

**CITY OF REDMOND
RESOLUTION NO. 1451**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF REDMOND, WASHINGTON, APPROVING A
DEVELOPMENT AGREEMENT FOR PROPERTY OWNED BY
LIMITED EDITION LOCATED WEST OF 152ND AVENUE
NE AND EAST OF 151ST AVENUE NE IN THE CITY
OF REDMOND

WHEREAS, Limited Edition owns an approximately 9.13-acre site west of 152nd Avenue NE and east of 151st Avenue NE in Redmond ("Limited Edition Site"); and

WHEREAS, Limited Edition has requested that the City and Limited Edition enter into a development agreement for the property, in order to set forth the development standards and other provisions that will govern and vest the development and use of a Master Planned Development, including approximately 173,000 square feet of commercial land uses (including office and a hotel/conference center), 66,000 square feet of full service hotel space, at least 16,000 square feet of live-work units, 28,000 square feet of retail, at least 456 units of multi-family, mixed-use residential, a 21,000 square foot plaza, and a 12,500 square foot ornamental garden and on the Limited Edition site; and

WHEREAS, pursuant to RZC 21.76.070(P), the Redmond City Council reviewed and approved the Limited Edition (Zone 1) Master Planned Development application; and

WHEREAS, pursuant to RCW 36.70B.200, the Redmond City Council held a public hearing on the proposed agreement on April 5, 2016, and after considering all testimony presented at the public hearing, determined that a development agreement for the Limited Edition Property should be approved.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Development Agreement Approved. That certain agreement entitled, "Limited Edition (Zone 1) Master Plan Development Agreement," attached hereto as Exhibit A and incorporated herein by this reference as if set forth in full, is hereby approved and shall govern development of the Limited Edition Property described in said agreement. The Mayor is hereby authorized to execute the Development Agreement on behalf of the City.

Section 2. Recording. As provided in RCW 36.70B.190, a signed original of the Agreement shall be recorded with the real property records of King County, Washington and shall be binding on the parties and their successors and assigns.

ADOPTED by the Redmond City Council this 5th day of April,
2016.

APPROVED:


JOHN MARCHIONE, MAYOR

ATTEST:


MICHELLE M. HART, MMC, CITY CLERK

(SEAL)

FILED WITH THE CITY CLERK: March 15, 2016
PASSED BY THE CITY COUNCIL: April 5, 2016
RESOLUTION NO: 1451

YES: ALLEN, CARSON, MARGESON, MYERS, SHUTZ, STILIN

Return Address:

Melody Westerdal
KCC Limited Edition Owners' Association
227 Bellevue Way NE, #386
Bellevue, WA 98004

DEVELOPMENT AGREEMENT

Grantor: City of Redmond

Grantee: KCC Limited Edition Owners' Association, also known as Koll Commerce Center Limited Edition Owners Association ("KCCLE"); Levibux Q LLC; Collection Center Associates LLC; Ayush Herbs, Inc.; Southbridge Properties, LLC; Campbell, I. Steven & Cherrideth M. Campbell; New Dukan, LLC; Qualstar Credit Union; Interlake Medical Building Associates, L.L.C.; Cornerstone Christian Fellowship; Loyal Endeavor LLC; IBG Enterprises, LLC; 1958 Nelson, L.L.C.; Room In Frame LLC; VEM Enterprises LLC; and GV, LLC, including their heirs, successors, transferees, and assigns.

Legal Description (abbreviated): Lots 1-19 of Replat of Koll Commerce Center, volume 112 of Plats, pages 51-53, per plat certificate issued by Chicago Title Insurance Company, Order No. 1340973, dated June 8, 2012 at 8:00 AM, and as amended, incorporated by reference herein, also known as: Assessor's Tax Parcel Numbers: 3927200010; 3927200020; 3927200030; 3927200040; 3927200050; 3927200060; 3927200070; 3927200080; 3927200090; 3927200100; 3927200110; 3927200120; 3927200130; 3927200140; 3927200150; 3927200160; 3927200170; 3927200180; 3927200190 (collectively "Subject Property").

DEVELOPMENT AGREEMENT

BETWEEN THE CITY OF REDMOND AND KCC LIMITED EDITION OWNERS'
ASSOCIATION & MEMBER OWNERS

This Agreement is entered into this ___ day of April 2016 between KCC Limited Edition Owners' Association, also known as Koll Commerce Center Limited Edition Association, and its individual member owners (collectively "KCCLE"), and the City of Redmond ("City"), an optional municipal code city of the State of Washington. KCCLE and the City are collectively referred to herein as the "Parties."

Background and Preamble

WHEREAS, RCW 36.70B.170 establishes criteria and procedures for entry into development agreements between KCCLE and the City;

WHEREAS, KCCLE owns certain real property together with individual and contiguous parcel owners that together is fully developed as an existing commercial office campus located within the

Overlake Neighborhood Subarea Planning District commonly referred to as "OV(1)" in the City, legally described as: Lots 1-19 of Replat of Koll Commerce Center, volume 112 of Plats, pages 51-53, per plat certificate issued by Chicago Title Insurance Company, Order No. 1340973, dated June 8, 2012 at 8:00 AM, and as amended, incorporated by reference herein, also known as: 3927200010; 3927200020; 3927200030; 3927200040; 3927200050; 3927200060; 3927200070; 3927200080; 3927200090; 3927200100; 3927200110; 3927200120; 3927200130; 3927200140; 3927200150; 3927200160; 3927200170; 3927200180; 3927200190 (collectively "Subject Property");

WHEREAS, the City's Comprehensive Plan, including the Overlake Neighborhood ("OV") Plan ("OV Plan") provide for future development of affected parcels that are intended to benefit from increased intensity and densities consistent with the policies established in the plans;

WHEREAS, on December 11, 2007, the City adopted Ordinances 2382, 2383, 2384, and 2385 ("Overlake Neighborhood Plan Update Phase I Amendments") which established policies and development regulations for the Overlake Neighborhood;

WHEREAS, on October 20, 2009, the City adopted Ordinances 2492 and 2493 ("Overlake Neighborhood Plan Update Phase II Amendments") which amended the City's Comprehensive Plan to recognize portions of Overlake as one of two urban centers, further updated development regulations and amended the Overlake Planned Action under the State Environmental Policy Act, RCW Chapter 43.21C and implementing regulations at WAC Chapter 197-11 ("SEPA");

WHEREAS, on February 15, 2011, the City adopted Ordinance No. 2575 ("Overlake Neighborhood Plan Update Phase III Amendments") which amended the Redmond Municipal Code to update the City's Comprehensive Plan, Transportation and Urban Centers Elements and portions of the Transportation Master Plan to implement recommendations of studies completed to advance the OV Plan; and

WHEREAS, on April 17, 2012, the City adopted Ordinance 2652 amending procedures and requirements for Master Planned Developments and Development Agreements within the OV planning area under RZC Chapter 21.12, including the Subject Property, that encourage and regulate future redevelopment within the OV(1) zoning district.

NOW, therefore, and pursuant to RCW 36.70B.170, and for valuable consideration between the Parties, the City Council finds that the following terms and conditions have been agreed to by the City and KCCLE for a period of twenty (20) years:

A. The OV Plan and associated capital improvement plans and development regulations are intended to achieve planned and

coordinated redevelopment of the Subject Property into a walkable, mixed use, transit-supportive urban environment.

B. KCCLE has prepared a Master Plan, dated January 22, 2016 entitled "KCC Limited Edition Master Plan - Overlake Village (Zone 1)" ("Master Plan") to provide for the coordinated redevelopment of the Subject Property over time. The Master Plan has been the subject of a public review process and comments at neighborhood meetings and meetings with the City's Design Review Board. The Master Plan is attached hereto as Exhibit C, and incorporated by reference herein.

C. The City Council conducted a study session on March 8, 2016 and a public hearing on April 5, 2016 to obtain further comments on the Master Plan and this Development Agreement. Mitigation for environmental impacts of the future development proposed by the Master Plan have been identified by the City as part of its Overlake SEPA Planned Action at RZC 21.70.110.E.2.c and d, and the terms and conditions of this Agreement.

D. Redevelopment of the Subject Property in accord with OV(1) zoning district entitlements and other City codes as summarized below:

- (1) Mixed-use development that supports plaza improvements, underground and wrapped parking elements, with 885 residential living units (or more) comprising approximately 884,310 square feet (or more), 16 live/work units (or more) comprising 16,700 square feet, 80 hotel rooms comprising 66,800 square feet plus an additional optional conference center, 173,000 square feet of office, and approximately 28,000 square feet of retail space, which may be used for interim non-pedestrian oriented uses to support expanded in-city residential and employment opportunities as provided under RZC 21.12.140.
- (2) A new multi-modal Neighborhood Street (Da Vinci Avenue NE/151st Avenue NE) connection between NE 20th Street and a new NE Alhazen Street/NE 22nd Street as more fully described in the Master Plan and as supported by a Transportation Impact Study dated March 17, 2014 conducted by TENW of Bellevue, WA ("Transportation Impact Study"), attached hereto as Exhibit D, and incorporated by reference herein.
- (3) A new Access Street (NE Alhazen Street/NE 22nd Street) from Da Vinci Avenue NE/151st Avenue NE to an expanded 152nd Avenue NE as more fully described in the Master Plan and the Transportation Impact Study.
- (4) Frontage improvements to 152nd Avenue NE that will provide bus pull out areas and expansive sidewalk areas for pedestrians.

- (5) Modern LEED architectural technologies will be employed along with Low Impact Development ("LID") features per RMC 13.20.047 such as porous pavement, bioretention, and roof infiltration.
 - (6) The proposal will meet or exceed the affordable housing requirements as provided in RZC Chapter 21.20.
 - (7) The proposal will provide increased tax revenues to the City from the new businesses added within the OV.
 - (8) The Parties intend that this Agreement will accommodate an urban pathway to handle planned neighborhood city development by participating in half-width street corridor improvements to the new NE Alhazen Street/NE 22nd Street and in connecting sidewalks located on the easterly half of new Da Vinci Avenue NE/151st Avenue NE street corridor improvements as provided in Section 7.1.3 of this Agreement.
 - (9) Plaza Improvements identified at pages 12-13, 20-21, and 25 of the Master Plan for purposes of RZC 21.12.170 that shall be open to the public to be constructed in Phase 1 and Phase 3 and will consist of: (a) a Phase 1 21,000 square foot public plaza south of NE Koll Drive at pages 12-13, 20, and 25 of the Master Plan that will link the corner of NE 20th Street and 152nd Avenue NE to the new NE Koll Drive with a view and access corridor north to NE Koll Drive and the ornamental garden plaza; and (b) an ornamental garden as depicted at pages 19-21, and 25 of the Master Plan to be constructed north of NE Koll Drive during Phase 3 approximately 12,500 square feet in size that will be accessed as part of an east to west pedestrian connection within NE Koll Drive and another internal north to south pedestrian connection. Both plazas will meet the design requirements described in RZC 21.62.030.I, which include landscaping, lighting, seating, color and materials, relationship to building frontage and coordination with the pedestrian system and NE Koll Drive.
- E. Public benefits conveyed to the City under RZC 21.76.070.C, L.3. and P, and that exceed other RZC requirements, that include:
- (1) An existing private access drive (NE Koll Drive) will be constructed by the developer as primary east-west access to the site with secondary access to a new Da Vinci Avenue NE/151st Avenue NE. The street name "NE Koll Drive" will be updated and approved by the City per the OV standard street naming conventions. Although a private access drive, NE Koll Drive will be open to public vehicular and pedestrian use along with an ornamental garden providing a direct east-west connecting link to a future City park west of Da Vinci Avenue NE/151st Avenue NE.

- (2) The developer has agreed to provide one hundred thousand dollars (\$100,000) as a public benefit for on-site public art within the project as provided for in this Agreement. Specifically, public art installations and pedestrian street amenities will be installed by the developer within or near the NE Koll Drive and Da Vinci Avenue NE/151st Avenue NE sidewalk areas as more fully described herein in the Master Plan that will be consistent with design themes provided in the City's future parks plan for OV. The Developer will work in partnership with the City of Redmond Arts Commission, Parks and Recreation Department and Planning and Community Development Department on type, placement and decisions on the public art considered. Approval of the type, placement and decisions on the public art by the City of Redmond Art's Commission as supported by the Parks and Recreation Department in coordination with the Developer and Planning staff is required prior to issuance of building permits for each phase. The developer/owner will be responsible for long term maintenance of the public art. The private developer's cost for such art installations and improvements for use by the public shall not exceed One Hundred Thousand Dollars (\$100,000.00).
- (3) Future mid-block north-south public pedestrian connections between NE 20th Street and NE Alhazen Street/NE 22nd Street will be added as shown in the Master Plan at pages 12, 16, and 19.
- (4) An additional 180 dwelling units over the minimum residential density required under 21.12.040.B and C.

The Parties agree that conceptual access plans depicted in the Master Plan may from time to time be different than or administratively adjusted from those submitted at later site development permit and building permit applications for each phase of development where such changes do not materially increase the density or intensity of land uses and traffic impacts approved in the Master Plan and this Agreement as determined by the Planning Director. Minor adjustments not requiring a modification of the Master Plan or this Agreement include, but are not limited to: subdivisions and boundary line adjustments implementing the Master Plan and this Agreement; changes to dedication areas for streets, utilities, and stormwater facilities; locating approved land uses in other phased development areas; relocating or changing private road or building access design, location, and connections; changes to the location and design of urban and pedestrian pathways; changes or improvements to existing/interim office and parking related uses to KCCLE buildings, parking, and yard areas prior to applications for phased development made under this Agreement; changes to the design and placement of Da Vinci Avenue NE/151st Avenue NE corridor alignment with NE 20th Street

and/or NE Alhazen Street/NE 22nd Street; changing the design and placement of utilities and stormwater facilities, including those to be located within the Da Vinci Avenue NE/SE 151st Avenue NE corridor alignment with NE 20th Street and/or NE Alhazen Street/NE 22nd Street; changes to the phasing sequence, height of buildings, placement and design of plazas, courtyards, open spaces, pathways, and public art installations to reflect Design Review Board comments or requested changes to building design; changes to the size of phased Parcels 1, 2, and 3; relocating sidewalks and underground parking areas in response to site conditions at the time of construction; and beneficial changes or entitlements caused by future zoning code changes to the Redmond Zoning Code. However, regardless of such changes, agreed to public benefit improvements, including future maintenance of improvements to be constructed by the developer described in further detail in this Agreement are to be secured through binding covenants, conditions, and restrictions consistent with this Agreement and shall be recorded against all developed ownership parcels at the time of later project permit applications for each phase of development.

