the cost equals or exceeds \$50,000.00.

19.18.1.4 These reports shall be furnished to the Lessor by June 30 annually.

19.18.1.5 Such reports may be in the form of periodic reports prepared for funding or regulatory agencies regarding the operation and financial condition of the Housing Unit if the information specified in 19.18.1.1 through 19.18.1.3 is contained in one or more of these reports. These periodic reports include those prepared for the Washington State Housing Finance Commission (“WSHFC”).

19.18.2 Quarterly, until construction of the initial planned improvements are complete:

19.18.2.1 Regular monitoring reports, in a form and with content specified by Lessor, demonstrating compliance with the terms of the Lease.

19.18.3 Lessee and its Sublessees shall prepare and maintain in good order, accurate and up-to-date records demonstrating compliance with the terms of this Lease and documenting the operation of the building, shall retain records for the duration of the lease term plus six years, or if subject to audit findings, six years after such finding have been resolved, whichever is longer and shall make all such records available for inspection and copying promptly upon Lessor’s request.

IN WITNESS WHEREOF, this Lease is made and entered into in multiple original counterparts on the day and year first above written.

LESSOR:

Date: _____

CITY OF BELLEVUE, a Washington municipal corporation

Director of Finance and Asset Management, _____

LESSEE

Date: _____

[_____]

By: _____

Title: _____

[To be updated prior to execution]

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that they were authorized to execute this instrument and acknowledged it as the _____ of _____, to be the free and voluntary act of such corporation for the uses and purposes mentioned in this instrument.

SUBSCRIBED AND SWORN to before me this ___ day of _____, 20__.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of
Washington, residing at _____

My Appointment Expires: _____

ATTACHMENT A TO GROUND LEASE

LEGAL DESCRIPTION OF LAND

ATTACHMENT B TO GROUND LEASE

UNIT MIX AND LEVELS OF AFFORDABILITY

ATTACHMENT C TO GROUND LEASE

FORM OF ESTOPPEL CERTIFICATE

ATTACHMENT D TO GROUND LEASE

ENGAGEMENT STRATEGY

ATTACHMENT E TO GROUND LEASE
COLD SHELL DESCRIPTION

Exhibit D

After recording return to:
City of Bellevue
Office of Housing
450 110th Avenue NE
PO Box 90012
Bellevue, WA. 98009
Attn: Housing Planner

AFFORDABLE HOUSING COVENANT

GRANTOR: [_____], a Washington limited liability partnership

CITY OF BELLEVUE, a Washington municipal corporation
GRANTEE:

Legal Description:

Abbreviated form: Lot 1 of City of Bellevue Short Plat rec. # 7904040534
Additional legal on page Exhibit A of document

Assessor's Property Tax Parcel Account Number(s): 2825059058

AFFORDABLE HOUSING COVENANT

THIS AFFORDABLE HOUSING COVENANT (this “Covenant”) is entered into as of [_____] 20 [___] by and between CITY OF BELLEVUE, a Washington municipal corporation (“City” or “Grantee”) and [_____] , a Washington limited liability partnership (“Grantor”), collectively referred to herein as the “Parties”, with reference to the following facts:

RECITALS

A. The City owns certain real property located in the city of Bellevue, County of King, State of Washington, which consists of approximately 50,131 gross square feet or 1.15 acres, the legal description of which is attached hereto as EXHIBIT A (the “Property”).

B. On February 14, 2025, the City of Bellevue issued a Request for Proposals from qualified housing developers to design, finance, construct, and operate a mixed-use, affordable housing development on a roughly 1.15 acre parcel of city-owned land located in the BelRed Arts District. On June 2, 2025, the City received 7 proposals and ultimately selected Bridge Housing Corporation, a California nonprofit corporation (“BRIDGE”) for their proposal’s strong alignment with Bellevue’s affordable housing goals. BRIDGE is an affiliate of Grantor.

C. Grantor has proposed to construct and rent a mixed-use development containing [___] affordable residential rental units (collectively, the “Project”) on the Property, subject to approvals by State and local agencies, as required. [The Project shall also contain one (1) unrestricted manager’s unit.]

D. Grantor’s proposed [___] rental units will be made available to Income Eligible Occupants (as defined below). Such affordable rental units shall be of such bedroom size and quality as provided herein and in the Ground Lease (defined below).

