

The City of Seattle
Ordinance 127463
Council Bill 121238

An ordinance relating to the Office of Housing; authorizing the acquisition of two parcels in the Central Area for the purpose of developing affordable homeownership units; placing the property under the jurisdiction of the Office of Housing; authorizing the Director of the Office of Housing or the Director's designee to issue a request for proposals and to select a developer and thereafter to execute and deliver a contract for transfer of land, deed, and related documents; and ratifying and confirming certain prior acts.

Recitals:

In 1999, the Seattle Office of Housing (OH) provided a loan of \$745,335 to the Central Area Development Association (Borrower) to facilitate the Borrower's acquisition and rehabilitation of the Harvey Apartments, a 20-unit 1909-era apartment building located at 2615 East Cherry Street in Seattle's Central Area.

The 1999 loan was secured by a deed of trust, assignment of rents, security agreement, and fixture filing recorded under Recording No. 9902264602 of King County, Washington.

The loan documents associated with the 1999 loan included a regulatory agreement, recorded under Recording No. 9902264600 of King County, Washington, which

among other obligations required that the Borrower continuously maintain 18 City-funded units for low-income rental housing through the year 2039.

The Borrower owned and operated the Harvey Apartments until 2024 when the Borrower and OH jointly agreed that the building's physical condition had deteriorated to the point of no longer being habitable.

The Harvey Apartments has remained vacant since July 2025, when all remaining occupants were relocated to other OH-financed affordable rental housing, and at which point the Borrower could no longer meet its obligations to maintain City-funded units under the terms of the regulatory agreement.

The Borrower separately acquired real property adjacent to the Harvey Apartments in 1999.

OH seeks to enter into a settlement agreement with the Borrower to (1) accept a deed to the Harvey Apartments property in lieu of foreclosure, and (2) enter into a purchase and sale agreement with the Borrower to acquire the real property adjacent to the Harvey Apartments.

Rapidly escalating housing costs have contributed to ongoing economic displacement of the Central Area's low-income residents as well as a dearth of homeownership opportunities affordable and available to low- and moderate-income households living or seeking to live in this historically affordable and racially diverse neighborhood.

Homeownership is far less common for Seattle's households of color than for the city's white households. A little over one third of households of color living in Seattle own their home compared to slightly over one half of white households.

Seattle experienced an especially steep decline in homeownership rates among Black households with the rate declining by roughly 11 percentage points (from 37 percent as estimated in the 1990 Census to 26 percent as estimated in the 2019 five-year Comprehensive Housing Affordability Strategy dataset).

OH operates an affordable homeownership program that finances the development of for-sale homes that are affordable and available to low and moderate-income households earning up to 80 percent of area median income.

Securing sites appropriate for development of affordable housing is challenging throughout Seattle, but especially so in costly areas where existing residents are at high risk of economic displacement, including the Central Area.

OH expects to engage community stakeholders to inform a future vision for the redevelopment of the two parcels for new affordable for-sale housing.

Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. The Director of the Office of Housing or designee (Director) is authorized on behalf of The City of Seattle to acquire real property (Parcel A) situated in the City of Seattle, County of King, State of Washington and identified as King County parcel number 121100-0195, together with all rights, privileges, and other property pertaining thereto:

The east 20 feet of Lot 1, Block 1, and Lot 24, Block 1, Burgert Addition to the City of Seattle, according to the plat thereof recorded in Volume 17 of Plats, page 51, Records of King County, Washington.

The east 20 feet of Lot 1, Block 1, and Lot 24, Block 1 Burgert Addition to the City of Seattle, according to the plat thereof recorded in Volume 17 of Plats, page 51, Records of King County, Washington.

The east 20 feet of Lots 2 through 3, Block 1 and Lot 23, Block 1, Burgert Addition to the City of Seattle, according to the plat thereof recorded in Volume 17 of Plats, page 51, Records of King County, State of Washington. Situate in the County of King, State of Washington.

Section 2. The Director of the Office of Housing or designee (Director) is authorized on behalf of the City of Seattle to acquire real property (Parcel B) which together with Parcel A is shown in Attachment 1 to this ordinance, situated in the City of Seattle, County of King, State of Washington and identified as King County parcel number 121100-0196, together with all rights, privileges, and other property pertaining thereto:

The east 20 feet of Lot 1, Block 1, and Lot 24, Block 1 Burgert Addition to the City of Seattle, according to the plat thereof recorded in Volume 17 of Plats, page 51, Records of King County, Washington.

