

**AGREEMENT REGARDING LEASE TERMINATION**

THIS AGREEMENT REGARDING LEASE TERMINATION (this “Agreement”) is made and entered into as of April \_\_, 2025 (the “Effective Date”), by and between the CITY OF REDMOND, a municipal corporation (hereinafter “Property Owner”), and PPF AMLI REDMOND WAY, LLC, a Delaware limited liability company (hereinafter “Tenant”).

**RECITALS**

- A. Property Owner and Tenant entered into a Lease Agreement effective dated December 19, 2023 (the “Lease” attached as Exhibit A), whereby Tenant agreed to lease certain premises identified in Exhibit A to the Lease (the “Premises”) to facilitate demolition and construction improvements on the real property owned by Tenant located to the East of the Premises (“Tenant’s Property”).
- B. Property Owner has entered into a transfer option agreement for the transfer of the Premises and wishes to terminate the Lease early to facilitate such transfer.
- C. Tenant is agreeable to early termination of the Lease in consideration of Property Owner’s agreements in this Agreement.
- D. Property Owner has identified alternative haul route, material staging, and construction parking locations which are agreeable to Tenant.
- E. Property Owner has further reviewed and issued Approvals with Correction, dated 08/22/2024 for early temporary use of the parking garages on Tenant’s Property by Tenant’s contractors, consultants and suppliers and their respective invitees, employees and subcontractors during construction on the Tenant Property. For purposes of this Agreement, the “Parking Garages Approvals” means the documents attached hereto as Exhibit C as modified by the terms of the subsequent correspondence attached hereto as Exhibit D.
- F. Pursuant to that certain “Agreement Between City of Redmond and the Central Puget Sound Regional Transit Authority for the Funding, Design, and Construction of Downtown Redmond Link Extension Betterments” dated October 18, 2019 (the “Original Betterment Agreement”), Sound Transit agreed to design and construct improvements to the Redmond Central Connector Trail (the “RCC”) subject to certain cost sharing between Sound Transit and the City.
- G. As set forth in that certain letter from the City to Sound Transit dated June 25, 2024, attached hereto as Exhibit E (the “RCC Scope Modification Request Letter”), Sound Transit has reviewed and agreed to the scope revisions to the Betterment Agreement to accommodate the haul route and material staging needed to replace Tenant’s uses of the Premises, as evidenced by that certain Letter of Concurrence between Sound Transit and the City dated March 25, 2025, attached hereto as Exhibit H (the “Concurrence Letter”).

The Original Better Agreement, as amended by the RCC Scope Modification Request Letter, shall be referred to herein as the “Betterment Agreement.”

- H. Tenant and Sound Transit have entered into that certain Letter of Agreement dated February 3, 2025, attached as Exhibit G, regarding Tenant’s use of the Tenant Use Areas (as defined below) (the “Letter Agreement”).

### AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. Capitalized Terms; Recitals. All capitalized terms not defined in this Agreement shall have the meanings given to them in the Lease. The above recitals are incorporated as if fully set forth herein.
2. Early Termination of the Lease. Effective as of ten (10) business days after the later of the following (the “Termination Date”): (a) Tenant receives written notice that the “Haul Road” and “Fenced Staging Area”, in the locations identified in Exhibit B attached hereto (the “Haul Road and Staging Area”), have both been improved and completed by Property Owner as contemplated in the Betterment Agreement, RCC Scope Modification Request Letter and Concurrence Agreement and ready and open for Tenant’s use as permitted under this Agreement; and (b) Tenant receives written notice from the City that all improvements required to be completed by Sound Transit as set forth in the Betterment Agreement, RCC Scope Modification Request Letter and Concurrence Agreement are completed and accepted by the City, each in accordance with the Betterment Agreement, RCC Scope Modification Request Letter and Concurrence Agreement, the Lease will terminate and, as of that date, Tenant shall surrender and turnback the Premises to Property Owner in the condition required under the Lease and neither Property Owner nor Tenant will have any further rights or obligations under the Lease, except for such rights and obligations that are specifically intended to survive the termination of the Lease under the terms of the Lease.
3. Use of Tenant Use Areas. Property Owner agrees to allow Tenant, and Tenant shall have the right, to use the Haul Road and Staging Area and the other areas outlined in red on Exhibit B attached hereto (collectively, the “Tenant Use Areas”) starting on the Termination Date and extending through December 19, 2025 (the “End Date”); provided the End Date shall be extended by one day for each day that Tenant’s rights under this Agreement are interfered with or limited by the City, Sound Transit or King County, regardless of Tenant’s rights to use the Alternative Haul Route as described herein, subject to the following:
  - a. Subject to the rights of Sound Transit under the Transit Way Agreement and the Easement (each as defined in the Letter Agreement), Tenant is granted the exclusive use of the Tenant Use Areas by Tenant (including Tenant’s duly authorized representatives, employees, and agents) and Tenant’s contractors, subcontractors and consultants and their respective invitees, employees and subcontractors for the following purposes: (a) staging, storage and/or parking of materials, trailers, vehicles, and equipment on the portion of the Tenant Use Areas identified as the

“Fenced Staging Area” on Exhibit B (the “Staging Area”), (b) access to and from the Tenant Use Areas for construction access and haul route to and from the Tenant’s Property on the portion of the Tenant Use Areas identified as the “Haul Road” on Exhibit B (the “Haul Road”) and (c) the installation of the improvements approved in permit number SITE-2023-02147 and any approved revisions (the “Facilities”). Tenant agrees that nothing may be stored or placed within the Haul Road and the Haul Road shall only be used for active hauling.

- b. Notwithstanding anything in this Agreement to the contrary, if Sound Transit (or any other person or party authorized or permitted by Sound Transit), through or under the Transit Way Agreement, Easement, the Betterment Agreement, RCC Scope Modification Request Letter, Concurrence Agreement, Letter Agreement, or otherwise temporarily or permanently impacts, alters, interferes with, or limits the ability of Tenant in any way to use any portion of the Tenant Use Areas as permitted under this Agreement (including, without limitation, as the result of any termination of the Letter Agreement), Tenant shall have the right to utilize (i) if the Haul Road is involved, the alternative haul area and access rights (the “Alternative Haul Route”) granted by the City in Permit No. SITE-2023-02147 attached hereto as Exhibit F (the “Alternative Haul Route Permit”) for the same uses as are permitted under this Agreement for the Haul Road and (ii) if the Staging Area is involved, the alternative staging area identified as the “Alternative Staging Area” on Exhibit B (the “Alternative Staging Area”) for the same uses as are permitted under this Agreement for the Staging Area. For clarification, during any use of the Alternative Haul Route, Tenant shall have all the same rights thereto that apply to the Haul Road under this Agreement and during any use of the Alternative Staging Area, Tenant shall have all the same rights thereto that apply to the Staging Area under this Agreement. If Tenant determines it has the right to use the Alternative Haul Route or the Alternative Staging Area under this Agreement, the following shall apply at no cost to Tenant: (1) Tenant shall provide an email notice to the City at [chelland@redmond.gov](mailto:chelland@redmond.gov), (2) Tenant shall have the right to use the Alternative Haul Route and/or the Alternative Staging Area, as applicable, under this Agreement by 7 am on the next business day after Tenant sends the email notice to the City (e.g., if Tenant sends an email to the City at any time on Monday, Tenant will have the right to use the Alternative Haul Route and/or the Alternative Staging Area, as applicable, by 7 am on Tuesday), (3) Tenant shall have the right to use the Alternative Staging Area under this Agreement 24 hours a day, 7 days a week, (4) Tenant shall have the right to use the Alternative Haul Route under this Agreement between the hours of 7 am and 7 pm on every day except Sundays and national or state holidays, provided that Tenant shall not be obligated to remove the traffic control equipment on a daily basis, (5) unless Tenant agrees otherwise, in its sole discretion, once Tenant exercises its rights to use the Alternative Haul Route and/or the Alternative Staging Area hereunder, Tenant shall have the right to continue such use for five (5) business days after Tenant’s use of the Tenant Use Areas are no longer impacted, altered, interfered with, or limited (e.g., if Tenant’s use of the Tenant Use Areas are no longer impacted, altered, interfered with, or limited on a Monday, Tenant will have the right to use the Alternative Haul Route and/or the