E. The City finds that the Project will benefit the City by providing decent, safe, and sanitary rental housing for Income Eligible Occupants. To that end, the City has committed to make a Ground Lease (“Lease”) of the Property to Grantor to further advance Grantor’s development of the Project, and Grantor and the City have entered into said Lease.

F. In partial consideration of the Lease, Grantor is willing to commit to provide low-income housing on the Property as described below. It is the purpose of this Covenant to set forth the conditions under which the City has agreed to enter into the Lease and to impose enforceable restrictions on the use and occupancy of the rental portion of the Project.

G. This Covenant is entered into pursuant to Section 7.B of a Predevelopment Agreement entered into by the City and BRIDGE dated as of [_____] , 2026.

NOW, THEREFORE, for and in consideration of the mutual promises aforesaid and made and relied upon by the parties hereto, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and the City agree as follows:

1. Property to be Used for Affordable Housing. The Property shall be used for the development, construction, use and operation of an affordable housing project (the “Affordable Housing Development”) that meets the following minimum criteria:
 - a. No fewer than [_____] units shall be set-aside for residents satisfying the criteria in subparagraphs b-d below (the “Required Affordable Units”).
 - b. At least 50% of the Required Affordable Units shall be 2-bedroom and 3-bedroom units.
 - c. The Required Affordable Units shall be exclusively for lease to residents whose Household Annual Income (based on family size) at the time of initial occupancy does not exceed 30%, 50%, or 60% of Area Median Income (“Income Eligible Occupants”) as set forth in Exhibit F to the Predevelopment Agreement.

For purposes of this Covenant, the definition and calculation of “Income Eligible Occupants,” “Household Annual Income” and “Area Median Income” shall be determined by using the King County median income, adjusted for family income, which is estimated annually by the Department of Housing and Urban Development (HUD). If, at any point in the future, HUD no longer estimates the King County median income, the Parties shall agree on a comparable figure reported by a local, state, or federal agency to be used instead.

- d. The Required Affordable Units shall be rent restricted such that the monthly housing expense, including utilities or an applicable Utility Allowance (as calculated by King County Housing Authority or the Washington State Housing Finance Commission), and other expenses required by the owner as a condition of tenancy is no greater than thirty percent (30%) of the monthly income for households earning up to the applicable King County Median Income, adjusted for household size.
2. Ground Floor Retail and Condominium Permitted. Ground floor space shall be used for non-residential purposes, including retail and commercial uses. In addition, the City acknowledges that Grantor intends, upon sufficient completion of the Project, to subject the Property to a leasehold condominium regime (the “Condominium”), pursuant to which the Property will be divided into two separate leasehold condominium units: (i) a unit with [_____] units of affordable housing, [one unrestricted manager’s unit], and related amenities (the “Housing Unit,” which term includes all easements and rights appurtenant to that condominium unit); and (ii) a unit that will consist of ground floor non-residential space in cold shell condition to be used as creative facility space to be owned and operated by [BelRed Arts District Community Alliance or another arts partner as approved by both Grantor and the City (“Arts Partner”)] (the “Arts Facility Unit” which term includes all

easements and rights appurtenant to that condominium unit, and together with the Housing Unit, the “Units”). The parties agree that the declaration of the Condominium and the conveyance of the Arts Facility Unit to the Arts Partner previously approved by the City and Grantor shall not require City consent under this Covenant. The parties further agree that upon the filing of a declaration and map establishing the Condominium, the City shall promptly release the Arts Facility Unit from this Covenant (“Partial Release”). Following the Partial Release, any references to the “Property” or the “Project” in this Covenant shall refer solely to the Housing Unit. Any Partial Release described in this paragraph shall not impair or affect the priority and rights of the City under this Covenant as to the Housing Unit.

3. Operation of the Affordable Housing Development. The operator of the Affordable Housing Development shall operate and maintain such development in good condition and repair and in compliance with all requirements of law.
4. Term. This Covenant shall take effect upon recording in the real property records of King County, Washington and shall remain in effect until the date which is 99 years after the date a Certificate of Occupancy (which may be a temporary certificate of occupancy) is issued by the City for the Affordable Housing Development.
5. Covenant to Run with the Land. Except as otherwise provided in that certain **Priority and Subordination Agreement** recorded on or about the date hereof (the “Subordination Agreement”), this Covenant shall (i) not be subordinate to any deed of trust, mortgage, covenants or regulatory agreements without the prior written consent of the City and (ii) survive the foreclosure of any financing on the Property. This Covenant shall be binding on Grantor and any subsequent purchaser, mortgagee, lender, lessee, or any other person having any right, title or interest in the Property, so long as this Covenant shall remain in effect. Grantor and the City do not intend that any merger of estates will occur as the result of recording this Covenant, regardless of the retained ownership of the Property by the City or the leasehold interest of Grantor. At the sole option of the City, the City may release this Covenant if it determines that a substantially equivalent affordable housing covenant running with the land is recorded on the real property records by the City or another entity in a form acceptable to the City. Such release may be executed by the City Manager, or his or her designee, without need for approval of the City Council.
6. Monitoring, Enforcement of Terms.