The east 20 feet of Lots 2 through 3, Block 1 and Lot 23, Block 1, Burgert Addition to the City of Seattle, according to the plat thereof recorded in Volume 17 of Plats, page 51, Records of King County, State of Washington. Situate in the County of King, State of Washington.

Section 3. For purposes of acquiring the real property described in Sections 1 and 2 of this ordinance, the Director is authorized to enter into a settlement agreement (the Settlement Agreement) with the Central Area Development Association (Borrower) consistent with the terms set forth in the Settlement Agreement Term Sheet attached to this ordinance as Attachment 2.

Section 4. In accordance with the Settlement Agreement, the Director is authorized to (1) accept a deed in lieu of foreclosure from the Borrower for Parcel A, in the form pursuant to the quitclaim deed attached to this ordinance as Attachment 3, and (2) enter into a purchase and sale agreement with the Borrower, substantially in the form attached to this ordinance as Attachment 4.

Section 5. The Director is authorized to take ownership of Parcel A subject to the existing State Housing Trust Fund deed of trust and covenant as encumbrances.

Section 6. The Director is authorized to accept and record deeds for Parcel A and Parcel B, and is further authorized to execute, deliver, administer, and perform additional agreements and record additional documents as the Director shall deem necessary or advisable for the purpose of completing the acquisition of Parcel A and Parcel B consistent with the terms outlined in the Settlement Agreement Term Sheet attached to this ordinance as Attachment 2 and subject to appropriation authority. Such other agreements or documents may include a settlement agreement, a purchase and sale agreement, and a priority and subordination agreement or other agreement with the Washington State Department of Commerce related to its interest in Parcel A.

Section 7. The Director is authorized to conduct a competitive process for development of Parcel A and Parcel B for the development of homeownership units affordable to low- and moderate-income households.

Thereafter, the Director is authorized to negotiate a property transfer agreement and any ancillary documents required to accomplish the transfer of ownership to the selected developer (Developer), or with a designee or assignee of the Developer approved by the Director, on the terms and subject to the conditions authorized in this ordinance, including those found in Harvey Request for Proposal Term Sheet, attached to this ordinance as Attachment 5.

Section 8. The Director shall provide a summary of the selected proposal to the Chair of the Housing, Arts and Civil Rights Committee, or successor committee, once the competitive process is complete. The summary should identify the developer(s), number and size of units, and affordability levels of units.

Section 9. Any act consistent with the authority of this ordinance taken prior to its effective date is ratified and confirmed.

Attachments:

Attachment 1 – Property Map

Attachment 2 – Settlement Agreement Term Sheet

Attachment 3 – Quit Claim Deed Form

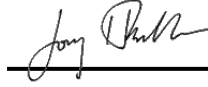
Attachment 4 – Purchase and Sale Agreement Form

Attachment 5 – Harvey Request for Proposal Term Sheet

This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

OH Harvey Transfer ORD
Andrea Akita
D3

Passed by the City Council and signed in open session in authentication of its
passage on June 30, 2026.



President _____ of the City Council

Approved _____ on July 8, 2026.



