

**CONDOMINIUM UNIT**  
**PURCHASE AND SALE AGREEMENT**  
**UNIT 5**

This Condominium Unit Purchase and Sale Agreement (the “Agreement”) is entered into between **CITY OF REDMOND**, a Washington municipal corporation (referred to in this agreement as “Purchaser”), and **BW OVERLAKE LLLP**, a Washington limited liability limited partnership, (referred to in this agreement as “Seller”). The “Effective Date” of this Agreement is \_\_\_\_\_, 2025.

**NOW, THEREFORE**, Seller and Purchaser agree as follows:

**1. PURCHASE AND SALE**

**1.1 Unit 5.**

Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase, Unit 5 of Prisma, a Condominium (“Unit 5”), which will consist of a portion of that real property located at 2888 Da Vinci Avenue NE, Redmond, Washington and legally described in **Exhibit A** attached hereto (the “Property”), together with an undivided interest in the Common Elements and any Limited Common Elements appurtenant to Unit 5 (including, without limitation, two parking stalls), as set out and established in the Condominium Declaration for Prisma, a Condominium, recorded in King County, Washington. Unit 5 is described in more detail in paragraph 1.2 below. No personal property is included in the sale of Unit 5.

**1.2 Construction of Improvements and Creation of Condominium.**

1.2.1 Seller owns the Property and intends to construct on the Property certain improvements, including a multi-use building with (i) approximately 328 residential dwelling units and related amenities (the “Housing Unit”), (ii) 16 parking stalls located within the Parking Garage (defined below) on the Property (“Unit 2”), (iii) approximately 1,644 square feet of space to be used for pedestrian oriented commercial space (“Unit 3”), (iv) approximately 10,395 square feet of space to be used for the operation of a multi-use commercial space (“Unit 4”), and (v) Unit 5, which is approximately 1,862 square feet of space for the operation of city services as the Overlake Village Annex (collectively, the Housing Unit, Unit 2, Unit 3, Unit 4, and Unit 5, are the “Improvements” or the “Project”), all as more particularly described in those plans and specifications prepared by Perkins Eastman (the “Project Architect”) as Project No. 0099650 and dated [\_\_\_\_\_] (the “Plans and Specifications”). Seller intends to construct a parking garage on the Property (the “Parking Garage”), which will contain approximately 121 parking stalls, two of which will be allocated to Unit 5 as limited common elements as more particularly described in the Declaration (defined below).

Seller shall complete Unit 5 in shell condition pursuant to the Plans and Specifications (the "Shell Condition") and schedule of values attached to the Seller's construction contract, as approved by Purchaser. Purchaser shall be responsible for all furniture, fixtures, and equipment, and the design, permitting, financing and construction of the Tenant Improvements (as defined below) of Unit 5 at its sole cost and expense.

1.2.2 Upon or prior to the completion of the construction of the Improvements, Seller intends to subject the Property, including the Improvements, to a condominium regime (the "Condominium") pursuant to which the Property will be divided into five separate legal parcels or condominium units: the Housing Unit, Unit 2, Unit 3, Unit 4, and Unit 5 (each, a "Unit" and collectively, the "Units"). A schematic showing the approximate horizontal dimensions of the Units is attached hereto as **Exhibit B**.

The Condominium will be governed by that Condominium Declaration for Prisma, a Condominium, the form of which has been agreed to by Seller and Purchaser and is attached hereto as **Exhibit C** (the "Declaration"). The governing body of the Condominium will be Prisma Condominium Association, governed by the form of articles of incorporation and bylaws attached hereto as **Exhibit D** (the "Association Documents"). Prior to finalizing, executing and/or recording the Declaration, the Condominium map (the "Map"), the Association Documents or any other documents creating or governing the Condominium, Purchaser, as a condition precedent to any of Purchaser's obligations hereunder, shall have approved any material changes to the same, which approval will not be unreasonably conditioned, withheld or delayed. Purchaser shall not withhold or delay approval of the Map substantially consistent with the terms of this Agreement, including the Exhibits hereto, the Plans and Specifications, and any change orders approved by Purchaser hereunder. If Purchaser does not respond with specific requested changes to the proposed Map within fourteen (14) days of receipt, Purchaser shall be deemed to have approved the proposed Map. All documents necessary to form and govern the Condominium, including but not limited to the Declaration, the Association Document, and the Map for the Condominium, shall be referred to herein as the "Condominium Documents".

1.2.3 Throughout the period of time during which the Improvements are being constructed, Seller shall arrange to have periodic meetings not less than monthly with the general contractor at which all proposed change orders and their impact on the Budget (defined below) shall be discussed and finally approved or rejected. Purchaser shall designate an individual to serve as Purchaser's construction representative ("Purchaser's Representative"). Purchaser's Representative shall be notified of the time, location and date of such meetings and shall have the right to attend and participate in all such meetings. Seller shall provide to Purchaser's Representative all development timelines and reports relating to the construction work for the Project. Seller shall provide updates on project design and budget upon request from Purchaser.

