

Attachment 1: Term Sheet

LEASE OF PROPERTY FROM THE CITY OF SEATTLE TO
PLYMOUTH HOUSING OR ITS AFFILIATE OR DESIGNEE

This term sheet describes the basic terms of the proposed lease (the “Lease”) of property located at Mercer Street and Second Avenue North (the “Property”) between The City of Seattle (the “City”) and Plymouth Housing Group, a Washington nonprofit corporation or its assignee or designee (the “Lessee”). The Lease will be entered into subject to the conditions set forth below and on the following terms:

1. Lease. The Lease shall be for 99 years.
2. Consideration. In consideration for the City leasing the Property to Lessee for rent of \$1/year, Lessee shall agree to construct or cause to be constructed within the Property improvements substantially as described in those plans and specifications prepared by SMR Architects more specifically described in SDCI Permit Nos. 3033545-LU and 6712052-CN (collectively, the “Project”), which improvements shall be 91 studio units of Low-Income Housing, Extremely Low-Income Housing, Very Low-Income Housing, and 60%-of-Median-Income Housing including 19 units for formerly homeless, low-income single adults as defined by the City of Seattle’s Office of Housing, and two unrestricted manager’s units, for a total of 93 units, along with common spaces and approximately 3,700 square feet of nonresidential space.
3. Conditions of the City’s lease of the Property:
 - a. Lessee shall have obtained approval from the Director of the Office of Housing (Director) of the final plan set for the Project and development budget for development of the Project.
 - b. Lessee shall have obtained permits for the development of the Project consistent with the designs approved by the Office of Housing.
 - c. Lessee shall have provided evidence satisfactory to the Office of Housing that Lessee has secured all necessary construction financing to fund the construction of the Project.
4. Other conditions.
 - a. The Lease will contain other conditions determined by the Director to be necessary to provide the desired outcomes.
 - b. The Lease of the Property shall be “AS IS,” without any warranty as to any matters related to title or the condition of the Property, including without limitation the presence of any encroachments, hazardous materials or any other environmental matters of the Property.
 - c. The permitted use under the Lease will require, for at least 50 years, development and operation of 91 studio units of housing for Low-Income Housing, Extremely Low-Income Housing, Very Low-Income Housing, and 60%-of-Median-Income Housing including 19 units for formerly homeless, low-income single adults built on the Property, and dedicated space for arts and cultural uses on the ground floor.