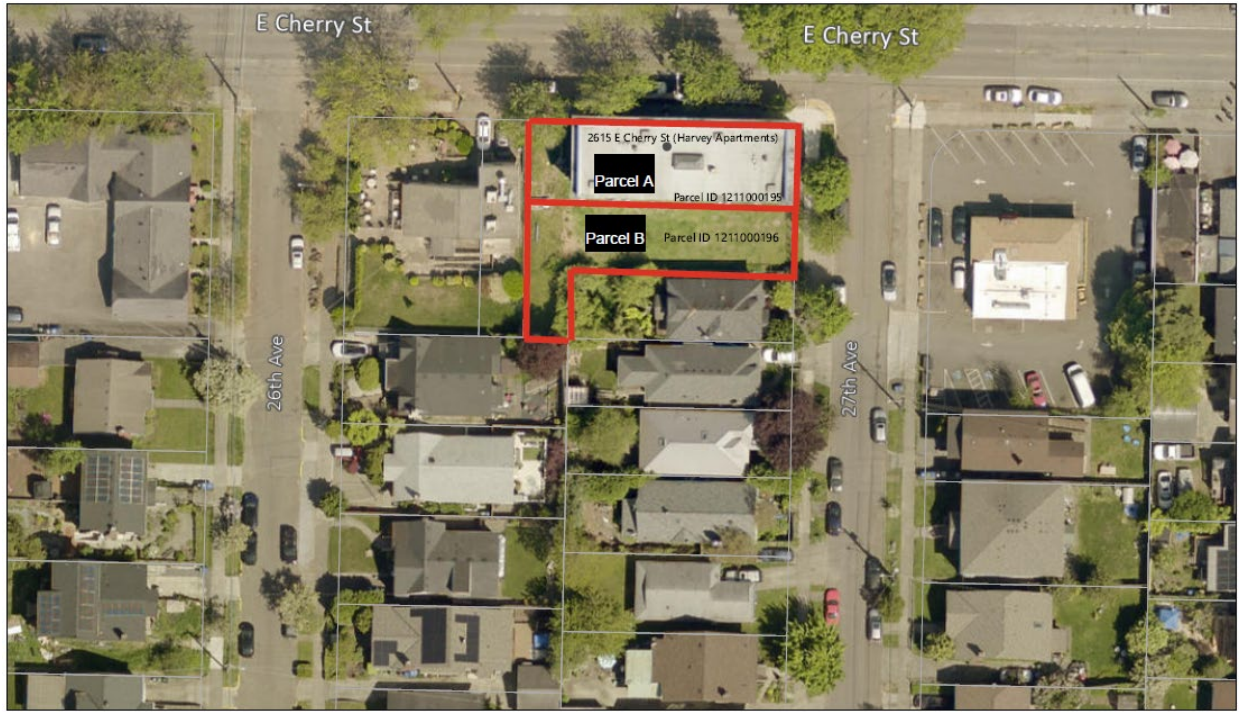
Katie B. Wilson, Mayor

Attested on July 8, 2026.



Scheereen Dedman, City Clerk

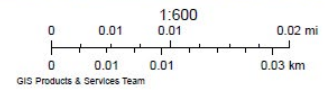
Seal



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 Parcels

Harvey Apartments Map 2615 E Cherry St



SOCI & Seattle IT GIS
No warranties of any sort, including accuracy, fitness, or merchantability accompany this product.

ATTACHMENT 2 - TERM SHEET

Terms Agreed to between CADA and The of City of Seattle

This term sheet describes the substantive terms of the proposed settlement agreement between the Central Area Development Association (“CADA”), a Washington nonprofit corporation and the City of Seattle (“City”).

1. CADA is the owner of Harvey Apartments located at a 20-unit 1909-era apartment building located at 2615 East Cherry Street, Seattle, WA. The City previously loaned funds to CADA secured by the Harvey Apartments and the City loan has a current outstanding balance of \$1,210,350 (as of April 2026 inclusive of interest) (the “City Loan”).
2. In absence of CADA meeting the obligation to pay the City Loan has agreed to accept the transfer of the Harvey Apartments (“Parcel A”) to the City via a deed in lieu of foreclosure.
3. CADA also owns a vacant unencumbered parcel adjacent to Harvey Apartments (“Parcel B”, and together with Parcel A, the “Parcels”) and has agreed to transfer Parcel B to the City in exchange for a reduced purchase price of \$300,000 as part of the Settlement Agreement. CADA and the City will enter into a purchase and sale agreement that will govern the transfer of Parcel B. The transfer of both Parcels to the City (the “Harvey Transfers”) shall occur simultaneously and within ninety (90) days after execution of the Parcel B purchase and sale (“Closing”).
4. Additionally, the City has agreed to pay as part of the Harvey Transfers the following items on CADA’s behalf:
 - a. Property Taxes assessed on the Parcels through Closing
 - b. Insurance costs related to the Parcels through Closing
 - c. Excise Tax related to the Harvey Transfers

Any cost or expense not specifically set forth herein shall be paid by CADA, except as otherwise set forth in the purchase and sale agreement regarding closing costs and feasibility and due diligence expenses.