After a Certificate of Occupancy is issued by the City for the Affordable Housing Development, Grantor will make annual certifications to the City that it is in compliance with this Covenant. Such certifications shall be submitted by June 30 of each year in a form specified by the City, with such accompanying documentation as the City may request.

The benefits of this Covenant shall inure to and may be enforced by the City. This Covenant is not intended, and shall not be construed, to create a duty or obligation of the City to enforce any term or provision of the Covenant at the request of or for the benefit of any person, and no former, present, or prospective resident or any other person, firm, governmental entity, organization, or entity shall have a cause of action hereunder.

The City may, but shall not be obligated to, delegate all or any portion of its responsibility for monitoring and enforcing the provisions of this Covenant to A Regional Coalition for Housing (“ARCH”), a coalition formed by King County and several East Side cities. If the City delegates its responsibility to ARCH, Grantor shall provide the annual certifications to ARCH and otherwise cooperate with ARCH in providing information to enable ARCH to perform its monitoring and enforcement functions.

7. Defaults; Remedies. Failure to perform any provision of this Covenant shall constitute a default by Grantor (or, if applicable, its successors and assigns), if the failure to perform is not cured within 30 days after written notice of such default has been given by the City. If the default cannot reasonably be cured within 30 days after notice, then Grantor (or, if applicable, its successors and assigns) shall not be in default if it commences to cure the default within such 30 day period and thereafter diligently prosecutes such cure to completion. Subject to the applicable terms of the Subordination Agreement, the City shall be entitled to all remedies in law or equity, including without limitation the right to compel specific performance or restrain by injunction the actual or threatened commission or attempt of a breach of this Covenant and to obtain a judgment or order specifically prohibiting a violation or breach of this Covenant. Grantor shall be responsible for the payment of attorneys fees incurred by the City for the enforcement of this Covenant.
8. Delay. No delay in enforcing the provisions of this Covenant as to any breach or violation shall impair, delay or waive the right of the City to enforce the same or obtain relief against or recover the continuation or repetition of such breach or violation or any other breach or violation thereof at any later time or times.
9. Severability. If any provision of this Covenant shall be found to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
10. Amendments. This Covenant shall be amended only by a written instrument executed by the Parties hereto or their respective successors in title, and duly recorded in the real property records of King County, Washington.
11. Governing Law; Jurisdiction. This Covenant shall be governed by the laws of the State of Washington, and jurisdiction of any action concerning this Covenant shall lie exclusively in King County Superior Court.
12. No Conflict with Other Documents. The Parties agree they have not executed and will not execute any other agreements with provisions contradictory to or in opposition to the provisions contained in this Covenant and that in any event the requirements of this Covenant are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict herewith.
13. Fair Construction. The provisions of this Covenant shall be construed as a whole according to their common meaning not strictly for or against any Party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this

Covenant. Each Party hereto has reviewed and revised this Covenant with the assistance of its legal counsel.

14. Successors and Assigns. This Covenant shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.
15. Counterparts. This Covenant may be executed in counterparts and each such counterpart shall for all purposes be deemed to be an original and together shall constitute one and the same instrument.
16. Nonwaiver. A waiver by the City of a breach by Grantor of any condition or obligation of this Covenant shall not impair the right of the City to seek cure or redress for any subsequent breach. Leniency, delay, or failure of the City to insist upon strict performance of any condition or obligation of this Covenant, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such condition, obligation, or right.
17. Attorney's Fees. If either party commences litigation against the other party for breach of this Covenant, the prevailing party in any such litigation shall be entitled to recover its reasonable attorney's fees and costs from the non-prevailing party.

IN WITNESS WHEREOF, the Parties have caused this Covenant to be signed by their respective duly authorized representatives, as of the day and year first written above.