Alternative Staging Area, as applicable, until 7 pm on the following Monday), (6) the City, at its sole cost, shall, during all times that Tenant has the right to use the Alternative Haul Route: (A) provide a uniformed police officer to direct traffic and (7) the City, at its sole cost, shall provide the following during all times that Tenant has the right to use the Alternative Staging Area: any permits necessary for the use of the Alternative Staging Area as described herein.

- c. Prior to the End Date, Tenant shall restore the Tenant Use Areas to substantially the same or better condition than that which existed prior to the commencement of the Tenant use of the Tenant Use Areas under this Agreement; provided, the foregoing shall not require removal of any Facilities.
- d. Tenant agrees that no permanent infrastructure, other than the Facilities, may be installed within the Tenant Use Areas and all personal property located within the Staging Area must be removed by the End Date.
- e. Tenant agrees that the fire lane surface improvements approved in permit number SITE-2023-02147 and any approved revisions must be completed as a condition precedent to issuance of the Final Certificate of Occupancy (not a Temporary Certificate of Occupancy) for the improvements being constructed on Tenant's Property.
- f. Except as permitted under this Agreement, Tenant agrees to not use any areas owned by the Property Owner outside of the Tenant Use Areas that is not open to the public and if any such area is impacted by Tenant's use outside of the Tenant Use Areas, Tenant agrees to restore those areas within 30 days of written notification from Property Owner.
- g. Termination of the Letter Agreement shall not affect Tenant's rights under this Agreement. In the event of any conflicts between this Agreement and the Letter Agreement, including, without limitation, with respect to Tenant's rights and obligations with respect to the Tenant Use Areas, this Agreement shall govern and control and the Property Owner will be responsible for any obligations or liabilities of Tenant to Sound Transit under the Letter Agreement that exceed the obligations or liabilities of Tenant under this Agreement. Without limiting the foregoing, Property Owner and Tenant agree, notwithstanding the terms of the Letter Agreement, (i) Tenant shall be allowed to use the Tenant Uses Areas for all uses permitted under this Agreement; (ii) Tenant may install fencing, gates and access controls around the Haul Road and Staging Area (and, if applicable, the Alternative Staging Area); and (iii) the City will reimburse, indemnify, defend and hold harmless Tenant from and for any damages, costs, expenses, or other amounts payable or incurred by Tenant under the Letter Agreement with respect to the following: (1) any person entering the Tenant Use Areas, except those authorized by Tenant or its duly authorized representatives, employees or agents; (2) any hazardous materials in, on under, or over the Tenant Use Areas, except to the extent that such hazardous materials were brought upon the Tenant Use Areas by Tenant

or its contractors; (3) Tenant failing to secure the Tenant Use Areas or Tenant failing to prevent anyone from entering the Tenant Use Areas as required under the Letter Agreement; (4) safety of any persons or property, except in connection with Tenant's and its contractor's use of the Tenant Use Areas; (5) any maintenance, repair, replacement, relocation, or removal of any Facilities after such Facilities have been completed by Tenant; (6) any obligations or liabilities Tenant has under Section 12 of the Letter Agreement for the acts or omissions of anyone except to the extent arising out of the acts, errors, or omissions of Tenant or its contractors related to or in any way arising out of their use of the Tenant Use Areas under this Agreement; and (7) any liens against the Tenant Use Areas not related to materials or labor used by Tenant or its contractors.