1. Subject Property.

1.1 Land and FAR. The legal description for the Subject Property attached hereto as Exhibit A and incorporated by reference herein, exclusive of public right-of-way, comprises nineteen (19) platted lots and 397,498 existing square feet of total improved and unimproved gross land and building area (or approximately 9.125 acres) for purposes of calculating maximum floor area ratio under RZC 21.12.040. As provided under RZC 21.12.090 and the Master Plan at pages 33-37, the maximum allowed development on the Subject Property is expressed in terms of Floor Area Ratio or "FAR."

Allowed FAR shall thus be calculated for all purposes by using 397,498 square feet of total gross land area above. Future dedications of land shall not reduce the land or gross site area used for calculating FAR as provided under RZC 21.12.090.C, the development rights provided for in this Agreement or development rights provided for through applicable land use regulations.

1.2 Existing Development. The Subject Property is currently developed with existing office buildings, parking, landscaped areas, and three (3) existing private access driveways that presently connect to 152nd Avenue NE (51.77 feet wide), NE 20th Street (24.95 feet wide), and future NE 22nd Street (44.00 foot easement with a 24.95 foot entry lane) as depicted in Exhibit B, Concept Engineering Survey ("Survey"), incorporated by reference herein. The Subject Property is presently comprised of eighteen (18) buildings owned by approximately fifteen (15) property owners that contain approximately thirty three (33) existing businesses with over four hundred fifty

(450) employees in office, retail, and medical office buildings, including a church. Existing Gross Floor Area ("GFA") has been calculated in the Survey at 121,860 square feet. GFA is defined by RZC 21.78.A as "the area included within the surrounding exterior walls of a building or portion thereof, exclusive of vent shafts, elevator shafts, stairwells, courts, second-story atriums, and lobbies." The Subject Property has been developed with areas of impervious surface in addition to building footprints, including surface parking areas. The GFA of each of the existing structures and quantification of the areas of existing impervious surface on each KCCLE lot are described in as-built survey sheets prepared by Concept Engineering, Inc., dated August 13, 2012, and itemized in the Appendix to the Master Plan at the page 33 entitled "Existing Site Plan."

1.3 Mixed-Use Development. The Project represents the product and vision of implementing the City's OV Plan as described at pages 2-3 of the Master Plan and applicable development regulations for a broad mix of commercial, retail, and multi-family residential uses in order to achieve a vibrant, engaging environment and livable urban center. The Project is designed as a compact walkable development that is proximate to a planned regional transit station that also provides improved connections to non-motorized urban trails and parks, and planned updates to the City's transportation system. The Project is designed to be developed in phases as described at pages 26-30 of the Master Plan that take advantage of the existing nineteen (19) platted lots to maximize incentives and entitlements of the OV(1) zoning district that incorporate additional building heights and density, tree retention and open space, while achieving sustainable transit supportive densities and affordable housing. This Agreement assumes that the full build out of densities and intensities described above will be developed. As listed at pages 20 and 35 of the Master Plan, and as provided in the OV incentives at RZC 21.12.040 and RZC 21.12.170, this proposed OV(1) development includes 885 (or more) residential living units comprising 884,310 square feet (or more), 16 live/work units (or more) comprising 16,700 square feet, 80 hotel rooms comprising 66,800 square feet plus an additional optional conference center, 173,000 square feet of office, and approximately 28,000 square feet of retail space.

2.1 Right to Develop Master Planned Mixed-Use Project. Subject to the requirements set forth in this Agreement, KCCLE, its individual lot owners, and all such existing and future owners of such lots running in perpetuity and acting together following their written consent under the terms of this Agreement shall have the right to demolish the existing structures and redevelop the Subject Property as a mixed-use transit-supportive community referred to as the "Project" for the 20-year term specified in this Agreement.

The Project shall include at the developer's option at the time of phased project permit application(s), no more than 1,168,810 square feet of GFA and 1,805 parking stalls for a mixed-use development within the Overlake Village OV(1) zoning district comprising:

- (a) Approximately 884,310 square feet (or more) of 885 (or more) residential dwelling units with a maximum building height of eight (8) stories; and approximately one thousand one hundred seven (1,107) parking stalls as provided in the Master Plan at pages 20, 34-37 pursuant to RZC 21.12.040.C and Table 21.12.040.B development standards.
- (b) Approximately 66,800 square feet or eighty (80) guest units and eighty (80) parking stalls for a full service hotel, including, at the applicant's discretion, an additional conference center with banquet and meeting facilities.
- (c) Approximately 28,000 square feet of GFA for retail uses with seventy four (74) parking stalls. Interim uses may include those uses set forth at RZC 21.12.150 at Table RZC 21.12.150.B.
- (d) Not less than 173,000 square feet of commercial office space with five hundred nineteen (519) parking stalls if developed as a medical office building. If developed for medical office use, the building height reflected in the Master Plan could increase to reflect increased ceiling heights to accommodate medical equipment and support medical related heating, ventilating, air conditioning and mechanical systems.
- (e) Not less than 16,700 square feet for sixteen (16) live/work units with twenty five (25) parking stalls.
- (f) All agreed to utilities, streets, parking, and other transportation facilities, park, open space, and landscaping improvements, and other agreed to improvements needed to support and complete any future phased development provided for in the Master Plan and this Agreement.

As used in this Agreement, the term "commercial" is the equivalent of "non-residential." When used to describe development, floor space or structures, "commercial" shall mean all structures, areas and facilities not designed and used for residential occupancy or accessory to residential occupancy. "Commercial" includes hotels unless otherwise noted.

2.2 Conformance with Master Plan - Effectiveness of Agreement. This Agreement becomes effective upon the date all Parties have signed. This Agreement shall expire and be of no further effect twenty (20) years from the date that the Redmond City Council approves this Agreement by ordinance or resolution, regardless of what date the

last party signs. Any redevelopment of KCCLE Lots 1-19 of the Replat of Koll Commerce Center may not proceed until and unless all lots of record are sold to (and the transaction closed) to a single combined ownership entity who holds title to all contiguous KCCLE lots, subject to recorded covenants, conditions, and restrictions, including those recorded under King County Recording Numbers 20121109001262 through 20121109001271. The buyer of all such contiguous lots will thereafter be designated as the obligated "developer" and "owner" for purposes of this Agreement. Phases of the final Project shall substantially conform with the Master Plan, including any amendments or administrative revisions thereto, which shall not be unreasonably withheld by the City. In the event of a material conflict between the Master Plan and this Agreement, this Agreement shall control.

2.3 Bonus Features and Development Incentives. Pursuant to the Overlake Village Incentive Program, RZC 21.12.170, the Project includes bonus features that have earned incentives. The development incentives corresponding to each bonus feature are specifically identified in the chart entitled "Bonus Calculation" at page 35 of the Master Plan. These bonus features and incentives shall, upon the effectiveness of this Agreement, be taken into account in any future applications and project related decisions.

2.4 Vested Rights.

2.4.1 Development Regulations. Except as provided otherwise in this Agreement, development of the Project shall be vested to and governed by City development regulations in effect as of the date of this Agreement when approved by the City Council. Thereafter, any amendments or additions made during the term of this Agreement to City development regulations shall not apply to, or affect the conditions of, development of the Project. As used in this Agreement, "development regulations" shall be deemed to include all regulations, policies, procedures and guidelines addressing zoning and development, site design, utilities, stormwater (excluding changes in capital facility charges), transportation concurrency and other laws, ordinances, policies, and administrative regulations and guidelines of the City governing land development.

2.4.2 Exemptions. The following are exempt from vesting under this Agreement:

- (a) Plan review fees, inspection fees, connection charges and the method of calculation or amount of impact fees established by schedules, charts or tables;
- (b) Stormwater and utility connection fees and monthly service charges;

- (c) Amendments to building, plumbing, fire and other construction codes;
- (d) City enactments that are adopted pursuant to State or federal mandates that preempt the City's authority to vest regulations;
- (e) RZC 21.20.030.I.1.a, Affordable Housing, General Requirements and Incentives, which provides that affordable housing requirements are optional for the first 100 housing units approved to be developed in the Overlake Village zones; and
- (f) RZC 21.62.030, Overlake Village Zones Supplemental Design Standards, with the exception of (1) subsection RZC 21.62.030.E, and (2) RZC 21.60 (as referenced in RZC 21.62.030.B), both of which the Parties expressly intend to vest under this Agreement under Section 2.4.1 above. Additionally, in order to ensure that the various phases of the Project are not subject to inconsistent design standards, the entirety of the Project (i.e., all phases) will vest to the portion of RZC 21.62.030 initially excluded from vesting upon complete application for any permit requiring review under RZC 21.62.030 for Phase 1 of the Project.

2.5 City's Reserved Rights. Notwithstanding any other provisions of this Agreement, pursuant to RCW 36.70B.170(4) and Washington law, the City reserves authority to impose new or different officially adopted regulations of general applicability, but only if, and to the extent required by a serious threat to public health and safety, as determined by the City Council after written notice and an opportunity to be heard has been provided to all owners of the Subject Property.

2.6 Future OV(1) and Other Development Regulation Amendments. The Owner may request to be bound by future beneficial amendments to the Redmond Zoning Code, the Redmond Municipal Code or other applicable regulations, policies or guidelines affecting development, and such request may be approved administratively provided that, as a result of being subject to such amendment(s), the development of the Subject Property will meet the following criteria: (1) no new land use not allowed under current regulations is proposed; (2) no reduction in the amount of open space is proposed; and (3) no increase to the total square footage of structures to be developed is proposed. Otherwise, the request to be bound by the future amendments(s) that seek to exceed the development criteria of (1) through (3) above may only be approved by the City Council as an amendment to this Agreement. Except for the termination date of no less than twenty (20) years from the date of execution of this Agreement, any of the dates set forth in this Agreement may be revised or extended administratively by agreement between the Owner and City Staff, which shall thereafter be recorded with the King County Recorder's Office.

Project permits that may hereafter be administratively approved without adjudicative hearings to implement this Agreement include those identified and defined at RCW 36.70B.020(4), including but not limited to binding site plans, boundary line adjustments, and modifications or alterations to subdivisions.

2.7 Development Approvals.

2.7.1 Site Plan Entitlement & Building Permit Process. Detailed development plans for development sites within the Property shall be approved through the site plan entitlement process and other approval processes provided for in the RZC, as applicable. Depictions of building footprints, shapes, and number of stories in the Master Plan are illustrative only. However, site development plans must conform substantially to the Master Plan and this Agreement including applicable City-wide and special OV design guidelines and conform with standards governing structure height and bulk, environmental sustainability and other applicable development regulations identified in this Agreement. Such standards including building footprints, building height, etc., applied at the time of later site development and building permit approvals may be adjusted and are permitted flexibility considerations. Master Plan graphics and narrative text of this Agreement shall not constrain the process of designing and approving individual developments and the flexibility accorded to minor adjustments described in Paragraph E(4) of this Agreement.

2.7.2 Conditions. The City shall not impose any development condition that is in conflict with this Agreement or the Master Plan, except as provided in Section 2.5 of this Agreement.

2.8 Residential Component. The Master Plan satisfies the requirements of RZC 21.12.040.B and C for Mixed-Use Residential with incentive program consisting of the following elements:

- (a) The land area restricted to residential development shall comprise no more than 884,310 square feet of GFA. Depending upon market conditions at the time that a project permit application is filed, the percentage of land and building area may increase; and
- (b) Subject to the provisions of Section 2.4.1 above, where market conditions do not otherwise warrant construction of maximum residential dwelling units, of the eight hundred and eighty five (885) dwelling units and sixteen (16) live/work units proposed for phased development, a minimum of four hundred and fifty six (456) dwelling units must be constructed upon the residential portions of the development parcels consistent with the allocation shown in the Master Plan. The Parties agree that the difference between the number of units associated with the

required minimum residential floor area and the minimum of four hundred and fifty six (456) dwelling units constitutes a public benefit for purposes of RZC 21.76.070.L.

Specific timing or sequencing of development of the residential and non-residential components of the Project shall not be required. Such actions will be determined at the time of later project permit application(s).

Residential structures may include retail uses and other pedestrian oriented uses at ground floor levels. The Master Plan specifies the initial allocation of the minimum number of residential units that must be constructed on each residential development parcel to achieve both the minimum required four hundred and fifty six (456) dwelling units and the planned eight hundred and eighty five (885) dwelling units. The number of residential units assigned to each development parcel in order to achieve the four hundred and fifty six (456) dwelling units under RZC 21.12.040.B and C as provided in the Master Plan may not be reallocated. The number of residential units assigned to each development parcel in order to achieve the eight hundred and eighty five (885) dwelling units may be reallocated among other ownership development parcels by the then affected parcel owner(s) at the time of later project permit application as evidenced by a written, recorded agreement signed by all parcel owners, a copy of which shall be provided to the City as part of the site plan entitlement process for development of all affected parcels following approval of this Agreement by the City Council. Should any future development exceed eight hundred and eighty five (885) dwelling units as permitted under OV(1) zoning regulations at RZC Chapter 21.12, such development would be subject to additional review under SEPA, including an assessment of additional transportation impacts.

The number of constructed units in any phased development area may be less than the listed prescribed number by up to ten percent (10%) of the planned dwelling units, provided that the total overall number of dwelling units within the mixed-use quadrants depicted at page 14 of the Master Plan as Parcels 1, 2, and 3 is not decreased. No parcel of the three development phases shown at page 14 of the Master Plan may have its allocation of planned units increased by more than twenty percent (20%) through these transfers. If parcels are consolidated or adjusted in whole or in part for development, the number of units shall be proportionately adjusted based on land area.

The Minimum Density Table at pages 27-30 of the Master Plan is incorporated by reference herein.