5. CADA has an outstanding loan with Department of Commerce Housing Trust Fund (“Commerce”) in the amount of (approximately \$378k) (the “HTF Loan”).
 - a. Commerce has agreed to release CADA from the debt obligation and is considering full forgiveness/reconveyance of the HTF Loan. If Commerce releases CADA but requires that the HTF Loan remain in place, the City will take Parcel A subject to the Deed of Trust on record in connection with the HTF Loan. The City shall not assume the HTF Loan.
 - b. The City will take Parcel A subject to the HTF Regulatory Agreement that is currently on record.
 - c. In the event CADA is required to pay any portion of outstanding HTF loan or any other related cost to the HTF loan that cost shall be paid by CADA .
6. Transfer shall occur on or before January 1, 2027.
7. Failure of the City to comply with the terms set forth herein will result in the termination of all agreements set forth herein. CADA shall retain all rights and remedies available to them.

Failure of CADA to comply with the terms set forth herein will result in the City pursuing all rights and remedies available to them, which may include City’s right to protect collateral, right to repayment of any expenditures, appointment of a receiver, and foreclosure. The City’s rights and remedies as outlined in the City Loan Documents are cumulative and not mutually exclusive and not in any substitution for any rights remedies available in law or equity.

When recorded return to:

QUIT CLAIM DEED

THE GRANTOR(S)

for and in consideration of

in hand paid, conveys and quit claims to

the following described real estate, situated in the County of _____,
State of Washington

together with all after acquired title of the grantor(s) herein:

Abbreviated Legal: (Required if full legal not inserted above.)

Tax Parcel Number(s):

Dated:

State of _____
County of _____

This record was acknowledged before me on (date) by (name(s) of individuals) as (type of authority, such as officer or trustee) of (name of party on behalf of whom record was executed).

(Signature of notary public)

(Stamp)

(Title of office)

My commission expires:

(date)

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

(“SELLER”)

AND

CITY OF SEATTLE

(“BUYER”)

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this “**Agreement**”) is entered into as of _____, 2026 (the “**Effective Date**”), by and between _____, a Washington _____ (“**Seller**”), and THE CITY OF SEATTLE, a Washington municipal corporation, acting by and through its Office of Housing (“**Buyer**”).

RECITALS

A. Seller is the owner of certain land located in King County, Washington and more particularly described on Schedule A attached hereto (the “**Land**”) and all of the buildings, structures, and other improvements located thereon (collectively the “**Improvements**”).

B. Seller desires to sell the Land, any Improvements and the other property described in this Agreement to Buyer, and Buyer desires to buy such property from Seller, on and subject to the terms and conditions of this Agreement.

ARTICLE 1. PURCHASE AND SALE AGREEMENT

1.1 Agreement to Purchase and Sell. Seller hereby agrees to sell Seller’s right, title and interest in and to the Property to Buyer and Buyer agrees to purchase such right, title and interest in and to the Property from Seller, for the Purchase Price (defined below), payable as provided below and subject to adjustment as provided herein and otherwise on and subject to the terms and conditions of this Agreement.

ARTICLE 2. THE PROPERTY

2.1 Description of the Property. The Property consists of the following:

(a) The Land legally described in Schedule A, together with all of the Improvements situated thereon, and all rights, privileges and easements appurtenant to the Land, including, without limitation all of Seller’s interest in the following: (i) all minerals, oil, gas, and other hydrocarbon substances on and under the Land; (ii) all development rights, air rights, water, water rights and water stock relating to the Land; (iii) all rights to any land lying in the bed of any existing dedicated street, road or alley adjoining the Land; (iv) all strips and gores adjoining the Land; and (v) all easements, rights-of-way, or appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (collectively, the “**Appurtenances**” and, together with the Land and the Improvements, the “**Real Property**”); and

(b) To the extent assignable, all interest of Seller in any intangible personal property now or hereafter owned by Seller and used exclusively in the ownership, use and operation of the Real Property, including any property described in Schedule B attached hereto, including Seller’s rights under any permits and approvals, contracts, subcontracts, agreements, or other rights of Seller relating exclusively to the ownership, use and operation of the Real Property and all of Seller’s rights under any warranties, indemnities, or similar agreements, and

all payment, performance and surety bonds associated exclusively with the Real Property, if any (collectively, the “***Intangible Property***” and, together with the Real Property, the “***Property***”).