4. Use of Parking Garage. Property Owner agrees that Tenant has received approval from the Property Owner for the early temporary use of the parking garages located on Tenant's Property during construction consistent with the Parking Garages Approvals.
5. No Further or Financial Consideration. Property Owner and Tenant agree that there shall be no further compensation under the Lease as of the Termination Date and no financial compensation associated with the provisions of this Agreement.
6. Agreement of Property Owner. Property Owner agrees that (a) Property Owner will continue to reroute the public and all other users (including, without limitation, pedestrian and vehicular traffic including bicycles) to the South side NE 76th Street so the public and others users cannot cross or impede use of the Tenant Use Areas as set forth on Exhibit B attached hereto, (b) Property Owner may not modify, supplement, change, or add any conditions to the Parking Garage Approvals or Alternative Haul Route Permit as attached to this Agreement, (c) Property Owner will not amend, modify, waive, and/or terminate any of the terms of the Transit Way Agreement or the Easement (each as defined in the Letter Agreement) or the Betterment Agreement, RCC Scope Modification Request Letter or Concurrence Agreement that may in any way affect Tenant's rights or obligations under this Agreement, the Letter Agreement or any permits for the improvements being constructed by Tenant on the Tenant's Property or the RCC, and (d) if Tenant is prevented from installing any improvements/facilities located in the RCC that are required for issuance of a final certificate of occupancy for the improvements being constructed by Tenant on Tenant's Property, then permit number SITE-2023-02147 shall be amended by the City to remove any such improvements. Property Owner represents and warrants that (i) entering into this Agreement, performance by Property Owner under this Agreement and Tenant's exercise of its rights under this Agreement do not require the consent of any party other than Tenant entering into the Letter Agreement and (ii) there are no agreements (including with Sound Transit) or laws that would prevent, restrict or limit Tenant's rights under this Agreement other than the Letter Agreement.
7. Surrender of Premises. On or before the Termination Date, Tenant shall surrender and turnback the Premises to Property Owner in the condition required under the Lease.
8. Insurance. Tenant (or Tenant's contractor) shall maintain commercial general liability insurance against any loss, liability or damage on, about or relating to Tenant's activities

involving the Tenant Use Areas with limits of not less than \$5,000,000 combined single limit, per occurrence and in the aggregate, and containing a deductible or self-insurance retention of not more than \$10,000. Tenant is responsible for all the costs and expenses of the deductible or self-insurance retention. The insurance shall name Property Owner as a Primary Non-Contributory additional insured. The insurance shall (a) be written by a company having a financial rating of at least "X" (ten) and a general policy holder's rating of "A," as rated in the most current Best's Key Rating Guide Property Casualty, (b) have attached thereto an endorsement that such policy shall not be cancelled or materially changed without thirty (30) days' prior written notice to Property Owner, and (c) provide for severability of interests. Tenant shall deliver a certificate of insurance for the insurance policy required under this paragraph to Property Owner within 30 days following execution of this Agreement. In addition, Tenant shall maintain Workers Compensation and Employers' Liability insurance as required by Washington State.

