

ATTACHMENT A: TERM SHEET

TRANSFER OF PROPERTY FROM THE CITY OF SEATTLE (City) TO LOW INCOME HOUSING INSTITUTE (LIHI) OR ITS ASSIGNEE (Purchaser)

This term sheet describes the basic terms of the proposed transfer of property between Purchaser and City. Any binding commitment by the City to transfer the property will be made only after City Council approval by ordinance and upon signing of a definitive agreement (the "Agreement"). The Agreement is intended to include the following terms:

1. Transfer. City shall transfer to Purchaser certain real property located in the City of Seattle, commonly known as 12705 30th Ave. NE ("Property").

2. Consideration. In consideration for City transferring the Property to Purchaser, Purchaser shall agree to construct or cause to be constructed within the Property improvements substantially as described in those plans and specifications prepared by Runberg Architecture Group dated as of November 21, 2016, titled Lake City Family Housing Master Use Permit #3024131 ("MUP"), which improvements shall be used respectively as 1) a residential rental apartment project with rents affordable to households with incomes at the time of initial occupancy of 60% or less than the area median income, as defined by the U.S. Department of Housing and Urban Development (the "Housing Project"); 2) shell and core improvements suitable for build-out as preschool or childcare space, including outdoor play space (the "Civic/Commercial Project"); and 3) amenities consisting of a roof deck and storage (the "Amenities"), all as defined and described in the MUP. The Housing Project is comprised of 15 one-bedroom units, 25 two-bedroom units, 5 three-bedroom units, 5 open one-bedroom units, and 20 studio units. The Housing Project, the Civic/Commercial Project and the Amenities are collectively referred to in this Term Sheet as "the Project."

3. Development Plan:

a) The Agreement shall require Purchaser to use diligent efforts to pursue design work, financing applications, environmental reports, permit applications and all other steps necessary to construct and permanently finance the Project, including 70 units of rental housing to serve Eligible Households (as defined below) on the Property. It is understood that the results of environmental review or regulatory processes could result in only a smaller number of units being feasible, and neither the Agreement nor the ordinance approving it shall be construed as any determination or assurance of the number of units that will be permitted.

b) Upon completion of Construction, Purchaser shall rent the units to qualified Low Income Households," defined as households with incomes at the time of initial occupancy of 60% or less than the area median income, as defined by the U.S. Department of Housing and Urban Development ("Eligible Households").

4. Conditions precedent to the City's obligation to convey the property:

a) Purchaser shall have obtained approval from the Director of Finance and Administrative Services ("Director") for the schematic design (including the landscaping features), and any changes to the schematic design, and the construction documents consistent with the schematic design shall have been submitted to the Director.

b) Purchaser shall have obtained the Master Use Permit for the development of the Property consistent with the schematic design issued by the Seattle Department of Construction and Inspections ("SDCI"), or SDCI shall have given notice that such permit is ready to issue.

c) Purchaser shall have provided evidence satisfactory to the City that Purchaser has the necessary financing to fund the construction of the improvements.

d) Purchaser shall have delivered to the City a covenant pursuant to which Purchaser agrees to use the Property as rental housing serving Eligible Households for a term of 50 years from the Project completion date.

e) Purchaser shall have delivered to the City environmental indemnity and hold harmless agreement satisfactory to the City.

5. Development Schedule.

a) Fifteen (15) months following the effective date of the ordinance ("Effective Date"), Purchaser shall have secured all required approvals (the "Approvals") to begin construction and closing of the transfer of the Property to Purchaser shall have occurred.

b) Within fifteen (15) months following the receipt of the Approvals ("Completion Date"), Purchaser shall have completed construction.

Purchaser may request extensions of either the Effective Date or the Completion Date by submitting a request to the Director.

6. Transfer of Title / Closing/Possession. Closing shall take place on such date as the Purchaser may specify in a written notice to the City, delivered to the City at least 10 days in advance of the closing date specified in the written notice, but such notice may be given only after satisfaction of all conditions to closing. Title shall be conveyed by Quit Claim Deed. After closing, Purchaser will ensure that the property is continuously insured against liability, in amounts and with coverages satisfactory to the City, with the City named as additional insured.

7. Other conditions.

a) The agreement will contain other conditions determined by the Director to be necessary to provide the desired outcomes.

b) The transfer to Purchaser shall be "AS IS," without any warranty as to any matters related to the condition of the premises, including without limitation the presence of any hazardous materials or underground tanks, or any other environmental matters.

8. Expenses. Purchaser shall pay all costs of closing the transfer, including without limitation escrow fees and recording charges, and shall pay for any title insurance policy desired by Purchaser.