ARTICLE 3. PURCHASE PRICE; ADJUSTMENTS

3.1 Purchase Price. The purchase price for the Property is _____ Dollars (\$_____) (the “***Purchase Price***”). The entire Purchase Price is allocated to the Real Property.

3.2 Intentionally Deleted.

3.3 Payment of Purchase Price. On the Closing Date (defined below), Buyer shall pay the Purchase Price, subject to adjustment as specified herein, by wire transfer of immediately available federal funds.

3.4 Prorations of Taxes and Assessments. All real and personal property taxes and assessments attributable to the year in which the Closing Date occurs shall be prorated and adjusted as of the Closing Date (regardless of whether such taxes and special assessments are then due and payable or delinquent). Seller shall be responsible for payment of all real and personal property taxes and assessments accruing prior to the Closing Date, and Buyer shall be responsible for payment of all real and personal property taxes and assessments accruing from and after the Closing Date. If the tax statements for the tax year during which the Closing Date occurs are not finally determined, then the tax figures for the immediately prior tax year shall be used for the purposes of prorating taxes on the Closing Date, with a further adjustment to be made outside of escrow after the Closing Date as soon as such tax figures are finalized. Any tax refunds or proceeds (including interest thereon) on account of a favorable determination resulting from a challenge, protest, appeal or similar proceeding relating to taxes and assessments relating to the Property (i) for all tax periods occurring prior to the applicable tax period in which the Closing Date occurs shall be retained by and paid exclusively to Seller and (ii) for the applicable tax period in which the Closing Date occurs shall be prorated as of the Closing Date after reimbursement to Seller and Buyer, as applicable, for all fees, costs and expenses (including reasonable attorneys’ and consultants’ fees) incurred by Seller or Buyer, as applicable, in connection with such proceedings such that Seller shall retain and be paid that portion of such tax refunds or proceeds as is applicable to the portion of the applicable tax period prior to the Closing Date and Buyer shall retain and be paid that portion of such tax refunds or proceeds as is applicable to the portion of the applicable tax period from and after the Closing Date. Seller shall not settle any tax protests or proceedings for which Buyer may be entitled under this Agreement to share in any recovery without the consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. Buyer and Seller shall cooperate in pursuit of any such proceedings and in responding to reasonable requests of the other for information concerning the status of and otherwise relating to such proceedings; provided, however, that neither party shall be obligated to incur any out-of-pocket fees, costs or expenses in responding to the requests of the other.

3.5 Estimates. If, on the Closing Date, the precise figures necessary for any of the foregoing adjustments are not capable of determination, then, at Buyer’s option, those adjustments shall be made on the basis of good faith estimates of Buyer using currently available information, and final adjustments shall be made within six (6) months after the Closing Date.

3.6 Adjustment Payments. The net amount of all adjustments to be made under this Article 3 shall be paid on the Closing Date in immediately available funds. All post-closing adjustments shall be made in immediately available funds.

3.7 Calculation of Prorations. All apportionments and prorations made hereunder shall be made based on the number of days of ownership of the Property in the period applicable to the apportionment, with Buyer entitled to pro-rated income and responsible for pro-rated expenses for the Closing Date. Prorations of annual payments shall be made based on the number of days of ownership in the applicable annual period.

3.8 Seller's Closing Costs. At Closing, Seller shall pay and be responsible for: (i) all real estate excise taxes or any other tax or charge substituted therefor in connection with the transfer of the Property to Buyer (including any "roll back" taxes arising from any change in the Property's use), additional property taxes and all other sums associated with (if applicable) the Land being removed from the classification of "Open Space," "Forest Land," and/or "Farm and Agricultural Land" as of Closing pursuant to the provisions of chapters 84.34 and 84.33 RCW; (ii) standard-coverage owner's title insurance policy; (iii) one-half of any fees charged by Escrow Agent; (iv) recording charges for any instrument which releases or discharges any lien or other encumbrance against the Property required to be discharged by Seller pursuant to this Agreement; and (v) Seller's counsel's fees and expenses. Seller agrees to cooperate and work with Buyer, government agencies, and Escrow Agent prior to the Closing to determine the amount of any taxes and other sums that may be due under 84.34 and 84.33 RCW. Buyer and Seller agree to cooperate in claiming any exemption applicable to the imposition of the taxes described in this Section 3.8 including, without limitation, the exemptions described in WAC 458-61A-206(1) and RCW 84.34.108(6)(b)(ii).

