

AMENDMENT TO EXTENSION AND FUNDING AGREEMENT
CITY OF KENMORE AND WEIDNER APARTMENT HOMES

This Amendment amends the "Extension and Funding Agreement City of Kenmore and Weidner Apartment Homes," executed by the City of Kenmore (City), Lakepointe, Inc. (Lakepointe), Pioneer Towing Co. (Pioneer), and Weidner Apartment Homes (Weidner), on December 29, 2016 (Agreement) (collectively, the "Parties"), as set forth in this Amendment.

RECITALS

- A. Lakepointe and Pioneer are the owners of approximately 45 acres of land in the City along the shoreline of Lake Washington (Property).
- B. Weidner has entered into an agreement with Lakepointe and Pioneer to purchase the property, subject to certain conditions. Weidner intends to redevelop the Property (Project), which will be a complex, multi-year effort requiring significant advance planning.
- C. On December 29, 2016, the Parties entered into the Agreement, which required Weidner to reimburse the City for the cost of services and expenses of a dedicated Project manager and the cost of services and expenses of the City's attorneys, traffic engineers, architects/landscape architects, financial consultant and environmental consultants related to the Project.
- D. The Agreement also extended the Commercial Site Development Permit (CSDP) and related Transportation Mitigation Agreement (TMA) for the Property through December 31, 2017, subject to certain conditions, through December 31, 2018 upon satisfaction of certain conditions, and provided for possible further extensions upon satisfaction of certain conditions.
- E. All of the conditions to further extension of the CSDP have been satisfied, except one:

Enter into a general agreement with the City that generally defines the parameters of the Project (number of residential units, commercial square footage, natural and public open space, etc.), working relationship with the City, and path forward, including timelines for developing the Property.

The parties are actively working in good faith on the negotiation of this agreement (the "Parameters Agreement") and have determined that some additional time is necessary to complete and execute the Parameters Agreement.

AMENDMENT

- 1. Amendment of Section 3 of Agreement. Section 3 of the Agreement is amended to read as follows:

Requirements and Conditions for First Additional One-Year Extension. If the Lakepointe Group desires to extend the CSDP and TMA for another year beyond December 31, 2017 to December 31, 2018, the Lakepointe Group must submit an extension notice, including

the period of extension, on or before November 30, 2017. To justify an extension through December 31, 2018, the Lakepointe Group must have satisfied or reached the following milestones by November 30, 2017:

- a. Conduct a multidisciplinary work session (aka "charrette") to further determine the scope of the Project, including number of residential units, commercial square footage, and natural and public spaces.
- b. Develop an outreach and public input plan for communicating with the public on the Project's progress and future.
- c. Further develop, in coordination with the City, a site concept to visually depict natural and public spaces, roads, residential, commercial, and mixed use buildings of the Project.
- d. Coordinate with Washington State Department of Transportation to receive feedback on traffic modelling and potential transportation improvements related to the Project.
- e. Coordinate with Washington State Department of Ecology to receive preliminary feedback and/or guidance on environmental issues related to the Project.

In addition, the following milestone shall be satisfied by April 30, 2018:

- f. Enter into a general agreement with the City that generally defines the parameters of the Project (range of residential units, commercial square footage, natural and public open space, etc.), working relationship with the City, and path forward, including timelines for developing the Property. Pro Forma and Financial Gap Analysis studies for both the Lakepointe development and the City will be conducted as part of developing and negotiating the general agreement. Weidner and the city manager will agree on a cost sharing arrangement for the Pro Forma and Gap Analysis studies.

The city manager, in his/her discretion, may extend the deadline or waive compliance with any milestone.

- 2. Effect on Agreement. Except as modified by this Amendment, the terms and conditions of the Agreement shall remain in effect.

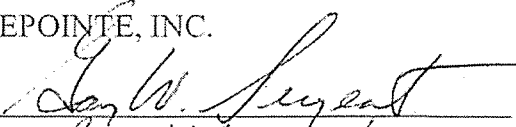
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the dates written below, to be effective on January 1, 2018:

CITY OF KENMORE



Rob Karlinsey, City Manager

LAKEPOINTE, INC.



Printed name: Gary W. Sergeant

Its: President

Date: 11-15-17

Date: _____

PIONEER TOWING CO.

WEIDNER APARTMENT HOMES

Gary W. Sargent
Printed Name: Gary W. Sargent
Its: President

W. Dean Weidner
Printed Name: W. Dean Weidner
Its: President

Date: 11/29/17

Date: 11/15/2017