2.9 Affordable Housing. Residential developments within the Project shall be subject to and shall satisfy the affordable housing requirements as set forth in RZC Chapter 21.20. Compliance with such requirements shall be accomplished for each residential phase within the Project. For purposes of calculating the amount of affordable housing required under the provisions of RZC 21.20.030.F, the development project as proposed does not include use of bonus market-rate units for affordable housing. The ability to use the exemption for up to twenty five (25) units of affordable housing within the Project pursuant to the provisions of RZC 21.20.030.I.1.a will be based on several factors. Such factors include whether the code provision for the waivers exists at the time of the development project and the extent to which there is an unallocated balance of the first one hundred (100) affordable housing units in the Overlake Urban Center at the time of building permit application for a specific residential phase of the Project. Another factor is the size of the phase within the Project applying for a building permit. No residential phase is eligible for an exemption greater than the amount of affordable housing required for that phase. The maximum combined exemption of affordable housing for residential projects in the Project is twenty five (25) affordable units. As an alternative to providing affordable housing for each residential phase, the Owner may propose to the City options under RZC 21.20.050, Alternative Compliance Alternatives. The Owner is encouraged to make any request for alternative compliance prior to development of the first phase of the Project that includes residential units. Such an approach enables the City to potentially leverage additional local and regional resources to provide greater affordability within the Project.

2.10 Development Sites/Land Division. The size, configuration and number of legal lots or development parcels within the Property, including private access connections, may be modified without amendment of the Master Plan or this Agreement through boundary line adjustments, plat modifications, lot consolidations, binding site plans, short plats, subdivisions, creation of condominiums, or other land use procedures existing at the time of this Agreement or in the future at the time of filing of a project permit application. Such minor revisions or major modifications must be consistent with the requirements of Section 2.8 above, and with the concepts as set forth in the Master Plan. The Subject Property shall be deemed "classified for commercial use" as this term is used in RCW 58.17.040(4) for the purpose of legally dividing the property, and may be subdivided through administrative approval(s) of one or more boundary line adjustments or binding site plans without the need for any adjudicative public hearings.

2.11 Agreement Runs with the Land. The entirety of this Agreement is intended to run with the land to benefit and burden the Subject Property, and confer development rights and entitlements to the

heirs, successors, and assigns of KCCLE and individual Lot owners for the 20-year term of this Agreement.

All owners of record of the parcels comprising the Subject Property are required to execute this Agreement for it to be effective as provided in recorded KCCLE covenants, conditions, and restrictions. In the event of the transfer of ownership of all or any portion of the Property, the benefits accruing to, and the obligations placed upon each and every lot "Owner" under this Agreement shall run with the land and title to the Subject Property and inure to the benefit of, and be binding upon, each person having any right or title or other legal interest in the Subject Property with respect to that party's interest in the Subject Property. This Agreement upon recording shall be deemed to create privity of contract and estate with and among all persons and entities acquiring any interest in the Subject Property subsequent to the date hereof.

2.12 Impervious Surface and Landscaping Standards. The Master Plan demonstrates compliance with zoning code requirements for minimum landscaped area and maximum impervious surface areas over the Master Plan area, rather than on a parcel-by-parcel basis. Attainment of the total required minimum and maximum areas based on the entire Master Plan area is ensured through specific individual allocations of these areas among the public spaces and private parcels shown in the Master Plan, with verification of compliance with these minimums and maximums to be confirmed through an administrative binding site plan entitlement process. The allocations of minimum and maximum areas in the Master Plan shall be controlling unless modified through re-allocation of minimum landscaped area and/or maximum impervious surface areas among the public spaces and/or private parcels in a binding site plan, short plat, subdivision, boundary line adjustment, minor revision, or other modification approved by the City. In the event of any difference between the allocation in the Master Plan and the allocation set forth in the subsequent binding site plan, short plat, subdivision, boundary line adjustment, minor revision, or modification approved by the City, the most current allocation shall control. When a development site consists of two or more parcels, the requirements may be satisfied over the entire development site, rather than parcel-by-parcel. Site layout of impervious and landscaping areas shall be designed to be supportive of LID infiltration facilities that may be required to meet stormwater requirements (pervious areas are intended to infiltrate stormwater, so placement of impervious areas beneath pervious areas shall be avoided.). If impervious areas are proposed below pervious areas, design shall include infiltration of those pervious areas on site.

3. BROTS Agreement. The Cities of Redmond and Bellevue entered into an interlocal agreement regarding land use planning and transportation improvements in the Bel-Red/Overlake area dated September 30, 1999 ("BROTS Agreement"), attached hereto as Exhibit F.

The Transportation Impact Study attached hereto as Exhibit D addresses and incorporates mitigation provisions for implementation at the time of later project permit application. KCCLE agrees to comply with the mitigation requirements of this Agreement and the existing BROTS Agreement for the mitigation of direct impacts to the City of Bellevue transportation facilities while reserving its right to later challenge any new or future requirements or conditions not already agreed to by the Parties in this Agreement.

4. Water & Sewer Utilities. The phasing and implementation of water and sewer facility requirements, including the tables that appear in the Appendix to the Master Plan are incorporated by reference herein. In the event of any conflict of such Master Plan provisions with the specific provisions in this Agreement, the latter shall control.

4.1 Existing Municipal Water System. The Subject Property is located within the 520 pressure zone of the City's water system. This zone is fed from the 520 reservoir and booster located in the vicinity of the northwest corner of NE 40th Street and 148th Avenue NE. City water mains are available in NE 20th Street and 152nd Avenue NE. The existing water pressure is approximately 90 psi.

A 6-inch (6") AC main is currently routed from the northern property through the site connecting to the existing 10-inch (10") ductile iron main in 152nd Avenue NE. There is an isolation valve separating the onsite water system from the development to the north, so future water main revision to the onsite water main can occur with minimal interruption to the adjacent property's water service.

4.2 Sewer and Water System Capacity for Future Service. Provided the requirements of Section 4.4 of this Agreement are met, and provided further that the City is not experiencing an unforeseen and unavoidable water or sewer capacity crisis that is out of the City's control during the term of this Agreement, and has adopted a moratorium under RCW 35A.63.220, the City agrees that sufficient sewer and water capacity currently exists and will continue to exist for the development periods contemplated by this Agreement; and, that the City will continue to provide utility service to such redevelopment of the Subject Property.

4.3 Water Utility System Improvements for Redevelopment. Future phased development of the water system will be in accordance with City's development guidelines as described in the Master Plan at pages 55-56, entitled "PHASING - Infrastructure Improvements Required by Phase" to be constructed by the developer at its cost is summarized as follows: During Phase 1, a twelve inch (12") water main will be constructed by the developer and extended from 152nd Avenue NE to the western boundary of Phase 1 development; on-site modifications will be made by the Applicant to existing on-site water

lines for continued use of existing office buildings remaining on the Subject Property; and new water meter(s) and connections will be needed. During Phase 2, the Applicant will install a twelve inch (12") diameter public water main in Da Vinci Avenue NE/151st Avenue NE (between NE 20th Street and NE Koll Drive) and the westerly half of NE Koll Drive to connect with the twelve inch (12") diameter main installed in Phase 1; the Applicant will connect the existing ten inch (10") diameter water mains at NE 20th Street and 152nd Avenue NE; the Applicant will make on-site modifications to the existing on-site water lines for continued use of existing office buildings remaining on the north half of the Subject Property; and the Applicant will install new water meter(s) and connections. During Phase 3, the Applicant will install a twelve inch (12") diameter public water main and fire hydrants in Da Vinci Avenue NE/151st Avenue NE between NE Koll Drive and NE Alhazen Street/NE 22nd Street and in NE Alhazen Street between 152nd Avenue NE and Da Vinci Avenue NE/151st Avenue NE. Locations of water meters and fire hydrants will be determined through site plan review. The existing ten inch (10") AC water main in NE 20th Street may remain provided the number of crossings and/or connections to this main do not trigger removal and replacement with a twelve inch (12") DI water main per City development requirements.

4.4 Sewer Utility System Improvements for Redevelopment. The Subject Property lies within the Overlake South sewer basin as defined by the City. This sewer system generally flows south through 152nd Ave NE, west through NE 20th Street and connects to the King County trunk line. The existing sewer main consists of eighteen inch (18") diameter PVC and DI pipes. Future phased development of the sewer utility system will be in accordance with City development guidelines. Phasing of sewer system improvements by the Applicant are described in the Master Plan at pages 55-56, entitled "PHASING - Infrastructure Improvements Required by Phase"

During Phase 1 an eight inch (8") sewer main will be installed at the northern edge for future development in NE Koll Drive; on-site modifications may be required to connect to existing on-site sewer lines for continued use of existing office buildings remaining on the Subject Property; new building sewer connections will be required to connect to the existing eighteen inch (18") diameter public sewer main at 152nd Avenue NE and/or NE 20th Street per City development guidelines.

For Phase 2, the installation of a new eighteen inch (18") public sewer main in Da Vinci Avenue NE/151st Avenue NE between NE 20th Street and NE Koll Drive; new building sewer connections will be to the new eighteen inch (18") diameter public sewer main installed in Da Vinci Avenue NE/151st Avenue NE; on-site modifications to existing on-site sewer lines may be required for continued use of existing office buildings remaining on the Subject Property during Phase 2.

During Phase 3, the Applicant shall install an eighteen inch (18") diameter public sewer main within Da Vinci Avenue NE/151st Avenue NE (between NE Koll Drive and NE Alhazen/NE 22nd Street) and a new eight inch (8") diameter public sewer main within NE Alhazen Street/NE 22nd Street; and Applicant will install new building sewer connections to the new eighteen inch (18") diameter public sewer main in Da Vinci Avenue NE/151st Avenue NE or the new eight inch (8") public sewer main in NE Alhazen Street.

The provision for the developer's construction of sewer system improvements is subject to, and does not supersede, easements and covenants of record, including the Reimbursement Agreement for Utility Improvements, dated September 21, 2006 recorded under King County Recording No. 20061023002427 for Phases 2 and 3 of the Overlake South Sewer Trunk Reconstruction Project.

The developer will construct an eighteen inch (18") sewer main within the Da Vinci Avenue NE/151st Avenue NE right-of-way corridor as required by the City subject to the developer's right to seek reimbursement for costs under applicable latecomer's agreement provisions for streets and utilities under Washington law including without limitation those conferred under RCW Chapters 35.72 and 35.91, and RMC Chapters 12.10 and 13.12. Nevertheless, should any planned phase of Project be lawfully required to install an eighteen inch (18") diameter South Overlake Sub-Basin public sewer system main improvements within the abutting future Da Vinci Avenue NE/151st Avenue NE corridor that exceed such development's capacity needs, a reimbursement agreement needs to be submitted, approved, and executed by the City prior to approval of construction drawings at the time of future redevelopment. The reimbursement agreement will be applicable for 20 years after it becomes effective

4.5 Condition upon Provision of Utility Service-Off-Site Water & Sewer Main Replacement. The City's obligation to provide sewer and water service as set forth in this Agreement is not conditioned upon any Owner replacement of any existing City water or sewer utility main or services beyond what is described in this Agreement. The applicant or Owner may coordinate the performance of this work with other work to promote efficiency and cost savings.

4.6 On-Site Utility Improvements. On-site utility improvements required to serve the Project shall be in substantial conformance with the Master Plan. The Owner shall submit detailed utility engineering and construction plans through the City's construction plan review process at the time of individual development applications. Deviations from the Master Plan that provide materially equivalent utility service and comply with City standards may be proposed by the Applicant and may be approved administratively without amendment of the Master Plan or this Agreement.

4.7 Development Approvals. This Section 4 and the agreement provisions above, including the construction of all necessary street, utility, and storm drainage facilities, shall be deemed to satisfy all requirements for and certification of adequacy of transportation, sewer, and water availability including those set forth in RZC 21.54.010 as hereinafter be amended. The City shall not withhold any project permit, including but not limited to applications for subdivision, subdivision modifications, alterations, and vacations; short subdivisions; binding site plans, minor revision thereto; building permit, temporary use permit, or other development approval, on account of insufficient water or sanitary sewer capacity to accommodate the Project unless a declaration of such crisis is made by the City Council following hearing on the matter under RCW 35A.63.220 or similar statute or local ordinance procedures. In the event that the City declares such a crisis during the term of this Agreement, the City shall reserve the next available water and/or sewer capacity for the square footage covered by this Agreement, subject only to contractual commitments to allocate such capacity entered into prior to the date of this Agreement that are then in force.

5. Stormwater Systems and Regulatory Requirements. The phasing and implementation of stormwater facility requirements, including the tables that appear in the Appendix to the Master Plan are incorporated by reference herein. In the event of any conflict of such Master Plan provisions with the specific provisions in this Agreement, the latter shall control.

5.1 Standards. Current standards for stormwater flow control and runoff treatment for development and redevelopment are contained in the City's Clearing, Grading and Stormwater Management Technical Notebook (Stormwater Technical Notebook), dated February 23, 2012. The developer will be responsible for providing a comprehensive stormwater collection and conveyance system and connecting to the existing storm system within the Subject Property. The collection and conveyance system is anticipated to include catch basins and conveyance pipes. Stormwater system design will be in accordance with City's requirements for the Overlake Sub-Basin as described in the Master Plan at pages 52 through 57.

5.2 Overlake Regional Stormwater Facilities. RMC 13.20.047 provides for managing stormwater for this site that is located within the Overlake sub-basin on a regional basis, rather than through the traditional site-by-site approach. The City has completed the first regional stormwater facility; the Overlake South Detention Vault located near the intersection of the future Da Vinci Avenue NE/151st Avenue NE and NE 20th Street on the Sears property to the west of the Subject Property, and has contracted to have the Overlake Station Infiltration Vault operational by December 31, 2017. Capacity in the

regional stormwater facility system is reserved by payment of the Overlake sub-basin stormwater capital facilities charge (CFC).

5.3 Phased Construction of Stormwater Controls. Redevelopment of the Subject Property will provide a comprehensive stormwater collection and conveyance system and connect to the existing City system located in the future Da Vinci Avenue NE/151st Avenue NE so it will drain to the Overlake South Detention Vault. The Master Plan envisions that development will occur in three phases and that the existing stormwater collection system will be used where possible to minimize disruption to portions of the site not included in a particular phase.