3.9 Buyer's Closing Costs. At Closing, Buyer shall pay and be responsible for: (i) recording charges (except as otherwise stated in Section 3.8); (ii) the premium for any extended title insurance coverage and any title insurance endorsements (other than any title insurance endorsements Seller agrees to purchase to resolve any of Buyer's title objections pursuant to Section 6.1); (iii) one-half of any fees charged by Escrow Agent; (iv) charges necessary to obtain the survey required in order to obtain extended coverage; and (v) Buyer's counsel's fees and expenses.

3.10 Other Closing Costs. All costs and expenses incident to the Closing and not specifically allocated between Buyer and Seller in Section 3.8, Section 3.9 or elsewhere in this Agreement shall be allocated between Buyer and Seller in accordance with customary practice in the jurisdiction in which the Land is located.

3.11 Closing Statement. Seller and Buyer shall jointly cause Escrow Agent to prepare a draft closing statement at least five (5) business days prior to the Closing Date.

3.12 Survival. All terms, conditions and obligations of this Article 3, which by their terms require performance after the Closing Date shall survive Closing or the earlier termination of this Agreement.

ARTICLE 4. REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS

4.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer as of the Effective Date and, pursuant to the certificate to be delivered under Section 8.2(l), will represent and warrant as of the Closing Date, as follows:

(a) This Agreement has been duly authorized, executed and delivered by Seller and all consents and approvals required under Seller's organizational documents or by law for Seller to perform its obligations under this Agreement have been obtained, and all documents that are to be executed by Seller and delivered to Buyer on the Closing Date have been, or on the Closing Date will be, duly executed, authorized and delivered by Seller;

(b) There are no actions, suits or proceedings pending, or to Seller's knowledge, threatened against Seller which could have an adverse effect on any portion of the Property, Seller's interest therein, or Seller's ability to perform its obligations hereunder, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality;

(c) There are no pending condemnation actions against or relating to the Land or Improvements or any portion thereof, and Seller has not received any written notice of any potential for such action from any governmental agency other than Buyer;

(d) Except as disclosed in the Due Diligence Materials, Seller has not received written notice from any governmental or regulatory agency that the Real Property fails to comply with any zoning, building, environmental, ecology, health and public safety, subdivision, land sales or similar law, rule, ordinance or regulation, pertaining to the Real Property or any portion thereof, and no consent or approval from any governmental or regulatory agency is required for Seller to sell the Real Property;

(e) Seller has not received written notice alleging Seller is in default or in violation of any Seller's obligations under any of the covenants, easements or restrictions affecting or encumbering the Real Property, and Seller has no knowledge of any existing fact or existing circumstance that is reasonably likely to cause any such default or violation;

(f) Seller has received no written notice of any pending special assessments against the Real Property by any taxing authority and, to the Seller's knowledge, there are no special assessments pending or contemplated against the Real Property by any taxing authority;

(g) Schedule 4.1 attached hereto sets forth a true and correct list of all property management agreements, service contracts and other agreements to which Seller is a party related to the use, ownership or operation of the Real Property as of the Effective Date (collectively, the "***Service Contracts***");

(h) Schedule 4.1 attached hereto sets forth a true and correct list of all environmental reports that are known to Seller to be within Seller's possession, custody or control as of the Effective Date (collectively, the "***Environmental Reports***");

(i) Seller has not generated, stored or disposed of any oil, petroleum products,

or “Hazardous Materials”, as defined under Washington or United States laws or regulations (but not including cleaning and other products used in connection with the routine maintenance or repair of the Land or Improvements in the ordinary course of business and in compliance with applicable law) (collectively, “**Hazardous Materials**”) at the Land or within the Improvements and, except as disclosed in the Environmental Reports, Seller has no knowledge of any previous or present generation, storage, disposal or existence of Hazardous Materials at the Land;