CITY OF BELLEVUE:

By: _____

Name: _____

Its: Director of Finance & Asset Management

Approved as to form:

_____, Assistant City Attorney

[_____] , a Washington limited liability partnership:

By: _____

Name: _____

Its: _____

EXHIBIT A

Legal Description of the Property

Legal Description:

LOT 1, SHORT PLAT NO. 79-13, RECORDED UNDER RECORDING NUMBER 7904040534, BEING A PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONDEMNED UNDER DECREE OF APPROPRIATION FILED JUNE 30, 2017 UNDER KING COUNTY SUPERIOR COURT CASE NO. 16-2-14164-1, RECORDED UNDER RECORDING NO. 20170802000153.

Property Address:

1500 130th Avenue NE
Bellevue, WA 98005

Tax Account Number:

2825059058

EARLY ACCESS AGREEMENT

THIS EARLY ACCESS AGREEMENT (this “**Agreement**”) is dated as of the [] day of [], 20[] (the “**Effective Date**”), by and between BRIDGE Housing Corporation, a California nonprofit corporation (“**Interested Party**”) and City of Bellevue, a Washington municipal corporation (“**Owner**”).

RECITALS:

A. Owner owns certain real property located at the Kelly Transit-Oriented Development (“**TOD**”) site located at 1500 130th Ave NE in the City of Bellevue, Washington (“**Property**”) as legally described on Exhibit A attached hereto and incorporated herein;

B. Interested Party or its affiliate is interested in potentially entering into a ground lease (the “**Ground Lease**”) with respect to the Property and as such, Interested Party desires to access the Property for purposes of conducting its due diligence prior to the date on which the parties execute the Ground Lease;

C. In connection with the foregoing, Interested Party and Owner have entered into that certain Predevelopment Agreement dated as of [], 2026 (“**Predevelopment Agreement**”); and

D. Owner agrees to allow Interested Party the right to access the Property but only in compliance with the terms and conditions of this Agreement.

NOW THEREFORE, the parties agree as follows:

1. Access. Subject to the obligation to provide insurance as provided below, commencing on the Effective Date through the date the Ground Lease is executed, Interested Party shall have the right to inspect the condition of the Property and perform all non-invasive due diligence activities on the Property for purposes of conducting feasibility related to entering into the Ground Lease; provided that such access or inspections shall not unreasonably interfere with ongoing operations on the Property. For purposes of conducting such inspections, Owner agrees to provide Interested Party, its representatives, agents, vendors, employees, contractors and consultants (collectively, “**Vendors**”) full and complete access to the Property at all reasonable times on business days upon at least twenty-four (24) hours’ prior notice to Owner (which may be by email, attention: Owner: [Michael Murray, mmurray@bellevuewa.gov]). Interested Party shall not have the right to conduct a Phase II environmental site assessment or any other invasive testing (environmental, structural or otherwise) at the Property or take physical samples from the Property without the express prior written consent of Owner, which consent shall not be unreasonably withheld, conditioned, or delayed. If Owner gives consent to invasive testing, additional insurance requirements for Interested Party and its Vendors may apply. Owner shall have the right to have a representative present during any inspections conducted by Interested Party or its Vendors. Interested Party shall provide Owner with copies of any survey of the Property prepared by Interested Party or its Vendors and any non-proprietary, third-party reports about the Property, such as Phase I and II environmental reports (if authorized by the Owner) for informational purposes only and without any warranty.

2. Insurance. Prior to accessing the Property, Interested Party and Vendors that is an entity shall furnish to Owner a certificate of insurance evidencing: (a) commercial general liability insurance coverage of not less than One Million and No/100ths Dollars (\$1,000,000.00) per occurrence and Two Million and No/100ths Dollars (\$2,000,000.00) in the aggregate, (b) commercial automobile insurance coverage of not less than One Million and No/100ths Dollars (\$1,000,000.00) per accident which shall cover liability arising in connection with any automobile operated or owned by Interested Party or its agents (including owned (if any), hired and non-owned automobiles), and (c) employer’s liability insurance of not less than One Million and No/100ths Dollars (\$1,000,000.00) per accident. The coverages required by subsections (a) and (b) immediately preceding shall (i) be endorsed to include Owner as additional insured; and (ii) be primary and any insurance maintained by Owner shall be excess and noncontributory and (iii) include contractual liability coverage with respect to Interested Party’s indemnity obligations set forth in this Agreement (it being understood, however, that the availability of such insurance shall not serve to limit or define the scope of Interested Party’s indemnity obligations under this Agreement in any manner whatsoever). All insurance required hereunder shall be issued by insurance companies licensed to do business in the State in which the Property is located and with an A.M. Best rating of at least “A- VII,” and shall be endorsed to waive any rights of subrogation

and recovery against Owner. Interested Party shall provide Owner with thirty (30) days advance written notice if any insurance policy provided by Interested Party is cancelled, non-renewed or reduced.