1.2.4 Purchaser and Seller each acknowledge that the Improvements are being constructed pursuant to that development budget agreed to by both Purchaser and Seller attached hereto as **Exhibit E** (the "Budget"). The Purchaser shall work proactively and collaboratively with the Seller to keep Unit 5's allocated share of construction costs within the Budget. The Budget includes both a hard cost and soft cost contingency. Seller shall provide Purchaser with copies of all construction change directives, proposed change orders or final change orders that increase or decrease the cost of Unit 5. No consent of Purchaser shall be required for change

orders that do not exceed available contingency and that do not increase the Budget. If unanticipated cost increases occur that would increase the Budget, the Purchaser shall work collaboratively with the Seller to identify value engineering changes to keep construction costs within the Budget. Purchaser shall respond to a request for approval of proposed increase to the Budget within five business days of receipt so as not to delay the orderly progression of the construction of the Improvements. If Purchaser disapproves a proposed increase to the Budget, Seller shall have five business days of receipt of Purchaser's written notice of disapproval to respond with a revised proposal to Purchaser. Purchaser shall respond to a revised request for approval of proposed increase to the Budget within five business days of receipt thereof. Failure of Purchaser to respond in writing to a proposed change within the specified time period shall be deemed approval by Purchaser of the proposed change.

### **1.3 Legal Descriptions.**

Purchaser and Seller hereby authorize escrow agent to insert over their signatures the correct legal description of the Property, or to correct the legal description previously entered if erroneous or incomplete. The parties expressly waive any right to assert or claim that this Agreement is void or voidable for failure to initially set forth in it the full legal description of the real property to which it pertains. The parties agree that the Title Company's attachment of an exhibit to this Agreement setting forth the complete legal description of Unit 5 is authorized and directed by Seller and Purchaser, and shall for all legal purposes relate back to the date of this Agreement.

## **2. PURCHASE PRICE/CONSIDERATION**

### **2.1 Purchase Price.**

The Purchase Price for Unit 5 attributed to (a) hard construction costs is based on actual (budgeted) costs per square foot and (b) soft costs is based on a prorata allocation of the soft costs for the Improvements based on the Relative Square Footage Allocation Methodology (defined below). Seller and Purchaser agree that the Purchase Price paid by Purchaser is intended to include the total development costs for the construction of the shell of Unit 5, determined by the amount set forth in the Budget, which includes a pro rata allocation of the land, design and other soft costs, fees, loan fees and interest, construction costs and other typical costs associated with construction and completion of commercial improvements.

As of the date of this Agreement, the Budget currently includes a total cost of \$[475,350] for Unit 5 (the "Initial Purchase Price"). The Initial Purchase Price shall be increased to account for change orders and/or Budget revisions that have been agreed to in writing by Purchaser as provided in Section 2.3 below or shall be reduced to the extent of cost savings attributable to Unit 5 only. The Initial Purchase Price, as increased or reduced as set forth herein, shall be referred to herein as the "Purchase Price". For the avoidance of doubt, any increase in costs for the construction of Unit 5 for changes requested by Purchaser shall be solely borne by Purchaser. Both Parties acknowledge that should the Purchase Price for Unit 5 increase due to factors beyond Seller's control, or if changes are requested by Purchaser prior to occupancy that add costs above the Budget, then Purchaser shall be solely responsible for such costs.

## **2.2 Payment of Purchase Price.**

The Purchase Price shall be paid as follows:

2.2.1 On or before the date that Seller closes on the financing for the construction of the Housing Unit (“Construction Finance Closing”), Purchaser shall deliver to the Escrow Holder (defined below) an earnest money deposit of \$180,000 (the “Earnest Money”). The Earnest Money shall be credited toward the Purchase Price at Closing and nonrefundable to Purchaser except in the event of Seller’s default or as otherwise provide hereunder.

2.2.2 The Purchase Price, less the Earnest Money, shall be paid at Closing.

## **2.3 Adjustments to Purchase Price.**

2.3.1 The Budget allocates hard and soft costs related to the construction of the Improvements and the acquisition of the Property between all of the Units. The Purchase Price for Unit 5 is the sum of three components: (1) direct development and construction costs that are solely attributable to Unit 5, (2) shared costs based on definable criteria, i.e. area or usage, and (3) shared costs that are based on the relative square footage of all of the Units. The relative square footage allocation for Unit 5 is [\_\_\_\_%] (the “Relative Square Footage Allocation Methodology”). Purchaser and Seller acknowledge and agree that any change orders not related solely to a particular Unit or increases in soft costs not related solely to a particular Unit shall be allocated based on, if feasible, a definable criteria, i.e. area or usage, and if not otherwise allocable, based on the Relative Square Footage Allocation Methodology. Purchaser and Seller acknowledge and agree that the Budget may be revised if actual costs exceed budgeted costs.

2.3.2 At least fourteen (14) days prior to Closing, Seller shall deliver to Purchaser a Budget reconciliation with actual expenditures to date for each Budget line item for Unit 5.

## **2.4 Purchaser’s Improvements to Unit 5.**

2.4.1 Purchaser has retained [Perkins Eastman] to serve as the “TI Architect” for the preparation of preliminary and final working architectural and engineering plans and specifications (“TI Plans”) for the Purchaser’s interior improvements to Unit 5 (the “Tenant Improvements”). Purchaser shall not change the TI Architect without Seller’s prior written approval. The TI Plans shall be subject to Purchaser’s approval, which approval shall not be unreasonably withheld or delayed. Purchaser agrees to, and does hereby, assume full and complete responsibility to ensure that Purchaser’s Tenant Improvements and the TI Plans are adequate to fully meet the permitting requirements of the City of Redmond and any other jurisdiction with regulatory authority over the Property, as well as the needs and requirements of Purchaser’s intended operations of its business within Unit 5.

