

Bespoke Deal Terms:

Big Picture Project Details:

- Parcels Included: Entire block bounded by 4th Ave, 5th Ave, Railroad Ave, and B Street inclusive of the City owned parking lot, and the buildings that include Talbot's Toyland, Tomatina, and Pokeatery stores. See Figure 1 below
 - APN's: 034-179-010, 034-179-020, 034-179-030, 034-179-040 , 034-179-050, and 034-179-060

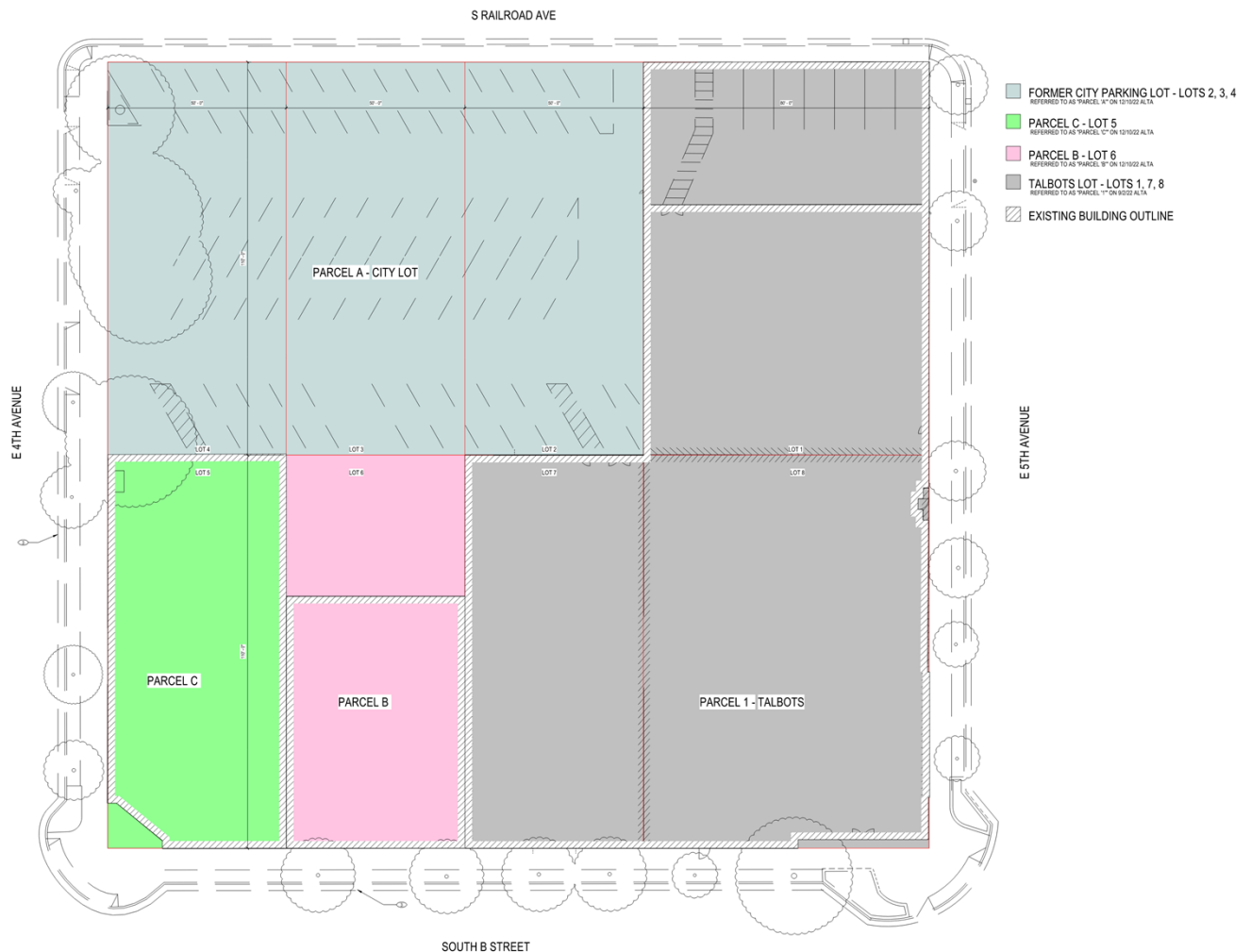


Figure 1: Development project included parcels

- 60-units of family-friendly affordable housing within a 76' tall 7-story structure
 - 50% of units to consist of two- and/or three-bedroom units
 - Income levels to range between 30% and 70% of Area Median Income
 - State Density Bonus Law utilized to allow for greater density and height
 - Height noted excludes the mechanical penthouse
- Roughly 150,000 sf of commercial office within a 74 foot tall 5-story structure
 - State Density Bonus Law utilized to allow for greater height

- Height noted excludes the mechanical penthouse
- Roughly 12,000 square feet of ground floor retail provided to improve the downtown retail experience along South B Street, 4th Avenue, and 5th Avenue
- Roughly 4,500 square feet of ground floor space in the affordable housing building along 4th Avenue provided to Self Help for the Elderly inclusive of:
 - Kitchen & prep space
 - Multi-purpose room with seats for up to 120 individuals
 - Administrative office space
- 118 total parking stalls of which 38 are dedicated to residential; additional commercial stalls will be available after working hours for the residential building. 30 of the 38 dedicated residential stalls will be in mechanical parking lifts.