The Phases of construction and the proposed stormwater system for each phase are described in pages 52 through 56 of the Master Plan incorporated by reference herein.

Each phase shall be responsible for providing stormwater controls for the surfaces developed during that phase. Following is a summary of the stormwater infrastructure improvements required:

- (a) No off-site improvements to existing public stormwater utilities are anticipated, subject to confirmation during project permit applications.
- (b) Interim on-site flow control facilities may be required if the project has not reserved capacity in regional facilities. For those interim flow control facilities, peak flows and durations from the proposed phase of site development shall be equal to or less than the existing development for that phase. See Sections 5.5 and 5.6 below.
- (c) LID strategies shall be employed; including porous pavement, bioretention, and roof infiltration. Hard surfaces within the development shall be designed to infiltrate through the use of porous pavement materials or connection to infiltration systems as described in Section 5.4.
- (d) Collected stormwater runoff for all new or replaced pollution generating impervious surfaces ("PGIS") within the right-of-way shall be treated in infiltrating bioretention cells located within the right-of-way.
- (e) Collected stormwater runoff for all new or replaced PGIS for private property shall be treated on private property using stormwater treatment measures approved for use by the City.
- (f) Collected stormwater runoff for all new or replaced non-PGIS such as roofs and plaza areas shall either infiltrate within privately owned and maintained facilities (and receive a credit

against stormwater charges as noted in RMC 13.20.047) or shall be conveyed to the City's Urban Pathway Infiltration Facility ("UPIF") described in Section 5.4.

- (g) Porous pavement shall be used for public and private nonpollution generating hard surfaces like sidewalks and plazas.

5.4 Urban Pathway Infiltration Facility. The City is planning an infiltration facility located on the north side of NE Alhazen Street/NE 22nd Street (beneath the Urban Pathway). Each phase of this development shall connect the roof areas to this UPIF, provided that the conveyance pipe(s) can adhere to requirements for minimum slope and clearance from other utilities and/or structures. The infiltration system may not be available at the time some phases of development are constructed. In such case, the roof discharge pipe from the development phase shall connect to the City's existing storm trunk within the future NE Alhazen Street/NE 22nd Street in such a way that it can be later connected to the UPIF at the time that the UPIF is constructed. Alternatively, roof areas may be infiltrated through a private stormwater infiltration system located on private property, such as within the proposed NE Koll Drive private street.

5.5 Interim On-Site Flow Control. It is the intent of this Agreement that the installation of stormwater systems take advantage of existing on-site systems where reasonably feasible. In the event that development of all or a portion of the Project occurs when there is not available capacity in regional stormwater facilities providing flow control, the Applicant agrees to construct adequate interim stormwater facilities to protect downstream properties and surface waters from stormwater runoff impacts generated by redevelopment of the Property. Permanent connection to the City's public stormwater system shall be upstream of the inlet to the Overlake South Detention Vault, located within the future Da Vinci Avenue NE/151st Ave NE right-of-way, except as noted in Section 5.4. Any interim flow control facilities may be located under private driveways, private roads, or private plazas.

Interim flow control shall be designed to ensure that redevelopment of this site does not increase the rate of stormwater runoff from the Subject Property as compared to the rate of runoff from the Subject Property as of the date of this Agreement. The "pre-developed conditions" standard shall not be applicable to design of these interim flow control facilities. Interim flow control facilities may be reduced or eliminated by offsetting new impervious surfaces with the removal of existing impervious surface on the Subject Property and conversion of such area to pervious surface. This shall be demonstrated through stormwater modeling presented within the drainage report prepared in accordance with the requirements of the Stormwater Technical Notebook, with appropriate identification of land cover and soil types.

5.6 Removal of Interim Stormwater Facilities. As the City constructs regional facilities, those regional facilities will meet the full requirements for flow control for properties that have paid fees for capacity within those facilities. Interim flow control may be removed once regional flow control facilities providing for that capacity have been constructed and the appropriate Overlake CFC's have been paid to the City. Removal of interim facilities shall be subject to City approval through a clearing and grading permit. The intent of the Master Plan and this Agreement is to allow for temporary stormwater management facilities to be built on-site or other areas to be dedicated to the City and to redirect such stormwaters into the City's stormwater system.

5.7 High groundwater. Based upon the City's recent geotechnical work on the adjacent property, it appears that high groundwater table conditions exist. Stormwater capacity is not available within the public stormwater conveyance system for permanent dewatering of underground parking facilities or any other structures. The Applicant of any project permit shall employ water tight performance standards in the design and construction of underground parking garages and structures, rather than permanent dewatering if the parking garage or structure is below the water table.

6. Environmental Review.

6.1 SEPA Planned Action. The Washington State Environmental Policy Act (SEPA), RCW Chapter 43.21C, authorizes cities to prepare and adopt a planned action. The purpose of a SEPA planned action is to integrate planning and regulation under the Growth Management Act, RCW Chapters 36.70A and 36.70B with environmental review under SEPA. Under this process, environmental review is done once as part of the adoption of a neighborhood plan or plan update. When proposals for development that implement the neighborhood plan are processed by the City, the Planned Action EIS serves as the environmental analysis for each proposed development within each proposed phase and no further environmental analysis or threshold determination by the City is required.

6.2 Overlake Village Neighborhood SEPA Planned Action. The City established a SEPA planned action covering the OV Plan in 1999. The EIS for this first planned action addressed growth and development called for in the 1999 OV Plan through 2012. As set forth in RZC 21.70.110, the City prepared a final supplemental environmental impact statement (FSEIS) on the Overlake Neighborhood Plan Update and Implementation Project that was issued August 30, 2007 and adopted the updated planning documents and FSEIS as a planned action pursuant to SEPA ("Overlake SEPA Planned Action Update"). The Overlake SEPA Planned Action Update analyzed impacts from growth and development under the Overlake Neighborhood Plan Update and Implementation

Project through 2030, including more than 5,800 new residential dwelling units and an increase in the level of commercial growth by 4.5 million square feet of building floor area.

6.3 Projects within Scope of Overlake SEPA Planned Action. As conditioned by this Agreement, the Project satisfies each of the requirements for planned action coverage specified in RZC 21.70.110.C and D. The Overlake Planned Action Update adequately addresses the significant environmental impacts of the Project, has been used to analyze the environmental impacts of the Project, and has guided formulation of the conditions placed upon approval of the Project as set forth in this Agreement. The procedure for confirming that each proposal to develop a portion of the Property is within the scope of the Overlake SEPA Planned Action Update ("Verification Procedure") shall be as set forth in RZC 21.70.110.E.

6.4 Complete Mitigation. Transportation Concurrency for available mobility units is satisfied as provided in Section 7.2.2 below for Phase 1 development subject to the Verification Procedure as provided in Section 6.3 above. The mitigation required to Bellevue transportation facilities as provided in Section 6.5 below, pursuant to RCW 36.70B.170(3)(c), and the provisions of this Agreement shall constitute complete mitigation of the environmental impacts of the Project.

Except as required by the Verification Procedure and impact mitigation provisions of Section 6.5 below, no additional mitigation measure, assessments, development condition or other requirement to mitigate any environmental impacts shall be placed upon the Project, or any development or project permit approval for any development site within the Project. Subject to compliance with the Verification Procedure as set forth in Section 6.3 above, (a) the Overlake SEPA Planned Action Update shall serve as the environmental review document for each proposal to develop a portion of the Project, (b) no further environmental review is required for each such development proposal, and (c) no environmental mitigation condition shall be imposed upon any such proposal except as set forth in this Agreement.

6.5 Mitigation of Impacts on Bellevue Transportation Facilities. Notwithstanding any other provision of this Agreement, the procedure and obligations related to review and mitigation of impacts on City of Bellevue transportation facilities shall be complied with regardless of the expiration, termination or extension of the BROTS Agreement.

7. Transportation Management. The phasing and implementation of transportation requirements, including the tables that appear in the Appendix to the Master Plan are incorporated by reference herein. In the event of any conflict of such Master Plan provisions with the specific provisions in this Agreement, the latter shall control.

7.1 Mitigation of Transportation Impacts. Impact fees, including transportation impact fees are not vested under this Agreement. The applicant for later project permits implementing this Agreement will receive transportation impact fee credits for existing uses and existing vehicle trips related to office building use that will be demolished in calculating net new trips under RMC Chapter 3.10 and RZC 21.17.030. Other credits/adjustments for the developer's construction of public roadway improvements in excess of direct impacts caused by redevelopment of the Subject Property that provide supplemental mitigation for impacts as allowed under RZC 21.17.030 above the existing land uses are addressed below.

7.1.1 Development Phasing. For purposes of this Agreement the initial phasing plan reflects the phasing strategy set forth at pages 26-30 of the Master Plan incorporated by reference herein.

7.1.2 Timing and Sequence of Phases & Infrastructure Improvements. Although market conditions may dictate a different project phasing sequence as set forth below at the time of later project permit application(s), implementation of development phases presently anticipated by this Agreement as depicted in the Master Plan at pages 55-56, entitled "PHASING - Infrastructure Improvements Required by Phase" are summarized as follows:

- (a) Phase 1, Southeast Quadrant: New office, limited retail, residential, below grade parking, temporary surface parking, along with some existing office buildings and parking areas to remain for the balance of the site, which will trigger developer improvements to existing and new District infrastructure, including street and utility improvements at NE Koll Drive, a private access driveway open to the public, 152nd Avenue NE between NE 20th Street and NE 21st Street to the east;
- (b) Phase 2, Southwest Quadrant: Mixed-use housing, retail and potential hotel, and below grade parking, with some existing office and office parking to remain, which will trigger developer improvements to existing and new District infrastructure, including initial street, utility, and stormwater improvements at new Da Vinci Avenue NE/151st Avenue NE between NE 20th Street and NE Koll Drive; and
- (c) Phase 3, North Quadrant: New multi-family residential housing and retail, with below grade parking and wrapped parking structures for the northerly half of the site which will trigger developer improvements to existing and new District infrastructure, including street, utility, and stormwater improvements to Da Vinci Avenue NE/151st Avenue NE and NE Alhazen Street/NE 22nd Street.

Phase 1, Southeast Quadrant. Upon obtaining applicable site plan entitlement, building, engineering, and construction approvals, Phase 1 may proceed during the twenty (20) year term of this Agreement without restriction to timing. The developer agrees that it will design and construct NE Koll Drive regardless of any Phase 1 changes occurring on the east half of the southerly half of the Subject Property. Phase 1 improvements for NE Koll Drive will include two improved eleven foot (11') travel lanes, including an improved 3-lane section at the entrance section only at 152nd Avenue NE aligned with NE 21st Street. A similar 3-lane entrance section will be located at the westerly boundary area of NE Koll Drive and the future Da Vinci Avenue NE/151st Avenue NE during Phase 3 construction at either Phase 2 or Phase 3 development. Length and width of road improvements internal to the site west of 152nd Avenue NE (65 feet wide) should be sufficient to allow two private travel lanes of access to and from the parking garage entrance for the commercial and retail uses and residential tower planned for this southeasterly quadrant as set forth in the approved Master Plan. NE Koll Drive will serve each successive phase of development, ultimately extending westerly to the future Da Vinci Avenue NE/151st Avenue NE at full build-out. During Phase 1, interim use of the southwesterly half of the Subject Property, including existing buildings (if not demolished) may be used for interim on-site parking until completion of Phase 2 development.

Phase 2, SE Quadrant. Phase 2 at the time of execution of this Agreement consists of development on the west half of the southerly half of the Subject Property including the construction of a hotel and four residential buildings as depicted in the approved Master Plan, including underground parking and the following at the time of project permit application:

With development on the west half of the southerly half of the Subject Property, relocation of the existing access driveway, and right-of-way dedication and construction of Da Vinci Avenue NE/151st Avenue NE consisting of a half-width street improvements that would include relocation of existing private access drive (24.95 feet in width) onto NE 20th Street, and an interim 2-lane section without parking (assuming the Sears site to the west has not been redeveloped). Length of road improvements internal to the site north of NE 20th Street will be designed and constructed to allow access to and from the parking garage entrance for each phase of development, ultimately extending to NE 22nd Street at full build-out.

Pro-rata participation in signalization may be required at 152nd Avenue NE/NE Koll Drive for any development regardless of the development phase or in any changes to the sequence of each development phase. For example, for Phase 1 or for any development that exceeds the traffic generation levels analyzed for Phase 1 in the March 17, 2014 Traffic Impact Study showing 270 net new PM peak

hour trips, pending traffic signal warrants being met at the time of development. Traffic generation shall be measured based on the total net new PM peak hour trips (inbound + outbound) using the ITE-based trip rates derived from the trip generation table in Appendix B of the March 17, 2014 Traffic Impact Study, and shall account for trip credits for any existing land uses to be removed as part of the development. If a proposed land use type is not listed in the table in Appendix B, the current edition of the ITE Trip Generation manual shall be used and adjustments for internal trips and mode-split made in a manner consistent with the level of adjustments documented in the Traffic Impact Study for the most similar land use type.

Pro-rata participation in signalization should be coordinated with the City's planned mid-block pedestrian crossing on 152nd Avenue NE. Pro-rata participation in signalization may be required at 151st Avenue NE/NE 20th Street regardless of the development phase, including any development beyond Phase 1 where such development exceeds the traffic generation levels analyzed for Phase 1 in the March 17, 2014 Traffic Impact Study pending: (a) the availability of sufficient right of-way to participate in the construction of a signal; and (b) traffic signal warrants being met at the time of development. Traffic generation shall be measured based on the methodology described in the previous paragraph. If sufficient right-of-way is not available or signal warrants are not met, development beyond Phase 1 of the Project will be permitted to proceed with the interim 2-lane section with stop-control at NE 20th Street. The City will thereafter monitor operations to determine if turn restrictions or other temporary measures to such improvements are warranted to ensure safe operations. *Provided that* the hotel/conference center located within the Phase 2 parcel may be constructed and occupied prior to the dedication and construction of on-site and off-site public street and frontage improvements required for Phase 2 identified at Section 7.1.3(b) below.