2.4.2 Purchaser shall apply for all governmental approvals and building permits related to the TI Plans. Subject to satisfaction of all conditions precedent and subsequent to its obligations under this Section 2.4, Purchaser shall thereafter enter into a written agreement (“TI Construction Contract”) with a licensed general contractor (“TI Contractor”) to construct and install the Tenant Improvements. Purchaser shall require TI Contractor to name Seller and Seller’s lenders and equity investor as additional insureds on insurance policies required under the TI Construction

Contract. Purchaser shall obtain Seller's approval of the TI Construction Contract and shall deliver or cause to be delivered to Seller all insurance policies required under the TI Construction Contract prior to commencement of construction of the Tenant Improvements. The provisions of this Section 2.4.2 shall survive Closing.

2.4.3 Purchaser agrees not to proceed to begin construction on the Tenant Improvements ("TI") until construction of the Housing Unit is complete and the Project has received its certificate of occupancy. Furthermore, prior to commencing construction of the Tenant Improvements, Purchaser must notify Seller in writing of the date Purchaser desires to commence construction and Seller must provide written approval of such date in writing, which approval shall be granted within five business days unless a significant conflict with scheduled work on another Unit will prevent commencement of work by the TI Contractor on the proposed date. A "significant conflict" in the preceding sentence is a conflict which in the determination of the Seller's general contractor or the general contractor of the applicable Unit will have a material adverse effect on the schedule for completion of the Improvements. In the case of such a conflict, within five business days, Seller shall specify the earliest possible subsequent date upon which the TI Contractor may begin the Tenant Improvements. After Closing, Purchaser shall control access to Unit 5, which access shall not be unreasonably denied to the Seller's general contractor if such access is required by Seller's general contractor. Purchaser shall fully cooperate with Seller and Seller's general contractor to obtain any governmental approvals, including certificates of occupancy, for the Improvements. The provisions of this Section 2.4.3 shall survive Closing.

## **2.5 Escrow Holder.**

First American Title Insurance Company ("Escrow Holder" in its capacity as escrow holder and "Title Company" in its capacity as title insurer) has been designated as Escrow Holder hereunder by mutual agreement of Seller and Purchaser. Within five (5) days of the Effective Date of this Agreement, Escrow Holder shall open a closing escrow for the benefit of Purchaser and Seller in accordance with the terms of this Agreement. The following individual shall serve as escrow officer for Escrow Holder:

Amanda Johnson  
First American Title Insurance Company  
National Commercial Services Division  
920 Fifth Avenue, Suite 1200  
Seattle, WA 98104  
Direct 206-615-3118  
E-mail [amjohnson@firstam.com](mailto:amjohnson@firstam.com)

## **3. TITLE POLICY AND DUE DILIGENCE**

### **3.1 Title Policy.**

3.1.1 Prior to executing this Agreement, Purchaser has reviewed a title commitment for title insurance for the Property, included in **Exhibit F**, attached hereto, and the exception documents that are identified in it ("Land Preliminary Commitment"). All such exceptions in the Land Preliminary Commitment shall be deemed "Land Permitted Exceptions." Within twenty

(20) days of creation of the Condominium, Seller will order and have delivered to Purchaser a preliminary commitment for title insurance for Unit 5 issued by the Title Company, including complete and legible copies of all exceptions and encumbrances noted thereon (the "Unit Preliminary Commitment"). Purchaser shall have ten (10) days after receipt of the Unit Preliminary Commitment to advise Seller in writing of any encumbrances, restrictions, easements or other matters in the Unit Preliminary Commitment (collectively "Unit Exceptions") to which Purchaser objects (the "Disapproved Unit Exceptions"). Disapproved Unit Exceptions shall not include the Unit Permitted Exceptions (as defined below). All Unit Exceptions related to Seller's financing of the Housing Unit and all monetary encumbrances other than non-delinquent ad valorem property taxes shall be deemed to be Disapproved Unit Exceptions and shall be removed by Seller at the Unit Closing. All Unit Exceptions to which Purchaser does not object in writing within the ten (10) day period shall be deemed accepted by Purchaser. Any right of way dedications, utility easements granted by Seller or transportation mitigation plan exception necessary for the development of the Project shall be "Unit Permitted Exceptions" hereunder. Purchaser acknowledges and agrees that Seller's construction on the Property with respect to the Housing Unit and other Units' improvements will be ongoing, retainage shall not have been paid to the general contractor and the owner's policy provided by the Title Company to Purchaser will be subject to a general exception for mechanic's liens and such exception shall be a "Unit Permitted Exception" hereunder. Any notices of claim of lien or filed liens shall be a Disapproved Unit Exception.

3.1.2 Seller shall have ten (10) days after receipt of Purchaser's notice to notify Purchaser, in writing, of its agreement to cure or remove any of the Disapproved Unit Exceptions. Seller shall remove or cure before the Unit Closing the Disapproved Unit Exceptions.