(j) (i) Seller has not entered into any consent decree or administrative order for any alleged violation of laws relating to Hazardous Materials; (ii) Seller has not received any written request for information or a demand letter from any party with respect to a violation of laws pertaining to Hazardous Materials; and (iii) to Seller’s knowledge, except as disclosed in the Environmental Reports, no occupant of the Land or Improvements has generated, stored or disposed of any Hazardous Materials at the Land or within the Improvements or transported any Hazardous Materials off site from the Land;

(k) Seller is not a party to any contract for the sale of the Property or any portion thereof, and no lease or other agreement affecting the Land or Improvements to which Seller is a party (or which is otherwise known to Seller) contains any right of first refusal or option to purchase the Land or Improvements or any portion thereof;

(l) Seller is not a foreign person, foreign corporation, foreign partnership, or foreign estate (as such terms are defined in Section 1445 of the Internal Revenue Code); and

(m) To Seller’s knowledge: (i) with respect to any of the Due Diligence Materials now or hereafter provided to Buyer in accordance with Section 5.2 below, such Due Diligence Materials are true and correct and complete copies in the form maintained by Seller in Seller’s ordinary course of business without intentional alteration (provided that Seller otherwise makes no representations or warranties with respect to the accuracy or reliability of the reports, statements, opinions, analysis or conclusions contained in or referenced in the Due Diligence Materials), and (ii) there are no other documents or instruments in the possession, custody or control of Seller that would constitute the Due Diligence Materials that have not been, or will not be, delivered by Seller or otherwise made available to Buyer that would materially and adversely affect ownership and development of the Property for Buyer’s intended purpose.

References to the “knowledge” of Seller or any other similar term shall refer only to the current, actual knowledge of Seller’s Designative Representative (as defined below) after making reasonable investigation and inquiry of Seller’s records and shall not be construed, by imputation or otherwise, to refer to the knowledge of any property manager or tenant, or to any other officer, agent, manager, partner, representative or employee of Seller or any affiliate thereof. Seller’s Designated Representative is acting for and on behalf of Seller and is not making any representations or warranties in an individual capacity to Buyer. As used herein, the term “**Seller’s Designated Representative**” means _____, as _____ of Seller. Seller represents and warrants that Seller’s Designated Representative is the representative of Seller with the most knowledge of the Property and the subject matter of Seller’s representations and warranties set forth in this Agreement.

All of Seller’s representations and warranties contained herein shall survive Closing for a period of nine (9) months (the “**Limitations Period**”) and shall not merge with the Deed or any other instrument to be delivered at Closing. Buyer may not make any claim for a breach of any

representation or warranty of Seller contained in this Agreement or any document delivered in connection with the transactions contemplated by this Agreement if the breach in question results from or is based on a condition, state of facts or other matter that was actually known to Buyer prior to Closing. Seller shall have no liability to Buyer for a breach of any such representation or warranty unless (a) the aggregate amount of valid claims for all such breaches exceeds \$_____, in which event the full amount of such claims shall be actionable, but only up to the Cap (as defined below), and (b) written notice containing a description of the specific nature of such breach shall have been given by Buyer to Seller prior to the expiration of the Limitations Period and an action shall have been commenced by Buyer against Seller within sixty (60) days after the giving of such notice. As used herein, the term “Cap” shall mean the total aggregate amount of \$_____, plus any costs and attorneys’ fees recoverable under Section 13.16 below. The terms of this paragraph shall survive Closing.

4.2 Seller’s Covenants. Seller hereby covenants and agrees with Buyer that Seller shall:

(a) From the date of Buyer’s delivery of the Inspection Period Approval Notice (as defined below) until the date of Closing or the earlier termination of this Agreement, neither do nor permit any of the following to be done, in each case without the prior written consent of Buyer, which may be granted or withheld in Buyer’s sole and absolute discretion: (i) enter into any new leases affecting the Property or any portion thereof, (ii) modify, amend, extend or change the terms of any of leases or any other instrument affecting title to the Land, or (iii) enter into any other agreements with respect to the sale of the Property or any portion thereof;

(b) Arrange for Buyer to have access to the Land and Improvements from the Effective Date through the Closing Date, subject to the terms and conditions of Section 5.1;