Financial Terms:

- City to contribute the city-owned parking lot to the development to allow for the full block development via a non-escalating 99-year ground lease at \$1 per year
- City to contribute \$2.75M to the affordable housing project in the form of a residual receipts loan
- Commercial Developer (Prometheus and Harvest Properties) to contribute \$2.9M to the affordable housing project
- Commercial Developer to construct and finance the entire below grade parking, inclusive of residential parking
- Self Help for the Elderly shell space to be delivered and rent to be substantially subsidized

Details of Property Transaction/Construction Phasing:

- City-owned parcel to be allocated primarily to the residential, roughly 13,300 square feet, with 3,200 square feet allocated to the commercial structure. See Figure 2 below

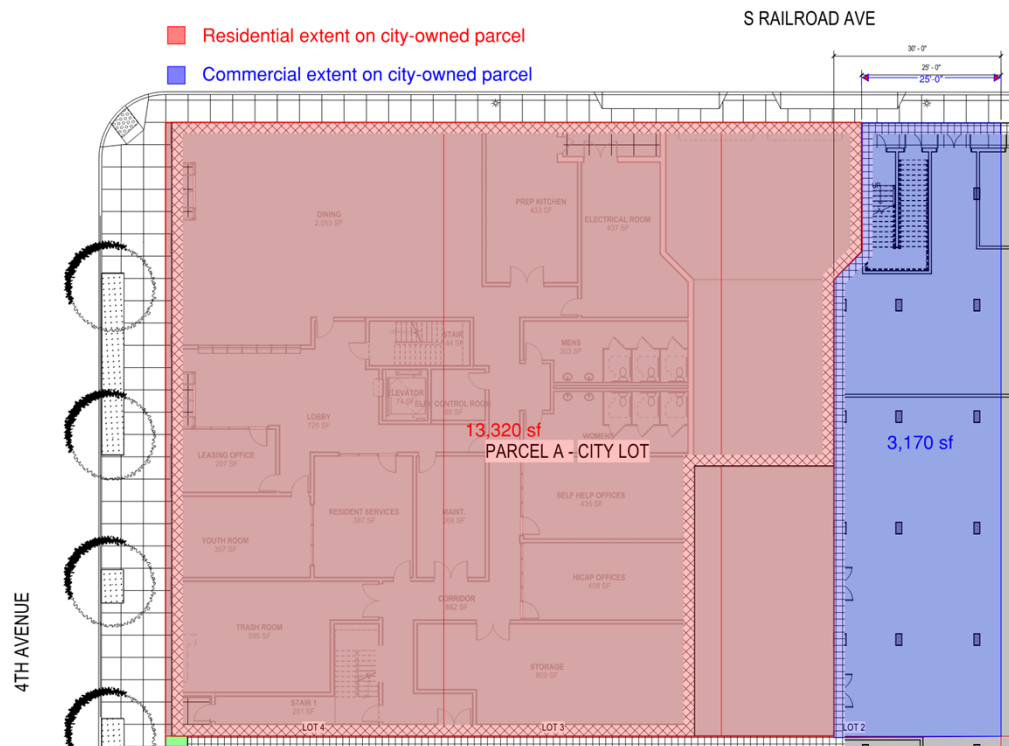


Figure 2: Residential & Commercial extents on city-owned parcel

- Project to utilize a lot-tie mechanism to allow for the residential project to utilize and share maintenance of the below-grade garage to be constructed by the commercial office.
- Entitlement term length to be 10 years from entitlement approval to allow for the affordable housing project to apply for multiple funding rounds.
- Exclusive negotiating right with respect to the City ground leases through October of 2024.
- Commercial project will commence construction first, as it is the builder of the garage, and will turn over the ground floor slab as a “pad” for the residential project to commence construction. Neither construction nor occupancy of the commercial project will be conditioned in any way on the commencement, completion or occupancy of the residential project post “pad” handover
- Residential project to apply for funding post pad handover in order to meet project readiness criteria for federal tax credit applications, but will utilize best efforts to acquire funding in advance or at pad handover.
- Project to comply required Prevailing Wages & DIR Registration