3.1.3 The term "Unit Permitted Exceptions" as used herein means: (a) the exceptions accepted or deemed accepted by Purchaser as provided above, including the Land Permitted Exceptions; (b) the lien of real estate taxes and assessments payable in the calendar year of closing which shall be prorated to the Closing as provided in Section 7.5 of this Agreement; (c) the exceptions contained in the deed from Purchaser to Seller delivered in connection with Seller's acquisition of the real property underlying the Condominium from Purchaser; (d) the Declaration, Map and bylaws of the Association and right to lien for assessments thereunder; and (e) exceptions related to easements necessary for the construction of the Improvements and the delivery of utilities thereto.

3.1.4 At Closing, Seller will cause the Title Company to issue to Purchaser an ALTA standard coverage owner's policy of title insurance (the "Unit Title Policy"), in the amount of the Purchase Price, insuring Purchaser against loss or damage arising from defects in title to Unit 5 other than the Unit Permitted Exceptions. Seller will pay the premium for a standard coverage owner's policy of title insurance in the amount of the Purchase Price. If Purchaser desires extended coverage or any endorsements to such policy, Purchaser shall be solely responsible for paying the additional premium for extended coverage or any endorsements, and paying for the cost of an ALTA survey, if required by the Title Company, in connection with issuance of an extended owner's policy of title insurance.

### **3.2 Entry onto the Property.**

Prior to Closing, Seller grants to Purchaser and Purchaser's contractors, employees, agents and consultants a non-exclusive license to enter upon Unit 5 and related portions of the Property and Improvements at reasonable hours for the purpose of inspecting, at Purchaser's expense, the construction of Unit 5 and Improvements. Seller agrees to cooperate reasonably with Purchaser in its inspections, although with no out-of-pocket cost to Seller. Purchaser agrees to indemnify, defend and to hold Seller, Seller's agents, employees, members and partners, and the Property, harmless from any losses, costs, damages, claims, or liabilities, including but not limited to damage to property or person, mechanics' liens and attorneys' fees, arising out of any negligent action or willful misconduct by Purchaser or its contractors or agents in connection with Purchaser's entry upon the Property. Purchaser shall promptly repair any damage to the Property caused by Purchaser's entry onto the Property and shall restore the Property and Improvements to its condition prior to entry. Purchaser's obligations under this subsection shall survive the termination or closing of this Agreement.

### **3.3 Purchaser's Investigation of the Property.**

Prior to executing this Agreement, Purchaser has reviewed and approved the Plans and Specifications. Any reports, surveys, plans, specifications, and other documentation concerning the Property delivered to Purchaser by Seller have been provided as a courtesy only. Seller does not warrant that any information contained in such documentation is correct. Seller shall not be held liable for any inaccurate information therein. Purchaser acknowledges that, except as otherwise set forth in Subsection 6.1 of this Agreement, Seller has not made any other representations or warranties of any kind upon which Purchaser is relying, and specifically disclaims any warranty, as to matters concerning the Property, including without limitation, the condition of the Property, except warranties contained (or by law included) in the deed; the condition of title to the Property; the existence of hazardous materials at the Property; the habitability, merchantability, fitness, suitability, value or adequacy of the Property for any particular purpose; current economic conditions, economic projections or market studies with respect to the Property; development rights; taxes; bonds; covenants, conditions and restrictions affecting the Property; drainage or soils conditions at the site; utility services; zoning, environmental and/or building laws or regulations affecting the Property; or compliance of the Property with any applicable codes, laws, ordinances and regulations, including without limitation the Americans With Disabilities Act. Purchaser agrees and acknowledges that, prior to executing this Agreement and as of Closing, Purchaser shall have made such feasibility studies, investigations, title searches, environmental studies, engineering studies, inquires of governmental officials, and all other inquiries and investigations as Purchaser shall deem necessary to satisfy itself as to the condition and quality of the Property and, except as otherwise set forth in Subsection 6.1 of this Agreement, Purchaser has solely relied upon such studies, investigations, searches and inquiries and not on any representations or warranties of Seller. Furthermore, Purchaser acknowledges and agrees that, except as otherwise set forth in Subsection 6.1 of this Agreement, no patent or latent condition affecting the Property in any way, whether known or unknown, discoverable or hereafter discovered shall affect any of Purchaser's obligations contained in this Agreement or give rise to any right of damages, liability, claim, rescission or otherwise against Seller. By proceeding with Closing, Purchaser acknowledges that it has been given ample opportunity to inspect the Property and has not relied on any representations or warranties of Seller,

except as expressly stated herein. To the extent that Seller has provided to Purchaser any information, prepared by any third party or parties that is untrue or which otherwise results in any damage(s) to Purchaser, Seller agrees to assign to Purchaser all rights and causes of action against such third party or parties, therefor, shall cooperate with Purchaser in enforcement of such rights and causes of action and nothing herein shall be deemed or construed to limit Purchaser's recourse or to release or waive any claim(s) against such persons. Notwithstanding the foregoing, such assignment shall not limit Seller's right to bring a cause of action against such third party or third parties and Seller expressly reserves all rights respecting matters involving the Housing Unit.