Phase 3, North Quadrant. With development of the north half of the Subject Property lying north of NE Koll Drive, the project permit applicant will dedicate and construct half width street improvements to NE Alhazen Street/NE 22nd Street based upon the assumed alignment and geometry for Da Vinci Avenue NE/151st Avenue NE as it currently exists in the City's Transportation Master Plan at the time of execution of this Agreement and thereafter as may be amended by the City Council. The Parties agree to accept the interim Staff corridor alignment and channelization plan for Da Vinci Avenue NE/151st Avenue NE with NE Alhazen Street/NE 22nd Street, dated April 24, 2015 entitled "OVERLAKE VILLAGE 151st AVENUE NE/NE 22nd STREET ALIGNMENT" ("Proposed New Alignment") attached to the Master Plan that are to be adopted by the City Council as amendments to the City's Comprehensive Transportation Plan at Exhibit G. The attached exhibit revises and supersedes the street sections and alignments depicted in the Master Plan for street sections at pages 42-45. The Parties further agree

that should the City Council not adopt the Proposed New Alignment, the street sections appearing at pages 42-45, and utility plans at pages 46-68, including cross sections will control the developer's construction and placement of street, utility, and stormwater improvements. Upon adoption of the updated alignment or approvals to begin construction (whichever may come first) the developer agrees at their own cost to update/revise all related documents to show the most alignment as prescribed by the City.

However, should the Council later revise and adopt substantial and significant changes to the Proposed New Alignment depicted in the attached Exhibit G, the developer agrees at its cost to submit revisions to the Master Plan street, utility, and stormwater sections that appear at pages 42-68 that the City will thereafter treat, review, and approve as administrative revisions to this Agreement and Master Plan under procedures of Paragraph 2.6. A deadline for revised documents to be submitted to the City shall be included and state that no more than thirty (30) days from the time the developer is notified in writing by the City that the final revisions showing the road alignment as it is approved to be constructed as required by the City. The developer may not proceed with the phase(s) until the revised documents have been submitted to, reviewed by and approved by the City.

These improvements to be constructed by the developer will include interim two travel lanes without parking, assuming that the properties to the north of the Subject Property have not been redeveloped. At the time of project permit application, the applicant will also construct a private access connection easterly approximately one hundred and sixty three feet (163') from the interim two lane 151st Avenue NE roadway to a private two-lane NE 22nd Street corridor that connects with Lots 20-23 of the Replat of Koll Commerce Center; and thereafter that northerly aligns with 151st Place NE Street. The private access easement connecting future NE 22nd Street with 151st Place NE is identified in the Replat of the Koll Commerce Center, including amendments to the covenants, conditions, and restrictions implementing the approved Replat were thereafter approved on November 15, 1979 and thereafter recorded under King County Recording Numbers 7912200638 and 7909260733.

Should the abutting northerly properties (Lots 20-23 of the Replat) enter into an agreement with the owners of the Subject Property and City in any development phase to share the costs of full build-out of NE Alhazen Street/NE 22nd Street, including participation in a pro-rata share of any intersection improvements to NE 22nd Street & 152nd Avenue NE, such Agreement shall be treated as an administrative revision to this Agreement without any need for a separate development agreement for the northerly abutters or need for a Council hearing or approval.

During Phase 3 construction, private internal NE Koll Drive improvements will be completed to provide an expanded sixty five foot (65') wide roadway configured with: (1) an expanded three-lane entrance section at the intersection of NE Koll Drive and 152nd Avenue NE; (2) an expanded three-lane entrance section at the intersection of NE Koll Drive and Da Vinci Avenue NE/151st Avenue NE; (3) two interior eleven foot (11') travel lanes; (4) two (2) seven foot (7') wide parking lanes; and fourteen foot (14') sidewalks.

7.1.3 Transportation Improvements to be constructed by Owner. The Project with street, utility, and stormwater improvements to be constructed by the developer is expected to be built out over a twenty (20) year period in three phases depending upon market demand for residential and commercial land uses. To the extent that developer constructed improvements described in this section exceed project impacts and on-site private benefits, the developer may apply to the City for a latecomer's agreement as provided under RCW Chapter 35.72, including the provisions of RCW 35.72.010 through RCW 35.72.050; and RMC Chapters 12.10 (street assessments) and 13.12 (utility assessments).

- (a) Phase 1 Street Improvements to be Constructed with First Project Permit Application. The transportation improvements for Phase 1 are generally described in the Master Plan, pages 18, 27-30, and 42-43, including a supporting Transportation Impact at pages 2-3. These improvements are generally summarized as providing site access to private NE Koll Drive aligned with existing NE 21st Street; constructing half street improvements to 152nd Avenue NE, between NE 20th Street and NE Koll Drive or provide bond for future improvements with delivery appropriately timed as determined by the City to coincide with adjacent development; and a northbound right-turn lane at the intersection of 148th Avenue NE/NE 20th Street for any cumulative development within the Project that exceeds 335 net new AM Peak Hour trips, regardless of Phase. A northbound right-turn lane at the intersection of 148th Avenue NE/NE 20th Street will be constructed during Phase 3 regardless of whether cumulative development within the project exceeds three hundred and thirty five (335) net new AM Peak Hour trips.

Improvements will be constructed by the developer in conformance with City street standards in effect at the time of approval of this Agreement by the undersigned owners of the Subject Property. Roadway improvements described below shall be completed (built and dedicated to the City) consistent with the Master Plan, prior to occupancy of the Phase 1 building structures identified in Section 7.1.2 above and as provided in RZC Chapter 21.12 Overlake Regulations at Appendix 7, pages 17-19, at Exhibit E as provided in this subsection:

Phase 1 of proposed project development will occur in the easterly half of the southerly half of the Subject Property as depicted in the Master Plan showing 173,000 square feet for a medical office building, 8,880 square feet for retail, and 113,810 square feet for multi-family residential building use, including underground parking required for such uses. Phase 1 anticipates removal of approximately 90,000 square feet of existing office building use in the southeast quadrant with 44,434 square feet to remain on the north half of the Subject Property. Shared parking areas with other transitional land uses will remain on the southwest quadrant of the site to the extent that they do not interfere with build out of Phase 1 development. Principal vehicular access to this southeasterly quadrant will rely on an existing commercial access driveway (51.77 feet wide) that connects to 152nd Avenue NE mid-block that will be expanded to a three-lane section and an existing private commercial access connect to NE 20th Street. Existing private access to 151st Place NE through Lots 20 through 23 of the Replat of Koll Commerce Center will remain unaffected.

For the benefit of the public, the developer agrees to provide public art installations and pedestrian amenities such as street furniture and statues on NE Koll Drive, the two plazas fronting along NE Koll Drive, and frontage sidewalk areas of Da Vinci Avenue NE/151st Avenue NE. Such public art installations will be consistent in scale, theme, and elements for planned Overlake City Park art installations to be located over the Overlake Village South Detention Vault area. Pedestrian amenities shall be approved by the City at the time of building permits for each development phase. During Phase 1, public art and pedestrian amenities will utilize open space areas, the south plaza, stormwater low impact development and sidewalk areas along NE Koll Drive. Public art installations shall not exceed \$35,000.00 by the developer in Phase 1. However, the City may at its discretion contribute monies or its procured artwork at such installation locations in addition to the developer's installation. Alternatively, the City may accept the payment of \$35,000.00 from the developer, and install its procured artwork and street furniture at the designated Phase 1 installation locations.

- (1) NE Koll Drive During Phase 1. This existing private commercial access driveway, 51.77 feet in width, will designated as "NE Koll Drive" during Phase 1. It is not regulated by RZC Chapter 21.12. To serve only the Phase 1 development as illustrated in the Master Plan, and later development phases, it will be designed and constructed by the developer initially to accommodate two travel lanes and three lanes at its intersection with 152nd Ave NE with one seven foot (7') parking isle, four foot (4') landscape and

furniture zone, and 10 foot (10') sidewalk for ground level building access and underground parking to serve office, retail, and residential mixed uses; and, will be aligned with NE 21st Street to accept vehicles entering from 152nd Avenue NE and NE 21st Street.

At the developer's option, NE Koll Drive can be expanded in Phase 1 to sixty-five (65') feet in width and configured with two-eleven foot (11') travel lanes with two (2) ten foot (10') sidewalks and two (2) seven foot wide (7') parking lanes with stepped-back building modulation to remove any canyon-like appearance. The NE Koll Drive private access design for Phase 1 as set forth in the approved Master Plan is to limit internal vehicular use by removing an auto-centric court in favor of pedestrian use within a mixed-use residential development. The expressed intent of the Master Plan is to accommodate slow moving vehicles for access only and for pedestrian drop off areas linked to a connected central ornamental garden area located on the northerly half of the Subject Property to be constructed during Phase 2 development; and not serve or be designed as a public Access Street. The ornamental garden will be constructed during Phase 3. Private access driveway improvements entering and exiting NE Koll Drive ultimately at completion of later Phase 2 development will include interior service and parking entries for vehicles entering from both 151st Avenue NE, and 152nd Avenue NE, for access to the commercial office building with retail uses and residential buildings. During Phase 1 development, exiting vehicles may at the developer's option, use another existing private southerly commercial driveway as secondary access that presently connects to NE 20th Street.

- (2) Optional Interim Da Vinci Avenue NE/151st Avenue NE Improvements During Phase 1. 151st Avenue NE is designated as a Neighborhood Street under RZC Chapter 21.12 and Appendix 7-Overlake Village Street Requirements ("Appendix 7"). Should existing buildings located on the southwest quadrant be demolished, parking and other compatible land uses may remain as part of Phase 1 development activities. The interim two lanes of NE Koll Drive may, at the developer's option, be extended westerly to the planned 151st Avenue NE right-of-way that incorporates a relocated commercial private commercial access connection to NE 20th Street and private easement to NE 24th Street. The existing private southerly commercial access driveway connecting to NE 20th Street may be relocated to the 151st Avenue NE public right-of-way along with a relocated connection to NE 20th Street. Should the developer of Phase 1 elect to not connect to 151st Avenue NE and utilize the southwesterly

Phase 2 area for parking or other interim use permitted under the Redmond Zoning Code, connection to NE 20th Street shall not be interrupted at its existing location.

- (3) NE 20th Street Frontage Improvements. NE 20th Street is an existing 5-lane east-west minor arterial believed to be classified as a Neighborhood Street in Appendix 7 of the RZC 21.12 Overlake Village Street Requirements. Curb, gutters, and sidewalks exist on both sides of the street. Full standard frontage improvements for Phase 1 frontage on NE 20th Street will be constructed by the developer behind the curb line as described at pages 43-63 of the Master Plan to meet the requirements of RZC 21.12.150.B Site Requirements at Table 21.12.150A Cross-Section B with one (1) eight-foot sidewalk and one (1) five-foot (5') planting strip. The Developer may, at his option, extend full frontage improvements along NE 20th Street to the intersection with Da Vinci Avenue NE/151st Avenue NE. The existing southerly commercial access connection to NE 20th Street shall be relocated and incorporated into half-width street improvements for 151st Avenue NE that will extend northerly as two constructed travel lanes to the intersection with NE Koll Drive thereby providing a linked connection between Phases 1 and 2 and access to 152nd Avenue NE.
- (4) 152nd Avenue NE Improvements. The design and construction of any required signalization for 152nd Avenue NE by the developer will be coordinated with the City's planned mid-block pedestrian crossing on 152nd Avenue NE. A twenty-foot wide (20') strip of the Subject Property's easterly boundary will be dedicated to the City for future expansion of 152nd Avenue NE before commencement of Phase 1 construction. Construction of frontage improvements to 152nd Avenue NE abutting the Phase 1 parcel depicted at pages 26-27 of the Master Plan will not occur until the commencement of Phase 2 construction. No frontage improvements to 152nd Avenue NE resulting from development of Phase 1 are required insofar as Phase 1 impacts do not exceed the level of existing transportation impacts from existing commercial and medical office use on the Subject Property. The applicant will be given supplemental mitigation credits by the City only for the value of the land dedicated to the City against impact fees as a system improvement as allowed under RZC 21.17.030, RZC 21.52.010G.2 and RMC 3.10.130, as determined at the time of such Phase 2 dedication. The developer is entitled to apply for a latecomer's agreement for frontage and other roadway improvements that are determined to exceed project impacts for Phase 1.

- (b) Phase 2 Street Improvements to be Constructed. These improvements to be constructed by the developer are generally summarized as extending NE Koll Drive (a private access drive aligned with existing NE 21st Street) to Da Vinci Avenue NE/151st Ave NE; construct half street improvements to 151st Avenue NE (with city approved temporary channelization) between NE 20th Street and the extended alignment of NE Koll Drive; a traffic signal at NE 20th Street & Da Vinci Avenue NE/151st Ave. NE may be required pending the availability of right-of-way and signal warrants being met at the time of development; and constructing a northbound right-turn lane at the intersection of 148th Ave NE/NE 20th Street for any cumulative development within the project that exceeds 335 net new AM Peak Hour trips, regardless of Phase.

Following completion of build out of Phase 1 project related construction, including underground parking, the transportation improvements for Phase 2 are described further in the Master Plan at pages 18-19, 27-30, and 42-44, and the Transportation Impact Study at pages 2-3; and, will be constructed in conformance with City street standards in effect at the time of approval of the Development Agreement by the undersigned KCCE owners. Roadway improvements described below shall be completed (built and dedicated to the City), prior to occupancy of the Phase 2 building structures identified in 7.1.2 above and as provided in RZC Chapter 21.12 Overlake Regulations at Appendix 7, pages 17-19, at Exhibit E as provided in this subsection:

- (1) NE Koll Drive & Alignment with Expanded 152nd Avenue NE. Shared surface parking and use of existing buildings on the northerly half of the Subject Property are not involved in Phase 2 Project permitting and construction. These uses and structures shall remain substantially unaffected by required frontage improvements to 152nd Avenue NE and connection improvements of NE Koll Drive. Frontage improvements to 152nd Avenue NE constructed by the developer abutting the Phase 1 parcel area as depicted at pages 26-27 of the Master Plan must comply with the Overlake Regulations for a Retail Street Section at RZC 21.12.150C.2 and Table 21.12.150.B Cross-Section Table as depicted at Appendix 7 and entitled "Retail Street (152nd Avenue NE) Concept." Improvements to 152nd Avenue NE are to include street lighting along with a taper or tie-in to the City's existing streets and sidewalks to the north abutting the Phase 3 parcel depicted at page 29 of the Master Plan.