3. Standard of Conduct. Interested Party's and its Vendors' access to the Property and the performance of the survey and investigations shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations. Following each entry by Interested Party or its Vendors onto the Property, Interested Party shall restore the Property to a condition which is as near as possible to its condition as existed immediately prior to any such entry but only to the extent damaged by Interested Party or its Vendors. Interested Party agrees to indemnify, protect, hold harmless and, at Owner's option, defend Owner from and against any and all claims, liabilities, costs, suits, actions, expenses (including reasonable attorneys' fees actually incurred), liens, fees, fines, damages or injuries which may be imposed upon, incurred by or asserted against Owner arising out of or in any way related to the activities conducted on the Property by Interested Party or its Vendors; provided that Interested Party shall not be liable for and shall have no obligation to indemnify Owner for (i) any claims, liabilities, costs, suits, actions, expenses, fees, fines, damages or injuries to the extent caused by the negligence or willful misconduct of Owner, and (ii) any pre-existing environmental or other conditions, hazards or other defects discovered by Interested Party in conducting its investigations permitted hereunder, except to the extent that Interested Party exacerbates such environmental or other conditions, hazards or other defects as a result of its activities on the Property. Notwithstanding anything to the contrary in this Agreement, the foregoing indemnity shall survive any termination of this Agreement.


4. Miscellaneous.

4.1 Interpretation of Agreement. The headings and captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. This Agreement shall be construed reasonably to carry out its intent, without presumption against or in favor of either party. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

4.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

4.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

4.4 Transmission of Agreement by PDF. The transmission of a signed counterpart of this Agreement by portable document format ("PDF") shall have the same force and effect as delivery of an original signed counterpart of this Agreement, and shall constitute valid and effective delivery for all purposes. The parties consent to execute this Agreement via DocuSign or other electronic means.

4.5 Termination. This Agreement shall remain in effect until the parties mutually execute the Ground Lease or mutually terminate negotiations of the transaction contemplated by the Ground Lease. Notwithstanding anything contained in this Agreement to the contrary, if at any time the Predevelopment Agreement has been terminated and is no longer in effect, this Agreement and Interested Party's rights hereunder shall automatically terminate and no separate notice or termination hereunder shall be required to evidence such termination. 

IN WITNESS WHEREOF, the parties have executed this Agreement.

OWNER:

City of Bellevue

By: _____
Name: _____
Title: _____

INTERESTED PARTY:

BRIDGE Housing Corporation, a California nonprofit corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description

Legal Description:

LOT 1, SHORT PLAT NO. 79-13, RECORDED UNDER RECORDING NUMBER 7904040534, BEING A PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONDEMNED UNDER DECREE OF APPROPRIATION FILED JUNE 30, 2017 UNDER KING COUNTY SUPERIOR COURT CASE NO. 16-2-14164-1, RECORDED UNDER RECORDING NO. 20170802000153.

Property Address:

1500 130th Avenue NE
Bellevue, WA 98005

Tax Account Number:

2825059058

EXHIBIT F

Target Unit Mix and Affordability Levels

Area Median Income Level	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Total
30%	1	11	7	5	24
50%	1	13	8	6	128
60%	4	55	36	24	119
Unrestricted			1		1
Total	6	79	52	35	172

Average Area Median Income: 53%

Calculated by multiplying each unit's AMI designation by the number of units at that designation, summing these amounts, and dividing by the total number of residential units, excluding unrestricted common area units/manager units.

Percentage of 2 and 3-bedroom units: 50%

Calculated by summing the number of two and three bedroom units and dividing by the total number of residential units, excluding unrestricted common area units/manager units.

EXHIBIT G.
COLD SHELL DESCRIPTION

Owner's Work. Owner shall construct, furnish or install the following work ("*Owner's Work*") within the Premises, as required below, in accordance with the Building standard design and specifications, subject to any limitations imposed by applicable regulations adopted by any governmental agency:

1.1 General Work. The Owner shall construct a shell structure in accordance with codes and ordinances of the City of Bellevue and in accordance with design and architectural review requirements affecting the Building.