### **3.4 Release and Waiver.**

Purchaser, for itself and its successors and assigns, unconditionally releases and forever discharges Seller and its partners, members, officers, directors, employees, and attorneys ("Seller Personnel") from and against any and all claims, causes of action, judgments, damages, losses, penalties, fines, liabilities (including strict liability), costs and expenses of any kind or nature, both known or unknown, present and future, for any matter relating directly or indirectly to the condition of the Property or Unit 5 as of Closing, including without limitation the physical or environmental condition of or any damage to the Property or Unit 5, and regardless of fault or negligence of Seller, except for a breach of Seller's representations and warranties set forth in Subsection 6.1, below. In this connection and to the extent permitted by law, Purchaser hereby agrees, represents and warrants that Purchaser realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses which are presently unknown, unanticipated and unsuspected, and Purchaser further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon light of that realization. The provisions of this paragraph shall be deemed remade at the Closing and shall survive thereafter. Furthermore, and without limiting the foregoing, except for a breach of Seller's representations and warranties set forth in Subsection 6.1, Purchaser hereby expressly waives and relinquishes any and all rights and remedies Purchaser may now or hereafter have against Seller and the Seller's Personnel under any statute or the common law, whether known or unknown, with respect to any presence or existence of hazardous materials on, under or about the Property prior to or as of the Closing or with respect to any violations, prior to or as of the Closing of any rules, regulations or laws regulating or governing the use, handling, storage or disposal of hazardous materials, including, without limitation, (i) any and all rights Purchaser may now or hereafter have to seek contribution from Seller or Seller Personnel under Section 113(f)(i) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C.A. 9613), as the same may be further amended or replaced by any similar law, rule or regulation, (ii) any and all rights Purchaser may now or hereafter have against Seller or Seller Personnel under the Washington Model Toxics Control Act or other Washington rules, regulations or laws relating to hazardous materials, as the same may be further amended or replaced by any similar law, rule or regulation, and (iii) any and all claims, whether know or unknown, now or hereafter existing, with respect to the Property or Unit 5 under Section 107 of CERCLA (42 U.S.C.A. 9607). The waivers and releases by Purchaser herein contained shall survive Closing and shall not be deemed merged into the deed from Seller to Purchaser.



#### **4. SELLER'S OBLIGATIONS**

At all times from the date of this Agreement to the Closing, Seller shall:

1. Make all principal and interest payments due under, and comply with each and every covenant and obligation imposed upon the owner of the Project by promissory notes, mortgages, deeds of trust, regulatory agreement, ground or other leases and any other agreements affecting the Property or secured by an interest in the Property or any part thereof, and will take any and all action as may be necessary to avoid any default under such agreements;
2. Not negotiate, enter into or cause to be entered into any written or oral option, sale agreement or lease of Unit 5 or any portion thereof;
3. Maintain, use and operate the Project in compliance with applicable laws, regulations and ordinances with respect to the ownership, use and occupancy of the Project;
4. Diligently proceed with the construction of the Improvements in substantial conformance with the Plans and Specifications, as the same may be amended with the written approval of Purchaser, and comply with all land use approvals and construction permits for the Project; and
5. Pay for any materials, supplies or work provided or ordered for the Project prior to the Closing and for which a labor, materialman's or mechanic's lien may be claimed under applicable law.

#### **5. PURCHASER CONTINGENCIES**

In addition to other terms and conditions in the Agreement, Purchaser's obligations hereunder are further conditioned upon the following:

1. Completion of Unit 5 by Seller in substantial conformance with the Plans and Specifications, as the same may be amended with the written approval of Purchaser and in conformance with the Shell Condition, as the same may be amended with the written approval of Purchaser to the extent such approval is required pursuant to this Agreement;
2. Seller's and its general contractor's compliance with all requirements of land use and construction permits issued for the Improvements; and
3. Seller's recording of the Declaration and Map.

## **6. REPRESENTATIONS AND WARRANTIES**

### **6.1 Seller's Representations and Warranties.**

For the purposes of inducing Purchaser to consummate the transactions contemplated hereby, Seller represents and warrants to Purchaser, as of the date hereof and, except as otherwise set forth herein, as of the Closing Date, in addition to the warranties in the deed delivered to Purchaser, as follows:

6.1.1 Seller has full power, authority and legal right to execute, deliver and perform this Agreement, and all other documents and certificates contemplated hereby; the Seller has duly authorized the execution, delivery and performance thereof; and has authorized the person executing this Agreement to do so;

6.1.2 The execution of this Agreement and the Closing will not violate any other agreement of Seller. Seller has not entered into any other contracts for the sale of the Property or Unit 5 to any other parties, nor do there exist any prior rights of first refusal or options to purchase Unit 5. Seller has not sold, transferred, conveyed or restricted any development rights relating to the Property except as set forth in the Unit Permitted Exceptions;

6.1.3 This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms;

6.1.4 Seller has performed each of its obligations set forth in Sections 4.1 through 4.5 of this Agreement; and

6.1.5 There are no actions, suits, proceedings, orders or investigations pending or, to the best of Seller's knowledge, threatened against or affecting Seller which might adversely affect Seller's performance under this Agreement or the consummation of the transactions contemplated hereby.