The remainder of Koll Drive NE connecting to Da Vinci Avenue NE/151st Avenue NE, including the Ornamental Garden, will be constructed curb to curb with two (2) eleven foot

(11') travel lanes, two seven foot (7') parking isles, four foot (4') landscape and furniture zone and one (1) ten foot (10') sidewalk on the south side with incorporated stepped-back building modulation to remove any canyon-like appearance. Existing buildings and parking areas lying within the northerly half of the Subject Property will be allowed continued access to NE Koll Drive and its connection to 152nd Avenue NE to the east and 151st Avenue NE to the west. NE Koll Drive is existing private commercial access driveway, 51.77 feet in width. NE Koll Drive is not regulated by RZC Chapter 21.12. NE Koll Drive will be expanded during Phase 2 to sixty five feet (65') in width to accommodate a three lane section at 152nd Avenue NE and private on street parking on NE Koll Drive. If not already extended to Da Vinci Avenue NE/151st Avenue NE, NE Koll Drive will be aligned with NE 21st Street to accept vehicles entering from 152nd Avenue NE and NE 21st Street, as well as vehicle movements from 151st Avenue NE. Private street signage shall regulate permitted vehicle speeds and parking on NE Koll Drive. The Project applicant for Phase 2 will conduct a supplemental traffic study to determine if signal warrants are met to require signalization at 152nd Avenue NE and Koll Drive NE, including the applicant's pro-rata share of the cost of any required signalization improvements.

The Ornamental Garden connected to NE Koll Drive as shown at pages 12, 19-21, 25, and 29-30 of the Master Plan will be constructed during Phase 3 construction that will meet the design requirements specified in RZC 21.62.030.I, Pedestrian Plazas and Open Spaces. The developer applicant will submit a plan for a north plaza approximately 12,500 square feet in size and the south plaza which will be approximately 21,000 square feet in size. The south plaza will be constructed during Phase 1 and will link south to north with NE Koll Drive and the Ornamental Garden plaza. Both connected plazas will provide for elements of landscaping, lighting, seating, color and materials, relationship to building frontage, and relationship to and coordination with the pedestrian system and NE Koll Drive. Installed features for the ornamental garden will include artwork, a water feature such as a fountain or cascade that serves as a focal point, information kiosks, planters, permeable paving for pathways and hardscapes, and other similar treatments. Both plazas will be reviewed for design conformance at the time of later building permit review during Phase 1 for the south plaza and building permit review for Phase 3 as approved by the Technical Committee at the time of building permit submission utilizing the design criteria set forth in RZC 21.62.030.I.

For the benefit of the public, during Phase 2, similar pedestrian amenities constructed by the developer during Phase 1 described above will be incorporated within the designated sidewalk and stormwater low impact development areas of NE Koll Drive and Da Vinci Avenue NE/151st Avenue NE leading to or adjoining the planned Overlake Village South Detention Vault area to the west. Public art installations shall not exceed \$50,000.00 by the developer in Phase 2. However, the City may at its discretion contribute monies or its procured artwork at such installation locations in addition to the developer's installation. Alternatively, the City may accept the payment of \$50,000.00 from the developer, and install its procured artwork and street furniture at the designated Phase 2 installation locations. As indicated in Paragraph E(4) above, total contributions by the developer are not to exceed One Hundred Thousand Dollars (\$100,000.00) for all phases of the project.

- (2) NE 20th Street. NE 20th Street is an existing and fully developed 5-lane east-west minor arterial classified as a Neighborhood Street in Appendix 7 of the RZC 21.12 Overlake Village Street Requirements that does not meet current City street standards for sidewalks. Full standard frontage improvements will be constructed by the developer to meet current City sidewalk standards behind the curb line during Phase 2 to meet the requirements of RZC 21.12.150B Site Requirements at Table 21.12.150A Cross-Section B with one (1) eight foot (8') sidewalk and one (1) five foot (5') planting strip. The existing commercial access connection approximately twenty five feet (25') in width will be relocated to align with Da Vinci/151st Avenue NE. The Project applicant for Phase 2 will conduct a supplemental traffic study for the NE 20th Street and 151st Avenue NE intersection to determine if signal warrants are met to require signalization, including the applicant's pro-rata share of the cost of any signalization improvements.
- (3) Da Vinci Avenue NE/151st Avenue NE. Should optional and interim two travel lanes not be constructed during Phase 1 above, the Phase 2 development to be constructed by the developer would construct only half width street improvements to Da Vinci Avenue NE/151st Avenue NE limited to two travel lanes (11 feet each in width) only to provide access between NE 20th Street and a westerly garage access point no further northerly than the intersection with NE Koll Drive. Half width street improvements will conform to the required street standards forth in the Master Plan depicted at pages 42-43 and Appendix 7 of RZC Chapter

21.12, for a total width of twenty two feet (22') with a bike lane seven feet (7') in width, parking strip seven feet (7') in width, and a fifteen foot wide (15') sidewalk located within the easterly half of the dedicated 151st Avenue NE right-of-way, eighty eight feet (88') in width along with installed street lighting.

- (c) Phase 3 Street Improvements to be Constructed by the Developer. These improvements to be constructed by the developer are generally summarized as constructing half street improvements to Da Vinci Avenue NE/151st & 152nd Avenues NE, between NE Koll Drive and NE 22nd Street; constructing half street improvement to NE Alhazen/NE 22nd Street (with City approved temporary channelization) between NE 152nd Avenue NE & Da Vinci Avenue NE/151st Avenue NE; a traffic signal at NE 20th Street & Da Vinci Avenue NE/151st Avenue NE may be required pending the availability of right-of-way and signal warrants being met at the time of development; and constructing a northbound right-turn lane at the intersection of 148th Avenue NE/NE 20th Street regardless of whether cumulative development within the Project that exceeds three hundred and thirty five (335) net new AM Peak Hour trips.

For the benefit of the public during Phase 3, similar public art and pedestrian amenities described above for Phase 1 and 2 will be installed by the developer that utilizes open space areas, the North Ornamental Garden, storm water LID and sidewalk areas along NE Koll Drive. Public art installations shall not exceed \$25,000.00 by the developer in Phase 3. However, the City may at its discretion contribute monies or its procured artwork at such installation locations in addition to the developer's installation. Alternatively, the City may accept the payment of \$25,000.00 from the developer, and install its procured artwork and street furniture at the designated Phase 3 installation locations.

Following completion of build out of Phase 2 project related construction, including underground parking, the transportation improvements for Phase 3 are described in the Master Plan at pages 18, 29, 42-43, 58, and 62-69 including the TENW Transportation Impact Study, dated March 17, 2014, at Exhibit D, pages 2-3 and 40. These improvements will be constructed in conformance with City street standards in effect at the time of approval of this Agreement by the undersigned KCCLE owners. Roadway improvements described below shall be completed (built and dedicated to the City), prior to occupancy of the northerly residential Phase 3 building structures identified above consistent with RZC Chapter 21.12 Overlake Regulations and Appendix 7 at Exhibit E as provided in this subsection:

- (1) Expanded 152nd Avenue NE Frontage During Phase 3. Frontage improvements to be constructed by the developer to 152nd Avenue NE abutting the Phase 3 parcel area as depicted at pages 26-27 of the Master Plan must comply with the Overlake Regulations for a Retail Street Section at RZC 21.12.150.C.2 and Table 21.12.150.B Cross-Section Table as depicted at Appendix 7 and entitled "Retail Street (152nd Avenue NE) Concept." Improvements to 152nd Avenue NE are to include street lighting along with any necessary tapers or tie-ins to the City's existing streets and sidewalks north of the KCCLE property.

The Applicant and City will determine at the time of application, the Applicant's pro-rata contribution amounts for the later construction of frontage improvements planned for Phase 3 to 152nd Avenue NE abutting the Subject Property's easterly boundary during Phase 3 construction; or, defer construction through participation in a Local Improvement District should planned City transportation improvements to 152nd Avenue NE (TIP C57, TFP 47, 355, and 363) not be constructed at the time of commencement of Phase 3 construction. These improvements will be consistent with planned City transportation improvements to 152nd Avenue NE (TIP C57, TFP 47, 355, and 363), and the private NE Koll Drive improvements that allow access to underground parking garages for all phases of development. These improvements shall also be consistent with the Retail Street Concept standards at Appendix 7, page 8, as illustrated at pages 42-43 of the Master Plan.

- (2) NE Koll Drive Extended to Da Vinci Avenue NE/151st Avenue NE. During the earlier Phase 2 construction, private internal NE Koll Drive improvements will have been completed by the developer to provide a sixty five foot wide (65') roadway configured with: (1) an expanded 3-lane entrance section at the intersection of NE Koll Drive and 152nd Avenue NE; (2) an expanded 3-lane entrance section at the intersection of NE Koll Drive and 151st Avenue NE; (3) two interior eleven foot (11') travel lanes; (4) two, seven foot (7') parking lane isles; and two, fourteen foot (14') sidewalks. If not already fully constructed during Phase 2 development at the option of the prior developer, private NE Koll Drive improvements will be expanded and extended westerly to 151st Avenue NE. Aside from the expanded 3-lane entrance section at 152nd Avenue NE and improvements installed during Phase 2, NE Koll Drive will be expanded as depicted at page 42 of the Master Plan to include two, eleven foot (11') travel lanes, two, seven foot (7') parking isles, two, four foot (4') planting strips, and two, ten foot (10') sidewalks with stepped-back building

modulation to remove any canyon-like appearance. NE Koll Drive will be aligned to accept vehicles entering from and exiting to NE 20th Street and 151st Avenue NE, including surface street parking and parking garage access to buildings for all development phases. If signalization has not already been provided during a prior phase, the Applicant for Phase 3 will conduct a supplemental traffic study to determine if signal warrants are met to require signalization at the intersection of 152nd Avenue NE/NE Koll Drive, including the Applicant's pro-rata share of the cost of any signalization improvements. Pro-rata participation in signalization should be coordinated with the City's planned mid-block pedestrian crossing on 152nd Ave NE.

- (3) Da Vinci Avenue NE/151st Avenue NE. Da Vinci Avenue NE/151st Avenue NE is identified as a Neighborhood Street in Appendix 7. No median turn lanes are required within right-of-way in so far as a planned regional park will be developed over the City's constructed regional stormwater vault located on the abutting Sears Property. In addition to interim travel lanes constructed by the developer during Phase 1 or Phase 2 above, the Phase 3 developer will construct the easterly half of remaining street improvements to 151st Avenue NE from NE 20th Street in a northerly direction to NE 22nd Street (49 feet in width) identified above as a Neighborhood Street under Appendix 7 Street Standards depicted at page 43 of the Master Plan, including easterly frontage parking only. Improvements will include two, eleven foot (11') travel lanes, a seven foot (7') parking isle, and a fifteen foot (15') sidewalk with street lighting. The assumed alignment/geometry and street sections for Da Vinci Avenue NE/151st Avenue NE with NE Alhazen Street/NE 22nd Street and NE 24th Street shown at pages 4-5, 18-19, 29, 36-37, 42-44, and 58 of the Master Plan and in conceptual engineered street cross sections at pages 59-67 of the Master Plan, may have to be revised at the time of development of Phase 3 improvements.

The exact alignment/geometry of constructed improvements for Da Vinci Avenue NE/151st Avenue NE's connection with NE Alhazen Street/NE 22nd Street and NE 24th Street may need to be revised by the developer following the City's completion of corridor alignment studies. The developer is entitled to obtain and administrative revision to the Master Plan and this Agreement for this purpose, including submittal of an application for a latecomer's agreement with the City for such street improvements that exceed project impacts. During Phase 3, the developer shall construct Da Vinci Avenue NE/151st Avenue NE and its alignment with NE Alhazen

Street/NE 22nd Street as shown on Proposed Alignment in Master Plan. The extent of constructed improvements on NE Alhazen Street/NE 22nd Street for the realignment of Da Vinci Avenue NE/151st Avenue NE will depend on redevelopment activity north and west of the Subject Property at the time of submittal of initial Phase 3 development project permit applications. A temporary and interim alignment for NE Alhazen Street/NE 22nd Street may be required in order to connect Da Vinci Avenue NE/151st Avenue NE with 152nd Avenue NE. Details of the design of the intersection of 151st Avenue NE and NE 22nd Street will be determined by the City prior to or at the time of the developer's Phase 3 project permit application submittals. The developer is entitled to seek latecomer's agreement benefits and recovery of costs to the extent that the City Council does not determine such improvements to be system improvements otherwise entitled to impact fee credits.

- (4) NE 20th Street. If signalization has not already been provided during a prior phase, a traffic study will be conducted as part of Phase 3 project permit review to determine if signalization of the intersection of 151st Avenue NE and NE 20th Street meets warrant requirements. If not already constructed in Phase 2, full standard frontage improvements by the developer will be constructed behind the curb line during Phase 2 to meet the requirements of RZC 21.12.150.B Site Requirements at Table 21.12.150.A Cross-Section B with one, eight foot (8') sidewalk and one, five foot (5') planting strip. The Phase 3 developer, (at its option) and the City shall thereafter share pro-rata costs of the installation of any signalization system, as credits against impact fees as a system improvement as allowed under RZC 21.17.030, RZC 21.52.010.G.2. and RMC 3.10.130; or as credits against the formation of a Local Improvement District requirements; or as part of a developer requested latecomer's agreement as provided under RZC 21.17.030.
- (5) NE Alhazen Street/NE 22nd Street. Planned NE Alhazen Street/NE 22nd Street is designated as an east to west Access Street with a seventy six foot (76') right-of-way, including a thirty six foot wide (36') roadway section, a fourteen foot wide (14') sidewalk, and a twenty four foot wide (24') urban pathway as illustrated in the approved Master Plan at page 42. Half-width street improvements will be constructed along the southerly half of NE 22nd Street as configured in the Street Section of the Master Plan at page 42 depicting a seventy six foot wide (76') Access Street with Urban Pathway to the north beginning at the intersection of 151st Avenue NE and NE 22nd Street and

ending at the intersection of NE 22nd Street and 152nd Avenue NE. During Phase 3, half-width construction for NE 22nd Street by the developer will include full frontage improvements with a six foot (6') foot planting strip, two-ten foot (10') travel lanes, one southerly seven foot (7') parking isle and ten foot (10') sidewalk. Constructed sidewalks within the northerly half of NE 22nd Street by the northerly abutting lots of the Replat of Koll Commerce Center will be accepted as Urban Pathways that satisfy Appendix 7 and RZC 20C.45.40-080 requirements. The developer is entitled to apply for a latecomer's agreement with the City for such street improvements that are determined to exceed project impacts.