1.2 Exterior Work. Owner shall provide:

- 1.2.1** Exterior walls shall be constructed of materials selected by Owner, generally consisting of 6" steel studs, insulation per code minimum, and fire taped GWB, where required by Code.
- 1.2.2** Owner shall provide aluminum storefront assembly, and three (3) aluminum and glass egress doors. Door hardware shall consist of lockset, flush-bolts, hinges, threshold, closure and weather-strip. Owner to provide entry vestibule if required by code.
- 1.2.3** Owner shall Supply louvered sections at storefront for Tenant intake and exhaust purposes. Location and extent to be defined at Lease execution.

1.3 Interior Work. Owner shall provide:

1.3.1 Walls.

Storefronts - as described in Section 1.2.2 above;

- a. Demising partitions – 6" 20-gauge metal studs, insulated with R-21 batts, framed at 24" oc. throughout, ready with 5/8" gypsum wallboard per code.
- b. Exterior walls – framed with 6" metal studs insulated per Washington State Energy Code. Walls will require Tenant to finish with 5/8" gypsum wallboard and PVA primer (furnished & installed by tenant).
- c. Interior walls – To be provided by tenant at tenant's expense.

1.3.2 Doors. Owner shall provide:

- a. Storefront doors - as described in Section 1.2.2 above;
- b. Interior Doors – To be provided by tenant at tenant's expense.

1.3.3 Floor. Floors shall be elevated slab concrete, below slab insulation to be provided per code minimum

1.3.4 Ceiling. Underside of concrete slab, with all utilities exposed.

1.4 Utilities. Owner shall provide:

1.4.2 Electrical. Owner to provide a 400-amp, 480 volt, 3-phase metered switchgear section for retail space and an empty 3" conduit from switch gear to tenant demising wall with pull string.

Tenant shall be responsible for the following improvements:

- a. Disconnect Switch
- b. Step-Down Transformer(s)
- c. Circuit Panel board
- d. Wire from Switchgear to tenant space disconnect switch.
- e. Wall outlets – To be provided by tenant at tenant’s expense.
- f. Lighting fixtures – To be provided by tenant at tenant’s expense. Temp. Egress Lighting per code provided
- g. Equipment power – To be provided by tenant at tenant’s expense.
- h. Exit lights – To be provided by tenant at tenant’s expense, except as required for shell condition by AHJ.

1.4.3 Heating, Ventilation and Air Conditioning (“HVAC”).

- a. Electric Split-system Heat Pump – To be provided by tenant at tenant’s expense; Owner will provide a path for refrigerant runs from Retail Tenant premises to parking garage or outdoor location, at Owner’s determination.
- b. Ductwork – To be provided by tenant at tenant’s expense.
- c. Controls – To be provided by tenant at tenant’s expense.
- d. Tempering temporary heat to be provided by L.L.

1.4.4 Plumbing.

- a. Supply – One 2” capped cold-water line with isolation valve and electronic sub-meter in Tenant’s space, for future use. Any additional fixtures required by Tenant will be paid by Tenant, including all meter and/or connection fees or charges.
- b. HVAC condensate lines – The installation of HVAC condensate lines and related work shall be included as part of Tenant’s Work.
- c. Sewer – 4” waste line on underside of floor slab is provided; line to be tapped at Tenant’s expense. As-built drawings of the waste line location to be provided.
- d. A point of connection to 3” sanitary vent system to be provided to the tenant space.

1.4.5 Telephone/Cable/Security.

- a. Telecom – Owner will provide one (1) 2" conduit with three (3) pull-strings from MPOP room to a point adjacent to power load center. Tenant will contract directly for telecom installation and service.

1.4.6 Exterior Sign.

- a. There is Owner furnished lighting at the common entrance and along the street frontage of the property; additional signage lighting to be provided by Tenant at Tenant’s expense. All signage to be provided at Tenant’s expense.
- b. Landlord to provide 1” conduit penetration and ‘J’ box through exterior envelope adjacent to space entrance for tenant use for exterior signage.

1.4.7 Fire Protection.

- a. A fire sprinkler system as required by applicable law and municipal building and fire department requirements. Any deviations or modifications required to accommodate Tenant partitioning or fixturing, including but not limited to additional heads or main relocation, shall be paid by Tenant.
- b. A fire alarm system as required by applicable law and municipal building and fire department requirements. Any deviations or modifications required to accommodate Tenant partitioning or fixturing, including but not limited to additional alarms or annunciators, shall be paid by Tenant.