For the purposes of inducing Purchaser to consummate the transactions contemplated hereby, Seller represents and warrants to Purchaser, as of the Closing Date, in addition to the warranties in the deed delivered to Purchaser, as follows:

6.1.6 Seller has created the Condominium in conformance with all applicable laws.

### **6.2 Purchaser's Representations and Warranties**

For the purposes of inducing Seller to consummate the transactions contemplated hereby Purchaser represents and warrants to Seller, as of the date hereof and, except as otherwise set forth herein, as of the Closing Date, as follows:

6.2.1 Purchaser has full power, authority and legal right to execute, deliver and perform this Agreement, and all other documents and certificates contemplated hereby; the Purchaser has duly authorized the execution, delivery and performance thereof; and has authorized the person executing this Agreement to do so;

6.2.2 This Agreement constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms; and

6.2.3 There are no actions, suits, proceedings, orders or investigations pending or, to the best of Purchaser's knowledge, threatened against or affecting Purchaser which might adversely affect Purchaser's performance under this Agreement or the consummation of the transactions contemplated hereby.

### **6.3 Survival of Warranties.**

The representations and warranties in this Agreement shall survive the Closing and shall be fully effective for a period of one year thereafter. If Seller breaches any warranty, Purchaser shall have the rights and may exercise, at its option, any of the remedies, provided under Section 8.1 of this Agreement. If Purchaser breaches any representation, warranty, or covenant, Seller shall have the rights and may exercise, at its option, any of the remedies, provided under Section 8.2 of this Agreement.

### **6.4 Limitation on Warranties.**

Seller makes no warranties, express or implied, as to the real property underlying the Condominium, the Property or the construction of the Improvements, except as set forth in this Agreement. Except as set forth in this Agreement, Seller makes no express warranties of quality, suitability, fitness or merchantability relating to the Property, the Improvements, the construction of the Condominium or Unit 5. Seller excludes and disclaims any warranty of fitness or merchantability, and any warranty which might otherwise be implied by RCW 64.90.665 and 64.90.670 of the Washington Uniform Common Interest Ownership Act or other law.

## **7. CLOSING**

### **7.1 Closing Date.**

"Closing" means the delivery and recording of the Deed (as that term is defined below) from Seller to Purchaser. The Closing shall take place within 60 days of the completion of Unit 5 in Shell Condition or at such later date as may be agreed to by the parties (the "Closing Date"). Each party hereto agrees to execute and deliver to the Title Company such closing escrow instructions as may be necessary to implement and coordinate the Closing as set forth in this Agreement.

### **7.2 Seller's Closing Obligations.**

At the Closing, Seller shall deliver to the Escrow Holder:

7.2.1 An executed bargain and sale deed to Unit 5 subject only to the Unit Permitted Exceptions (the "Deed"), real estate excise tax affidavit and such other agreements, documents and instruments as may be necessary to transfer, convey and assign Unit 5 to Purchaser; and

7.2.2 Such other instruments as may be required to fully consummate the transaction contemplated hereby.

### **7.3 Purchaser's Closing Obligations.**

At the Closing, Purchaser shall deliver to the Escrow Holder the Purchase Price in cash or other immediately available funds, minus the credits for the Earnest Money, and execute and deliver to the Escrow Holder all instruments or documents as may be required to fully consummate the transaction contemplated hereby.

### **7.4 Allocation of Closing Expenses.**

7.4.1 The Purchaser shall pay the following costs of Closing: one-half (1/2) of the escrow fees of the Escrow Holder, the cost of recording any documents that Purchaser may choose to record and the premium for an extended owner's policy of title insurance or any endorsements to such title policy desired by Purchaser.

7.4.2 The Seller shall pay the following costs of Closing: the cost of recording the Deed, the cost of removing liens and encumbrances from Unit 5 that are not Unit Permitted Exceptions, one-half (1/2) of the escrow fees of the Title Company, the real estate excise tax and the premium for a standard policy of owner's title insurance insuring Unit 5 in the amount of the Purchase Price.

### **7.5 Prorations.**

7.5.1 The following items shall be prorated between Seller and Purchaser at the Closing, as of the Closing Date: property taxes and assessments for the then-current tax year relating to Unit 5 and all utilities and other operating expenses, if any.

7.5.2 With respect to the proration of operating expenses, utilities and similar expenses, if any such sums are not ascertainable as of the Closing, the parties shall estimate the amounts for purposes of proration at the Closing. On or before sixty (60) days after the Closing, the parties shall reconcile actual expenses, and at that time if it is determined that any amount of money is owed to a party from the other, said payment shall be made within fifteen (15) days.

### **7.6 Right to Possession.**

At the Closing and as a condition thereto, Purchaser shall have full and unrestricted right to possession of Unit 5 subject to the Unit Permitted Exceptions and the requirements of this Agreement, including, but not limited to, Section 2.4 this Agreement.