- (d) Should any capacity, intersection, or other street or transportation improvements provided for in this Agreement exceed the service needs of the development of the Subject Property as provided in the Master Plan and this Agreement, KCCLE and/or its heirs, successors, transferees, and assigns are entitled to apply to the City for latecomer's reimbursement from properties the City determines are benefited by the transportation improvements who later develop property in the vicinity and use the improvements. The terms and conditions of a latecomer's agreement will be executed between the Parties at the time of issuance of project permits as provided by RCW Chapter 35.72 and applicable provisions of the RMC and RZC.

7.1.4 Frontage Improvements. Development of the Subject Property shall include construction of frontage improvements on public streets and other public access improvements as are needed for changes to existing access as determined through the City's project permit process in accord with the RZC Chapter 21.12 Overlake Village street and access standards described in the preceding provisions of this Agreement.

7.1.5 Alternate Timing and Scope. The City and Owner may agree at any later time to alter the timing of construction of one or more improvements to coordinate with construction of other phases of development and improvements; or may hereafter for other reasons, and may agree to reduce or change the scope or specifications of any improvement, by setting forth such agreement in writing without the need to amend this Agreement. In reviewing such requested changes, the City will determine under applicable Washington law if impacts to its infrastructure have been adequately mitigated.

7.1.6 Residential Development. Residential developments for Phases 1 and 2 are allowed to go forward independent of completion of the street improvements to 152nd Avenue NE, 151st Avenue NE, and NE 22nd Street, provided that such development shall include adequate

improvements as are needed for access to the residential parcel(s) consistent with the preceding provisions of this Agreement.

7.1.7 Street Design and Right-Of-Way Acquisition. Street design profiles and dimensions, utility requirements, right-of-way and easement requirements are set forth in the preceding provisions of this Agreement, subject to modifications that may be proposed by the Owner and approved by the City through the site plan entitlement or project permit review process. The City shall, if needed, support right-of-way acquisitions on any non-Owner owned properties that are needed to accommodate any of the public transportation improvements, including consideration by the City Council of use of condemnation proceedings, if required. Nothing in this Agreement obligates the City Council to exercise its eminent domain power.

7.2 Transportation concurrency.

7.2.1 Phase 1 Concurrency Certificate. Pursuant to RZC 21.52.010.B.7, the Phase development, as defined above, or any such development that generates up to the traffic generation levels analyzed for Phase 1 in the March 17, 2014 Traffic Impact Study (270 net new PM peak hour trips) shall be deemed to have satisfied the transportation concurrency requirements for available mobility units as set forth in the RZC. A certificate of transportation concurrency for Phase 1 with duration concurrent with the terms of this Agreement, including administrative extensions thereof, shall be issued to Owner within ten (10) days after the effective date of this Agreement. The City accepts the remainder of all planned new mobility units for transportation concurrency; *Provided that* the certificate of availability for concurrent mobility units for such latter two phases of development will be determined at the time of later project permit/site entitlement plan application submittal for Phase 2 and Phase 3 projects. The developer of such later phases may seek concurrency certificates from the City before submitting project permit applications for Phases 2 and 3. Other than any subsequent analysis required to analyze impacts on Bellevue transportation facilities for the purpose of calculating mitigation payments, no additional transportation analysis and no additional transportation concurrency certificates shall be required to construct Phase 1 of the Project.

7.2.2 Phase 2 & 3 Building Permit Applications. Pursuant to RZC 21.52.010.B.7, Phase 2 and Phase 3 development, as defined above, proposed in any project permit or building permit application submitted to the City shall be deemed to have met the transportation concurrency requirements set forth in the RZC upon satisfaction of the funding requirement for the improvements identified in Section 7.1.3(b) above. Impacts on Bellevue transportation facilities for the purpose of calculating mitigation payments are addressed in Section 6.5 above. The Parties agree that sufficient system capacity exists

for Phase 1. However, no certificate can be issued for Phases 2 and 3 at this time pending a project permit application at the time of such later phased development. No additional transportation analysis, and no additional transportation concurrency certificate analysis, is required for Phase 2 and Phase 3 Master Plan development proposals at this time. The methodology used by the City in assessing adequate transportation capacity shall be determined for Phases 2 and 3 using the methodology applied in 2014 for Phase 1 concurrency.

7.3 Off-Site Transportation Mitigation. The City has identified one off-site intersection affected by the development to a level of significance that requires mitigation: 148th Avenue NE and NE 20th Street. To the extent that any mitigation is determined by the City or a trier of fact to require the construction of street improvements, or pro-rata contribution for the construction of such improvements, transportation impact fee credits will be provided by the City under RZC 21.52.010.G.2, RZC 21.17.030 and RMC Chapter 3.10 provided that these improvements are included in the City's Transportation Facilities Plan. For purposes of impact mitigation not addressed above in sections 7.1 and 7.2, the Parties agree to the following:

7.3.1 Northbound Right Turn Lane at 148th Avenue NE/NE 20th Street. A building permit for proposed development constructing a right turn lane at 148th Avenue NE and NE 20th Street will be constructed when any development phase will cause the total traffic generation from the Project to exceed three hundred and thirty five (335) net new AM peak hour trips shall not be issued until a northbound right turn lane has been constructed, or a commitment for construction with a projected completion date on or prior to the projected date for occupancy of the proposed development, has been provided to the City by the developer and/or Owner (or the City or another governmental entity has committed to construct the improvement). This northbound right-turn lane at the intersection of 148th Avenue NE/NE 20th Street will be constructed during Phase 3 regardless of whether cumulative development within the project exceeds three hundred and thirty five (335) net new AM Peak Hour trips. Adding the turn lane will require payment of a regional stormwater fee for new impervious area. If the traffic generation criteria below in sub-paragraphs a-b have not been triggered to require construction of this improvement during Phase 1 or Phase 2, the developer for Phase 3 will construct, or execute an agreement satisfactory to the City, to participate in such improvement as a condition for final occupancy for approved Phase 3 building permits:

- (a) AM peak hour traffic generation shall be measured based on the total net new AM peak hour trips (inbound + outbound) using the ITE-based trip rates derived from the trip generation table in Appendix B of the March 17, 2014 Traffic Impact Study, and shall account for trip credits for any existing land uses to be

removed as part of the development. If a proposed land use type is not listed in the table in Appendix B, the current edition of the ITE Trip Generation manual shall be used and adjustments for internal trips and mode-split made in a manner consistent with the level of adjustments documented in the Traffic Impact Study for the most similar land use type.

- (b) The Owner shall make a good faith effort to acquire any right-of-way required for the improvement that is not owned by the Owner. As used in this Subsection, "good faith effort" is defined, at a minimum, as including making contact with each owner of the necessary right-of-way and offering to purchase the right-of-way from the Owner at not less than fair market value thereof, as determined by a qualified appraiser selected and paid for by Owner with the approval of the City. The City will support the Owner's efforts to acquire the necessary right-of-way and, in the event that Owner's good faith effort to acquire is unsuccessful, the Redmond City Council will consider whether condemnation proceedings should be initiated. Nothing in this agreement obligates the City Council to exercise its eminent domain power.

Within six (6) months of receiving from Owner and/or other property owner(s)/developer(s) (1) notice of intent to proceed with construction of the improvement, (2) engineering information that identifies the right-of-way acquisition required for the improvement, and (3) proof of the Owner's unsuccessful good faith effort to acquire the necessary right-of-way, the City shall either:

- (1) Acquire the right-of-way or initiate condemnation proceedings to acquire the required right-of-way, or
- (2) Notify Owner of an alternate improvement that will provide substitute mitigation for the impact addressed by the original improvement. The City may require Owner to construct the alternate improvement, or may accept all or part of the cost of the improvement in satisfaction of Owner's obligation.

If the City decides to proceed with condemnation in subsection 1 above, the Owner or developer shall pay all costs incurred by the City in doing so, including but not limited to, all just compensation to be paid to the condemnee(s) and all City attorney's fees, expert witness fees, title report fees, and City staff time expended by the City, and any attorney's fees, costs, relocation expenses, and other judgment obligations required to be made by the City to the condemnee(s). The Owners or developers shall be required to deposit the estimated amounts to be incurred by the City prior to the City proceeding with

condemnation. In the event the estimate is less than the actual amount incurred, the Owners or developers shall be required to pay the difference. If the estimate exceeds the amount actually incurred, the City will refund the excess once the condemnation proceedings are completed. If the condemned area is determined to be a "system improvement," the developer shall be entitled to a credit against transportation impact fees.

The estimated cost of the alternate improvement to be incurred by Owner shall not exceed the estimated cost of the original improvement. Both estimates shall be approved by the City and shall be made or updated to dates within six months of identification of the alternate improvement. Owner shall not be required to construct the alternate improvement unless all land required for the alternate improvement is available to Owner for use in constructing the alternate improvement. Owner shall make a good faith effort to acquire the necessary land in the same manner as is required for the original improvement. If Owner is unable to acquire right-of-way required for the alternate improvement identified by the City after making a good faith effort to acquire the necessary land, then Owner shall pay City the estimated cost of constructing the alternate improvement, including required right-of-way (not to exceed the cost of the original improvement, including required right-of-way) and the obligations of this Section 7.3.1 shall thereupon be deemed fully satisfied.

If the City does not initiate proceedings to acquire right-of-way needed for the original improvement, or identify the alternate improvement as and when provided in this subsection, then Owner shall pay City the estimated cost of constructing the original improvement, together with the fair market value of the right-of-way Owner was unsuccessful in acquiring and the obligations of this Section 7.3.1 shall thereupon be deemed fully satisfied.

- (c) In the event Owner pays for some or all of the improvement, Owner shall be entitled to a latecomer's agreement providing for cost recovery from any party undertaking future development that would have been required to provide the improvement if it had not been constructed by Owner, provided that the agreement is consistent with and meets the requirements of state law and City ordinances for such agreements. When a credit has been provided against transportation impact fees for the cost of an improvement, Owner shall not be entitled to include the credited amount in a latecomer's agreement.

7.4 Transportation Impact Fees. As an alternative to the payment of transportation impact fees or other impact fees, such as schools, parks, and fire department adopted by the City in its posted fee

schedules under RMC Chapter 3.10, the applicant for each project permit application, may submit an independent fee calculation study as provided under RMC 3.10.120 and RMC 21.17.030, including the allocation of appropriate credits and adjustments against the impact fees for the value of the dedicated land or property interest conveyed and/or the actual cost of construction during each development phase.

7.4.1 Calculation of Net New Mobility Unit Demand. The City's Multimodal Plan concurrency based administrative guidelines for calculating net new project demand for mobility units for purpose of transportation concurrency and impact fees shall be applied for development of the Master Plan Area to account for demolition of existing structures as provided under the City's Multimodal Plan-Based Concurrency System Administrative Guidelines dated September 2014. Upon demolition of an existing structure, credit for reduction of existing demand for mobility attributable to such existing structure shall automatically accrue to the owner of the existing structure. The credit may be used in whole or in part by such owner(s) to reduce the demand for mobility units attributable to such owner(s)'s development(s) within the Master Plan Area, or may be assigned to another owner or developer of property within the Master Plan Area.

7.4.2 Credits Against Transportation Impact Fees. In consideration of Owner dedicating land and constructing transportation and right-of-way improvements as set forth in this Agreement, RMC 3.10.130, and RZC 21.17.030, the City shall apply credits and adjustments against City transportation impact fees separately for each development phase at the time of the first project permit application for each phase. Credits and adjustments include the value of the land or property interest conveyed to the City; and, the cost for the design, permitting, and construction of improvements made for any project proposed or listed in the City Transportation Facilities Plan (TFP) or subsequently added to the plan or its successor. Unless otherwise requested by a Project applicant at the time of project permit application who owns the entirety of the Subject Property, the value of dedicated or conveyed land or property interest determined by a qualified Master of Appraisal Institute appraiser and/or actual cost of construction of public improvements will be separately determined at each phase of development based upon what land or property interest are conveyed; and the value of constructed improvements to public streets and infrastructure that are installed during that phase of construction.

If not already part of the TFP, which is incorporated by reference herein, the City shall propose for City Council a decision for the inclusion in the TFP of all dedicated areas, property interests, and transportation improvements identified in the preceding provisions of this Agreement. In the event Owner pays all or part of the cost of a

TFP project in lieu of construction, the credit shall be in the amount of such payment for the following transportation improvements at the time of later project permit application(s).

Adjustments to the transportation impact fee credit, if any, shall be determined by calculating the percentage increase, if any, in the Construction Cost Index (published by the Engineering News Record or its successor) over the three consecutive 12-month September 1 to August 31 time periods immediately prior to January 1, or the closest three consecutive 12-month time periods immediately prior to January 1 ("Percentage Increase in Construction Cost Index"). The amount of unused credit against transportation impact fees shall be increased each January 1st by the Percentage Increase in Construction Cost Index, if any.

KCCLE and the City have agreed that of the transportation improvements identified above, the following improvements are identified as eligible transportation impact fee credits at the time of construction provided the City Council has amended the TFP to include them: (1) frontage improvements along 152nd Avenue NE, and (2) the northbound right turn lane at 148th Avenue NE and NE 20th Street. No impact fee credits are permitted for "back of curb" transportation improvements along NE 20th Street. However, KCCLE is entitled to apply for latecomer's benefits under RCW Chapter 35.72 for the following improvements: (1) new Da Vinci Avenue NE/151st Avenue NE right-of-way and utility improvements; (2) new NE Alhazen Street/NE 22nd Street right-of-way and utility improvements; and (3) new right-of-way and traffic signal modifications at Da Vinci Avenue NE/151st Avenue NE and NE 20th Street.