9. Indemnification. Tenant agrees to hold harmless, indemnify and defend Property Owner from and against any and all claims, losses or liability, for injuries, sickness or death of persons, including employees of Tenant, or damage to property, arising out of a wilful misconduct or negligent act, error, or omission of Tenant, its officers, agents, contractors or employees, in connection with Tenant's activities in the Tenant Use Areas under the terms of this Agreement, provided, however, that:
  - a. Tenant's obligations to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage to the extent caused by or resulting from the willful misconduct or negligence of Property Owner; and
  - b. Tenant's obligations to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence or wilful misconduct of Tenant, or of the Tenant and a third party other than an officer, agent, contractor or employee of Tenant, shall apply only to the extent of the negligence or wilful misconduct of Tenant.
10. Alterations or Improvements. Except for the installation of the Facilities and safety and security fencing for the Haul Road and Staging Area (and, if applicable, the Alternative Staging Area), Tenant shall not make any alterations, additions, renovations or improvements in or to Tenant Use Areas without first obtaining the written consent of Property Owner. Any such improvements must be in compliance with this Agreement and any permits issued for such improvements. Tenant further agrees to indemnify and hold Property Owner free and harmless from, and against, any and all damages, injuries, losses, liens, costs or expenses (including attorneys' fees) incurred, claimed or arising out of said work. During the term of this Agreement, Property Owner shall not make any alterations, additions or improvements to the Tenant Use Areas without the prior consent of Tenant.
11. Signs and Advertising. Tenant will not inscribe, post, place, or in any manner display any sign, notice, picture, poster or any advertising matter whatsoever anywhere in or about the Tenant Use Areas, without first obtaining Property Owner's written consent thereto; provided, Tenant may, without the consent of Property Owner, display identification,

informational, wayfinding, rules, restrictions, parking, and similar signs that comply with applicable laws. Any consent so obtained from Property Owner shall be with the understanding and agreement that Tenant will remove same at the termination of the tenancy herein created and repair any damage or injury caused thereby. Any signs or advertising allowed by this Section must be in compliance with the Letter Agreement between Tenant and Sound Transit.

12. Waste and Unlawful Use. Tenant will not commit or suffer any waste upon the Tenant Use Areas, or disturb the quiet enjoyment of any occupants of adjacent properties by making or suffering any nuisance, undue or unseemly noise, or otherwise (provided, Property Owner agrees that the uses permitted under this Agreement shall not be prohibited as long conducted in compliance with all applicable laws), and will not do or permit to be done in or about the Tenant Use Areas anything which is illegal or unlawful.
13. Assignment and Subletting.
  - a. Tenant shall not transfer, assign, mortgage or hypothecate this Agreement, in whole or in part, or permit the use of the Tenant Use Areas by any person or persons other than Tenant, Tenant's contractors, consultants and suppliers and their respective invitees, employees and subcontractors, or sublet the Tenant Use Areas, or any part thereof, without the prior written consent of Property Owner in each instance. Such prohibition against assigning or subletting shall include any assignment or subletting by operation of law.
  - b. Any assignment or subletting without Property Owner's consent shall be void, and shall constitute a default hereunder which, at the option of Property Owner, shall result in the termination of this Agreement or exercise of Property Owner's other remedies hereunder. Consent to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting, and the terms of such consent shall be binding upon any person holding by, under, or through Tenant.
14. Attorneys' Fees. If either party shall bring suit to enforce or interpret this Agreement, or to recover damages and a judgment is entered, the substantially prevailing party shall be entitled to a reasonable sum as attorneys' fees, and all reasonable costs and expenses in connection with such dispute or suit, which sum shall be included in any judgment or decree.
15. Cooperation Provision. Both parties agree to cooperate to carry out the terms of this Agreement. Each of the parties agree to execute, acknowledge, and deliver upon request of either party any document which requesting party reasonably deems necessary or desirable to evidence or effectuate the rights herein conferred or to implement or consummate the purposes and intents hereof, so long as such imposes no different or greater burden upon such party that is otherwise imposed hereunder.

16. Notices. All notices, statements, demands, requests, consents, approvals, authorization, agreements, or designations under this Agreement by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if sent by (i) certified mail, return receipt requested, postage prepaid, or (ii) established express courier service which provides for evidence of receipt, such as Federal Express, DHL, or UPS, postage prepaid, and addressed as follows:

To Tenant: PPF AMLI REDMOND WAY, LLC  
425 Pontius Avenue North, Suite 400  
Seattle, WA 98109  
Attn: Scott A. Koppelman

To Property Owner: CITY OF REDMOND  
Finance – Real Property, MS: 3NFN  
15670 NE 85<sup>th</sup> St.  
P.O. Box 97010  
Redmond, WA 98073-9710