### **7.7 Risk of Loss.**

Risk of loss or damage to Unit 5 by condemnation, eminent domain, or similar proceedings (or deed in lieu thereof), or by fire or any other casualty, from the date hereof through the time of the recording of the Deed will be on Seller and thereafter will be on Purchaser. In the event of loss or damage to the Property by condemnation, eminent domain, or similar proceedings, or by fire or any other casualty from the date of this Agreement but prior to closing, Seller shall immediately notify Purchaser in writing of such loss and within fourteen (14) days shall notify Purchaser in writing of (1) Seller's intention to proceed with construction of the Improvements and of adjustments to schedule and budget, if any; or (2) notify Purchaser that Seller will not complete the Improvements. Within twenty (20) days of receiving such notices from Seller, Purchaser shall

provide written notice to Seller of Purchaser's decision in its sole discretion, to proceed with purchase of the Property, or to terminate this Agreement. Subject to the rights of Seller's lenders and equity investor in any proceeds of condemnation or insurance proceeds, in the event the Agreement is terminated, Purchaser shall be entitled to the share of the proceeds attributable to Unit 5 and the Earnest Money paid by Purchaser. In the event Purchaser fails to provide such notice to Seller, this Unit Agreement shall be deemed null and void, and all further rights and obligation of the parties hereunder shall terminate.

## **8. TERMINATION AND REMEDIES**

### **8.1 Seller's Defaults.**

8.1.1 Seller's Defaults. Seller shall be deemed to be in default hereunder in the event Seller fails, for a reason other than Purchaser's default hereunder, to meet, comply with, or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in this Agreement, or there shall have occurred a breach of any representation or warranty made by Seller.

8.1.2 Purchaser's Remedies. In the event of a default by Seller under any of the terms and provisions of this Agreement and after thirty (30) days written notice by Purchaser to Seller of such default and Seller's opportunity to cure, Purchaser's sole and exclusive remedy shall be to terminate this Agreement and the escrow created hereby and recover actual (but not consequential) damages resulting from Seller's default in an amount not to exceed \$25,000, including the return of the Earnest Money.

### **8.2 Purchaser's Defaults.**

8.2.1 Purchaser's Defaults. Purchaser shall be in default hereunder in the event Purchaser fails, for a reason other than Seller's default hereunder, to meet, comply with, or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in this Agreement, or there shall have occurred a breach of any representation or warranty made by Purchaser.

8.2.2 Seller's Remedies. In the event of Purchaser fails without legal excuse to complete the purchase of Unit 5 under the terms and provisions of this Agreement, including but not limited to a failure to timely perform Purchaser's closing obligations or failure to pay any sums when due, Seller may elect to pursue any remedy available at law or in equity, including but not limited to one or more of the following remedies: (a) terminate this Agreement and retain the Earnest Money and recover all reasonable attorney fees and costs expended in connection with this Agreement; or (b) sue to specifically enforce this Agreement and recover any incidental damages, including reasonable attorney fees and expenses.

### **8.3 Attorneys' Fees.**

Should either party bring an action to enforce or interpret any of the provisions of this Agreement, or to recover damages for the breach hereof, the prevailing party will be entitled to receive, in addition to any other relief granted, all reasonable attorneys' fees and costs expended in connection therewith.

## 9. MISCELLANEOUS

### 9.1 Entire Agreement; Modification; Counterparts.

This Agreement sets forth the entire understanding between the parties with respect to the transactions contemplated herein and supersedes all prior or contemporaneous agreements, oral or written. Neither this Agreement nor any provision hereof may be waived or amended except by an instrument in writing signed by both parties. This Agreement may be executed in any number of counterparts and together, all counterparts shall be deemed to constitute a single agreement. The execution and delivery of one counterpart by any Party shall have the same force and effect as if that Party had signed all other counterparts. The signatures of this Agreement may be executed on separate pages and when attached to this Agreement shall constitute one complete document. Delivery of an executed copy of this Agreement by facsimile, attachment to an email or electronic signature (such as DocuSign) shall be legal and binding on the transmitting party and shall have the same full force and effect as if an executed original Agreement had been delivered.

### 9.2 Time of Essence.

Time is of the essence of this Agreement.

### 9.3 Survival of Terms.

The terms and provisions hereof shall survive the Closing and shall remain in full force and effect thereafter.

### 9.4 Notices.

All notices to either party must be in writing and either (i) delivered in person, (ii) by United States certified mail, postage prepaid, (iii) by courier service, postage prepaid, or (iv) by electronic mail (email) with confirmed receipt or other evidence of transmission and sent to the address of such party as set forth below, or such other address (or facsimile number) as either party may from time to time designate by written notice to the other.

#### **If to Seller:**

BW Overlake LLLP  
c/o Bellwether Housing  
433 Minor Ave N  
Seattle, WA 98109  
Attention: Chief Executive Officer  
Email: sboyd@bellwetherhousing.org

#### **If to Purchaser:**

City of Redmond  
[\_\_\_\_\_]   
[\_\_\_\_\_]   
[\_\_\_\_\_]   
Attn: [\_\_\_\_\_]   
Email: [\_\_\_\_\_]

All notices shall be deemed given on the date such notice is delivered (or if refused, the date of such refusal) or the date transmitted by email if received on a business date before 5 PM PST (if received on a non-business day or after 5 PM PST, then delivery shall be deemed on the next business day), or on the third business day following the date such notice is mailed in accordance with this paragraph 9.4, whichever is applicable.

## **9.5 Interpretation.**

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

## **9.6 Captions.**

The captions used in this Agreement are for convenience only and shall not be deemed to construe or to limit the meaning of the language of this Agreement.

## **9.7 Binding Effect; Assignment.**

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. Notwithstanding the foregoing, Purchaser shall not assign its rights under this Agreement without the prior written consent of Seller. Purchaser shall deliver written notice of such assignment to Seller within five (5) business thereof.

