

TERM SHEET

SALE OF TDR BY ARCHDIOCESAN HOUSING AUTHORITY and CATHOLIC
COMMUNITY SERVICES OF WESTERN WASHINGTON (collectively and hereafter
“Seller”)
TO THE CITY OF SEATTLE (hereafter “Buyer”)

This term sheet describes the basic terms of the proposed purchase and sale of Transferable Development Rights (“TDR”) between Buyer and Seller. Any binding commitment by the Buyer to buy TDR will be made only after City Council approval by ordinance and upon signing of a definitive purchase and sale agreement (the “Agreement”). The Agreement is intended to include the following terms:

1. **Housing TDR Site.** Seller is the owner of the Josephinum, a 14 story residential building located at 1902 2nd Avenue, just north of Seattle’s downtown shopping core, and the lot on which Josephinum is located (“Housing TDR Site”).
2. **TDR Agreement.** Seller will enter into a TDR Agreement with The City of Seattle, consistent with SMC 23.49.014.D, in addition to the Agreement referenced above.
3. **TDR Available.** Seller represents that the Seattle Department of Construction and Inspections (SDCI) has calculated 54,820 square feet of housing TDR available on the Housing TDR Site in accordance with SMC 23.49.014.
4. **Purchase and Sale of TDR.** Seller shall sell and Buyer shall buy up to 54,820 square feet of housing TDR available from the Housing TDR Site.
5. **Seller Warranties.** Seller will represent and warrant to Buyer that, as of the date of execution of the Agreement and as of the closing of the sale:

Seller is the owner of the Housing TDR Site subject to no liens or encumbrances except as set forth on the policy of title insurance issued to Buyer in connection with Buyer’s 2014 loan to Seller secured by the Housing TDR Site.

The sale of the housing TDR has been duly authorized by all necessary corporate actions of Seller.

6. **Purchase Price.** Buyer agrees to pay a purchase price of \$30.17 per square foot for housing TDR available from the Housing TDR Site.
7. **Transfer of Title/Closing.**
 - 7.1 The closing date shall be the date that title is transferred from Seller to Buyer (the “Closing Date”). There shall be a single Closing Date. If so required by Buyer, the sale

shall be closed by a licensed escrow agent. Buyer shall specify at least ten (10) days prior to the Closing Date the amount of housing TDR to be purchased and the desired Closing Date. Seller shall demonstrate to the satisfaction of Buyer that it has satisfied all conditions to transfer of housing TDR, and the amount of TDR available for transfer, not later than _____, 2016.

7.2 Buyer shall pay all cash at closing in the amount of the purchase price applicable to the transaction.

7.3 On the Closing Date, Seller shall execute and cause to be recorded, and instruct the County recording officer to deliver to Buyer, a statutory warranty deed for the housing TDR.

7.4 Costs of recording shall be paid from proceeds of the TDR sale.

8. Title and Title Insurance.

8.1 Seller shall demonstrate to the satisfaction of the Buyer that the TDR sold are not subject to any liens, encumbrances, options or rights of first refusal, or defects in title, but Seller shall not be required to provide or pay for title insurance.

8.2 Buyer may obtain title insurance or title reports at Buyer's own expense. Buyer shall provide a copy of any title report of commitment to Seller, promptly upon receipt. Buyer understands that title insurance for housing TDR may not be available or may contain non-standard exceptions and exclusions.

9. Use of TDR Proceeds.

9.1 Seller shall use the proceeds of the sale of housing TDR from the Housing TDR Site for rehabilitation of low-income housing at the Josephinum or other low-income housing properties subject to a scope of work approved by the City of Seattle Office of Housing and appended to the TDR Agreement.