17. Breach By Tenant. The rights granted to Tenant to use the Tenant Use Areas under this Agreement are irrevocable until the End Date except as provided in this Section. In the event that the Tenant defaults in the performance of any of the terms, provisions, covenants and agreements on the Tenant's part to be kept, observed and performed, and such default is not corrected within thirty (30) days after the receipt of written notice thereof from Property Owner; then, in such event, Property Owner, at its option at any time thereafter, may terminate this Agreement together with all of the estate, right and title thereby granted to or vested in the Tenant by giving ninety (90) days' notice in writing of such election, by certified mail addressed to the Tenant at the address specified in this Agreement, and at the expiration of such ninety (90) day period, this Agreement and all of the estate, right, title and interest thereby granted to or vested in the Tenant shall then cease and terminate, and Property Owner may re-enter said Premises using such force as may be required; provided, in the event, Property Owner exercises its remedies to terminate this Agreement and all cure periods have expired, within thirty (30) days of receipt of Property Owner's notice terminating this Agreement, Tenant shall cease occupying the Premises. Notwithstanding the foregoing, except for the failure to maintain insurance by Tenant, Property Owner's remedies shall not be exercised if within the initial thirty (30) day notice period Tenant cures the default, or if the default is curable, but cannot reasonably be cured within that time period, Tenant begins to cure such default within such time period and diligently pursues such action to completion. Property Owner shall have the right to determine the existence of any default in performance or other breach or violation of the terms and conditions hereof on the part of the Tenant.
18. Counterparts. This Agreement may be executed in counterparts, all of which taken together will constitute one and the same instrument, and any party executing this Agreement may do so by signing any such counterpart. Signatures transmitted electronically will be deemed the same as original signatures.



## ATTACHMENT A

19. Entire Agreement. This Agreement sets forth the entire understanding between Property Owner and Tenant with respect to the subject matter herein and replaces all prior to contemporaneous oral or written agreements or understandings. All exhibits, riders or addenda mentioned in this Agreement are incorporated herein by reference. No subsequent amendment to this Agreement shall be binding upon Property Owner or Tenant unless reduced to writing and signed. If any provision contained in this Agreement a rider is inconsistent with a provision in the Lease, the provision contained in this Agreement shall control.

[signatures on following page]

IN WITNESS WHEREOF, this Agreement Regarding Lease Termination has been executed as of the Effective Date first written above.

**PROPERTY OWNER:**

**CITY OF REDMOND, WASHINGTON**

By: \_\_\_\_\_

Name: Angela Birney

Its: Mayor

**TENANT:**

**PPF AMLI REDMOND WAY, LLC,  
a Delaware limited liability company**

By: PPF AMLI Devco, LLC,  
a Delaware limited liability company,  
its sole Member

By: PPF AMLI Co-investment, LLC,  
a Delaware limited liability company,  
its Manager

By: AMLI Residential Properties, L.P.,  
a Delaware limited partnership,  
its Manager

By: AMLI Residential Partners LLC,  
a Delaware limited liability company,  
its General Partner

By: \_\_\_\_\_

Name: Scott A. Koppelman

Its: Authorized Person

## **ATTACHMENT A**

[Exhibits on following pages]

- EXHIBIT A - Lease Agreement effective dated December 19, 2023 (17 pages)
- EXHIBIT B - Location of Tenant Use Areas (1 page)
- EXHIBIT C - Parking Garages Approvals Documents (6 pages)
- EXHIBIT D - Parking Garages Approvals Subsequent Correspondence (4 pages)
- EXHIBIT E - RCC Scope Modification Request Letter (7 pages)
- EXHIBIT F - Permit for Alternative Haul Route (2 pages)
- EXHIBIT G - 2025 Sound Transit Letter Agreement (40 pages)
- EXHIBIT H - Concurrence Agreement (174 pages)