## **9.8 Severability.**

If one or more of the provisions of this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or any other application thereof shall in no way be affected or impaired.

## **9.9 Execution Date.**

All references in this Agreement to the "Execution Date," the "date hereof," "the date the Agreement was executed," or other phrases of similar import shall be deemed to refer to the date upon which the last of the parties hereto has executed this Agreement.

## **9.10 Applicable Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue of any action hereunder shall be in King County, Washington.

## **9.11 Commercial Condominium Unit, Purchaser Protections not Applicable.**

Purchaser acknowledges that Unit 5 will be restricted to nonresidential use. In light of that restriction, Purchaser and Seller agree that nothing in Article 4 of the RCW 64.90 will apply to this sale or to Unit 5. Therefore, Purchaser will not receive any Public Offering Statement for the Condominium. Purchaser waives any right to receive a Public Offering Statement and will have no rights to cancel this Agreement or receive damages under RCW 64.90.635. Furthermore, in light of that restriction, Purchaser will not be entitled to any implied warranties under RCW 64.90.670 and Purchaser waives the provisions of RCW 64.90.645 requiring escrow of deposits. Purchaser also waives any right to receive any disclosures pursuant to RCW Ch. 64.06.

## **9.12 Exhibits.**

The following exhibits are incorporated into and made a part of this Agreement as if set forth fully herein:

Exhibit A	Legal Description of Property
Exhibit B	Architect's Schematic of Unit 5
Exhibit C	Condominium Declaration
Exhibit D	Association Documents
Exhibit E	Development Budget for Unit 5
Exhibit F	Preliminary Commitment



**IN WITNESS WHEREOF**, this Condominium Unit Purchase and Sale Agreement has been executed by each of the parties as of the date first written above.

**SELLER:**

**BW OVERLAKE LLLP,**

a Washington limited liability limited partnership

By: BW Overlake GP LLC,  
a Washington limited liability company

Its: General Partner

By: Bellwether Housing,  
a Washington nonprofit corporation

Its: Manager

By: \_\_\_\_\_  
Susan Boyd, Chief Executive Officer

**PURCHASER:**

**CITY OF REDMOND**

\_\_\_\_\_  
By: Angela Birney  
Its: Mayor

## EXHIBIT A – LEGAL DESCRIPTIONS

The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

Lot 2, OVERLAKE VILLAGE STATION BINDING SITE PLAN, according to the plat thereof recorded in Volume 303 of Plats, page 32, records of King County, Washington.

“Unit 5” subject to this Agreement will be described substantially as:

UNIT 5 OF “PRISMA, A CONDOMINIUM” RECORDED IN SURVEY MAP AND PLANS RECORDED IN VOLUME \_\_\_\_\_ OF CONDOMINIUMS ON PAGES \_\_\_\_\_ THROUGH \_\_\_\_\_ INCLUSIVE AND ANY AMENDMENTS THERETO, CONDOMINIUM DECLARATION RECORDED UNDER KING COUNTY RECORDING NUMBER \_\_\_\_\_ AND ANY AMENDMENTS THERETO, IN KING COUNTY, WASHINGTON.

**EXHIBIT B - ARCHITECT'S SCHEMATIC OF UNIT 5**

(attached)

DRAFT

**EXHIBIT C – CONDOMINIUM DECLARATION**

(attached)

DRAFT

**EXHIBIT D – ASSOCIATION DOCUMENTS**

(attached)

DRAFT

## EXHIBIT E – DEVELOPMENT BUDGET FOR UNIT 5

<b>Acquisition Costs</b>	
Land	\$1980
Acquisition Closing	\$397
Acquisition – Carrying Costs	\$317
<b>Construction</b>	
Demolition	
New Building	\$356,145
Construction Contingency	\$11,502
Site Work/Infrastructure	
Off Site Work	\$2,127
Environmental Abatement (Land)	
Sales Tax	\$21,481
Equipment and Furnishings (FF&E)	
Commercial Tenant Improvements	
Other	\$8,750
<b>Soft Costs</b>	
Architect	\$5,159
Engineering	\$3,564
Environmental Assessment	\$56
Geotech	\$150
Boundary & Topographic Survey	\$94
Legal Real Estate	\$188
Developer Fee	
Other Consultants	\$375
Other	\$619
Soft Cost Contingency	\$3,015
<b>Predev/Bridge Financing</b>	
Bridge Loan Fees	\$238
Bridge Loan Interest	\$1,992
<b>Construction Financing</b>	
Construction Loan Origination Fees	\$1,155
Construction Loan Expenses	\$281
Legal – Construction Loan	\$413
Construction Period Interest	\$15,000
Lease-up Period Interest	
<b>Permanent Financing</b>	
Permanent Loan Origination Fees	
Permanent Loan Expenses	594
Legal Permanent Loan	792
Perm Closing Title & Recording	990
<b>Other Development Costs</b>	
Real Estate Tax	
Insurance – Liability	\$1,876

Permits, Fees & Hookups	\$35,704
Accounting/Audit	\$396
<b>Total Development Cost</b>	<b>\$475,350</b>

DRAFT

**EXHIBIT F – PRELIMINARY COMMITMENT**

(attached)

DRAFT