8. Mitigation of Impacts on Schools. The Property is located within the Bellevue School District ("District"). Students residing on the Subject Property may attend the District's schools. All development parcels and all newly developed structures on the Subject Property will be included in King County real property tax assessments that will include taxes imposed as a result of the District's regular and special tax levies.

To provide for the potential future need to mitigate the impacts from public student population growth resulting from redevelopment of the Property, Owner agrees that the Property and future improvements constructed on the Property shall be subject to payment of impact fees collected by the District or by the City on behalf of the District to the same extent as all other property within the City that is situated within the boundaries of the District.

9. Parking.

9.1 Below-Grade Parking. If fully developed for all three phases as provided in the Master Plan for 885 dwelling units, not more than

1,187 stalls of all off-street parking within the Master Plan Area shall be located below grade for residential housing and live/work units. Not less than 80 stalls shall be provided for hotel use and not less than 519 stalls shall be provided for office-related use. In the event that full build out of such densities and intensities change, and such changes result in lesser impacts and the need for less parking, the parking requirements of the Master Plan will be administratively renegotiated between the Parties without the need of further hearings before the Council.

9.2 On-Street Parking. Right-of-way for all public streets within the Master Plan Area will be dedicated to the City by Owner. Per RZC 21.12.110.I, all curbside parking on public and private driveways within the Master Plan area shall be counted toward satisfaction of the minimum required parking for adjacent development except along 152nd Avenue NE. Curbside parking spaces located adjacent to the park or other non-development sites shall be allocated toward satisfaction of minimum required parking for development located on the opposite side of the street.

10. Trees and Landscaping. There are eighty four (84) trees within the Subject Property and an additional eight (8) trees adjacent to the Subject Property in street strips along NE 20th Street and 152nd Avenue NE. All 92 trees are significant trees (3 are unhealthy and will be removed) and one tree is a Landmark Tree. There are forty eight (48) significant trees, including the Landmark Tree, that are within the areas impacted by City required street improvements.

10.1 Tree Protection Standards. The RZC provides that in all new developments, specific standards for retaining trees on the development site and for replacement of removed trees must be met unless a special exception is approved based on the specific characteristics of the development and development site. The Subject Property, however, is already fully developed. Redevelopment of the site and the construction of public roadway facilities will necessarily cause the removal of existing landscaping and trees as detailed at page 57 of the Master Plan.

Per RZC 21.72.060 to .090, an exemption to the City's minimum tree retention requirement of thirty five percent (35%) and an exemption to remove the Landmark Tree is requested due to the extensive impacts described above. Specifically, it is proposed that no trees can be saved and KCCLE is requesting to remove more than the required 31 significant trees (including the Landmark Tree). RZC 21.72.090.B.3 allows tree replacement ratios of 1:1 for master plans within urban centers when accompanied by a three-tier vegetative landscaping plan. This code provision would require a replacement of eighty eight (88) significant trees plus 3 additional trees for the Landmark Tree, for a total replacement of ninety one (91) trees. The conceptual landscaping plan shows a total of one hundred and fourteen (114)

trees to be planted within the new development area, which is greater than the 1:1 replacement standard. Each development phase will be required to submit a three-tier vegetative landscaping plan with their building permit application.

Additional data detail can be found under separate cover in the February 12, 2014 KCC Limited Edition Arbor Study / Tree Health Assessment publication.

As indicated, the Owner has requested a special exception to the tree retention and replacement standards following agreement of the Parties on parks mitigation and dedication of roadway and utility easement areas and development pads that will cause existing trees to be removed. For this purpose, the City Council has determined that an exception should be and is hereby granted to the tree retention and replacement standards based on criteria specified in the Redmond Zoning Code, including the requirement in RZC 21.72.090.B.3 to prepare a three tier vegetative plan.

Public benefits provided by the development and characteristics of the site and project that merit the exception, include the following findings and conclusions:

- (a) A new street network will be provided between NE 20th Street and NE 22nd Street to the north, and a new segment of 151st Avenue NE, as called for in the Overlake Neighborhood Plan and Implementation Strategy;
- (b) A new bicycle route will be provided across the site connecting with exiting principal bike routes as part of the City's Urban Trails program;
- (c) 901 or more dwelling units will be constructed within a transit oriented mixed-use setting;
- (d) A new segment of 151st Avenue NE, a new east-west Access Street, NE 22nd Street, expanded 152nd Avenue NE, and expanded private access driveway open to the public (NE Koll Drive) are new roadway facilities designed to accommodate public parks and public pedestrian uses that will be constructed connecting existing neighborhoods with the planned City Park on the Sears Property, future bus and/or light rail station, and open space areas located on the Subject Property;
- (e) Grading and excavation will require removal of all existing trees on the new streets and development parcels;
- (f) Significant site excavation is also required for dense, urban development with sixty percent or more of the on-site parking located in underground structures;

- (g) Alteration of site hydrology as a result of grading and excavation will adversely affect the ability of any trees that are retained to survive;
- (h) These circumstances warrant an exception to the City's tree preservation requirements as exceptional conditions that are related to the topography, location, and surroundings of the subject property or where strict compliance with the provisions of RZC Chapter 21.72 would jeopardize reasonable use of OV(1) zoning entitlements and use of the Subject Property and be inconsistent with the increased density of urban centers envisioned for the Overlake Village Neighborhood; and
- (i) The granting of the exception requested by KCCLE will not be detrimental to the public welfare or injurious to other property in the vicinity as provided by RZC 21.72.090.B.

11. Term. The term of this Agreement shall be twenty (20) years from the date of City Council approval. The City and Owner may agree to extend the term of this Agreement, provided that such extension is approved by the City Council.

12. Miscellaneous Provisions.

12.1 Code Citations & Construction. All citations and references to the Revised Code of Washington, and the Redmond Zoning Code and Redmond Municipal Code in this Agreement shall refer to those provisions in force as of the date of this Agreement, unless express reference is made to future amendments thereto. Sections of this Agreement are not to be construed in isolation, but are to be reviewed together along with the Master Plan for purposes of implementation and determining the intent of the Parties.

12.2 Recording. This Agreement shall be recorded with the King County Recorder's Office.

12.3 Amendments and Revisions. Any amendment to this Agreement shall require approval by the City Council unless administrative approval is specifically authorized by this Agreement. Revisions to this Agreement, Master Plan, or to any project permit as defined by RCW 36.70B.020 that implements this Agreement, which do not add greater land-use or transportation intensities and densities that are already mitigated by the provisions of this Agreement are considered to be minor revisions that may be administratively approved from time to time by the Director of Planning and Community Development without action by the City Council. Major modifications and/or amendments of the Master Plan agreed to by Owner and approved by the City administratively or upon City Council approval shall be deemed incorporated into this Agreement without further action. Section 6.5

providing for mitigation of impacts on Bellevue transportation facilities shall not be amended without written approval of the City of Bellevue.

12.4 Specific Performance. The Parties specifically agree that damages are not an adequate remedy for breach of this Agreement and that the Parties are entitled to compel specific performance of all terms of this Agreement by any Party in default hereof.

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

12.6 Notices. All notices and other communications required or otherwise provided for by this Agreement shall be in writing, and shall be given to the following persons:

City of Redmond
Attn: Director of Planning and Community Development
P.O. Box 97010
Redmond, WA 98073-9710

And to its Attorney:
Ogden, Murphy, Wallace, P.L.L.C.
Attn: James E. Haney
1601 Fifth Ave., Ste. 2100
Seattle, WA 98101-1686

KCC Limited Edition Owners' Association, Board of Directors
Attn: Doug Wright, President
227 Bellevue Way NE, #386
Bellevue, WA 98004

And to its Attorney:
Samuel A. Rodabough
Law Office of Samuel A. Rodabough PLLC
11820 Northup Way, Ste. E200
Bellevue, WA 98005

12.7 Full Understanding. The Parties each acknowledge, represent and agree that they have read this Agreement; that they fully understand the terms thereof; that they have had the opportunity to be fully advised by their legal counsel and any other advisors with respect thereto; and that they are executing this Agreement after sufficient review and understanding of its contents.

12.8 Attorneys' Fees. In the event of any dispute concerning this Agreement, the Parties shall first seek mediation before an entity with expertise in mediating land-use disputes. Only after first exhausting mediation, may a party file an action in King County Superior Court to seek redress. The substantially prevailing party as

determined by the trier of fact shall be entitled to receive its attorneys' fees and costs at trial, and any fees and costs incurred in any alternative dispute resolution proceeding, including any later attorney fees and costs if appealed.

12.9 Severability. In the event that any section, sentence, clause or phrase of this Agreement is determined to be invalid or unconstitutional by any court of competent jurisdiction, the remaining sections, sentences, clauses and phrases shall remain viable and in full force and effect.

12.10 Counterparts. This Agreement may be executed in counterparts, with each Party sending an Adobe "pdf" formatted copy of its signature or facsimile copy to the other Party via e-mail or facsimile transmission. This Agreement, when fully executed and signature pages exchanged as provided herein shall be effective as the original document.

12.11 Equal Opportunity to Participate in Drafting. The Parties, including the individual owners of the Subject Property, have participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any Party based upon a claim that such Party drafted or substantially drafted the ambiguous language.

12.12 Authority to Sign Agreement. Each person executing this Agreement warrants, if applicable, that (1) he or she holds the position indicated beneath his or her signature, and (2) he or she has been duly authorized to execute this Agreement on behalf of the party he or she purports to represent.

12.13 Exhibits. This Agreement includes the following exhibits incorporated by reference herein:

- Exhibit A - Legal Description
- Exhibit B - Concept Engineering Survey
- Exhibit C - KCCLE Master Plan with appendices
- Exhibit D - Transportation Impact Study, dated March 14, 2014, and TIA Study Addendum, dated June 10, 2014
- Exhibit E - RZC Chapter 21.12, Overlake Regulations
- Exhibit F - Interlocal Agreement regarding land use planning and transportation improvements in the Bel-Red/Overlake area, dated September 30, 1999
- Exhibit G - City of Redmond Comprehensive Transportation Plan

12.14 Final and Complete Agreement. This Agreement constitutes the final and complete expression of the Parties on all subjects relating to the development the Subject Property. This Agreement supersedes any and all prior agreements, discussions, and representations on all subjects relating to the development of the Subject Property. No

Party is entering into this Agreement in reliance on any other oral or written promises, inducements, representations, understandings, interpretations, or agreements other than those contained in this Agreement and the Master Plan.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Dated this __ day of April, 2016.

Mayor, City of Redmond
Pursuant to Ordinance No2827
Dated:

Witnesseth:

City Clerk

Approved as to form:

City Attorney

KCC Limited Edition Owners' Association
By: Doug Wright
Its: President
Dated:

Levibux Q LLC
By:
Its:
Dated:

Collection Center Associates LLC

By:

Its:

Dated:

Ayush Herbs, Inc.

By:

Its:

Dated:

Southbridge Properties, LLC

By:

Its:

Dated:

I. Steven Campbell

Cherrideth M. Campbell

New Dukan, LLC

By: Dr. Guru Sahi

Its: President

Dated:

Qualstar Credit Union

By:

Its:

Dated:

Interlake Medical Building Associates, L.L.C.

By:

Its:

Dated:

Cornerstone Christian Fellowship

By:

Its:

Dated:

Loyal Endeavor LLC

By:

Its:

Dated:

IBG Enterprises, LLC

By:

Its:

Dated:

1958 Nelson, L.L.C.

By:

Its:

Dated:

Room In Frame LLC

By:

Its:

Dated:

VEM Enterprises LLC

By:

Its:

Dated:

GV, LLC

By:

Its:

Dated:

ACKNOWLEDGEMENTS

STATE OF _____)
County of King) ss.
)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he is the public official described in and who signed this instrument as the _____ of the City of Redmond, a Washington municipal corporation, and acknowledged it to be the said party's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that he is authorized to execute the instrument on behalf of said party.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
)ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of KCC Limited Edition Owners' Association, a Washington nonprofit corporation, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as the President of the Board of KCC Limited Edition Owners' Association, and acknowledged it to be the said corporation's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument on behalf of said Association and Owners of Lots 1-19 of the Koll Commerce Center Replat.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
)ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Levibux Q, LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as a member of Levibux Q LLC and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Collection Center Associates LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as a member of Collection Center Associates LLC and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Ayush Herbs, Inc., a Washington corporation, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as the _____ of Ayush Herbs, Inc. and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Southbridge Properties, LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as the member of Southbridge Properties, LLC, and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that I. StevenCampbell and Cherrideth M. Campbell, are the persons who appeared before me on behalf of themselves and their marital community, said persons acknowledged that they are the individuals described in and who together signed this instrument on behalf of themselves and their marital community, and acknowledged it to be their free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that they are authorized to execute the instrument.

DATED:

Name: I. Steven Campbell:

Name: Cherrideth M. Campbell

NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
)ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of, New Dukan, LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as the member of New Dukan, LLC, and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
)ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of, Qualstar Credit Union, a Washington nonprofit corporation, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as the _____ of Qualstar Credit Union, and acknowledged it to be the said corporation's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Interlake Medical Building Associates, L.L.C., a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as the member of Interlake Medical Building Associates, L.L.C. and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Cornerstone Christian Fellowship, a Washington nonprofit corporation, and said person acknowledged that (he/she) is the individual(s) described in and who signed this instrument as the _____ of Cornerstone Christian Fellowship and acknowledged it to be the said corporation's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Loyal Endeavor LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual(s) described in and who signed this instrument as the a member of Loyal Endeavor LLC, and acknowledged it to be said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of IBC IBG Enterprises, LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as a member of IBG Enterprises, LLC, and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of 1958 Nelson, L.L.C., a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as a member of 1958 Nelson, L.L.C., and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
) ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of Room In Frame LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as a member of Room In Frame LLC and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
)ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of VEM Enterprises LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as a member of VEM Enterprises LLC and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

STATE OF _____)
)ss.
County of King)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me on behalf of GV LLC, a Washington limited liability company, and said person acknowledged that (he/she) is the individual described in and who signed this instrument as a member of GV LLC and acknowledged it to be the said company's free and voluntary act, for the uses and purposes mentioned in this instrument, and on oath stated that (he/she) is authorized to execute the instrument.

DATED:

Name (typed or printed):
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____