(c) From the Effective Date until the Closing or earlier termination of this Agreement, maintain the Property in a manner generally consistent with the manner in which Seller has maintained the Property prior to the Effective Date; provided, however, that Seller shall not have any obligation to (i) make repairs to any Improvements or fixtures if the failure to make such repairs would not materially and adversely affect ownership and development of the Property for Buyer’s intended purpose; or (ii) maintain or repair any damage to the Property caused by Unauthorized Users (as defined in Section 4.6 below), or remove debris, trash or other materials brought onto the Property by Unauthorized Users;

(d) From the Effective Date until the Closing or earlier termination of this Agreement, perform all obligations of Seller under the Service Contracts, and pay when due all sums of money required to be paid by Seller thereunder;

(e) From the date that is five (5) business days after the Effective Date until the Closing or earlier termination of this Agreement, make the Due Diligence Materials (as defined in Section 5.2) available to Buyer by electronic means;

(f) From the date of Buyer’s delivery of the Inspection Period Approval Notice until the date of Closing or the earlier termination of this Agreement, not enter into any new contracts or agreements affecting the Land or Improvements that will not terminate on or prior to the Closing Date or place any encumbrance on the Land or Improvements, including any recordable covenants, conditions or restrictions, without the prior written consent of Buyer which

may be granted or withheld in Buyer's sole and absolute discretion;

(g) From the Effective Date until the Closing or earlier termination of this Agreement, promptly notify Buyer of the occurrence of any event or circumstance known to Seller that will make any representation or warranty of Seller untrue or misleading as of the Closing Date or any covenant of Seller incapable of being performed;

(h) To the extent assignable, assign all of Seller's right, title and interest in and to any warranties relating to the Property to Buyer at Closing, which assignment shall be without representation or warranty of any kind.

4.3 Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller as of the Effective Date as follows:

(a) Buyer is a municipal corporation duly incorporated or organized, validly existing in the State of Washington and is qualified to transact business in the State of Washington;

(b) Buyer has not (i) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (ii) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its property, or (iii) made an assignment for the benefit of creditors;

(c) This Agreement has been duly executed and delivered by Buyer and, except for the issuance of the Authorizing Ordinance and approvals required in connection therewith, all consents and approvals required by law for Buyer to perform its obligations under this Agreement have been obtained, and all documents that are to be executed by Buyer and delivered to Seller on the Closing Date have been, or on the Closing Date will be, duly executed, authorized and delivered by Buyer; and

(d) There are no actions, suits or proceedings pending, or to Buyer's knowledge, threatened against Buyer which could have an adverse effect on Buyer's ability to perform its obligations hereunder, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality.

To the extent that any of Buyer's representations or warranties are qualified by Buyer's "knowledge" or "actual knowledge" (or words of similar import), such knowledge is limited to the actual knowledge of and investigations performed by personnel of the Seattle Public Utilities Department who have materially participated in the negotiation of this Agreement and the transactions described herein.

4.4 Authorizing Ordinance. During the Inspection Period described in Section 5.3, Buyer shall use reasonable efforts and diligence to obtain an ordinance from the City of Seattle authorizing Buyer to purchase the Property on the terms stated herein (the "**Authorizing Ordinance**"). Buyer shall deliver a copy of the Authorizing Ordinance to Seller within five (5) business days after passage of the Authorizing Ordinance. The Authorizing Ordinance shall (a) contain appropriate language stating that the transaction described in this Agreement is voluntary

but has been negotiated under imminent threat of eminent domain authority of Seattle, (b) authorize Buyer to exercise its eminent domain authority to acquire the Property if necessary to obtain the Property, and (c) state that there exists an appropriation for the acquisition of the Property. The parties acknowledge that this transaction may qualify for the tax exemptions described in WAC 458-61A-206(1) and RCW 84.34.108(6)(b)(ii). Notwithstanding Buyer's waiver (if any) of the Inspection Contingency described in Section 5.3, Buyer's obligation to purchase the Property pursuant to the terms of this Agreement is conditioned upon the Authorizing Ordinance being in full force and effect as effective law on Closing Date. In the event that the Authorizing Ordinance is obtained by Buyer but is later revoked, rescinded or otherwise ceases to become effective law at any time prior to the Closing Date, Buyer shall promptly notify Seller and, anytime thereafter, either Buyer or Seller may terminate this Agreement by providing written notice to the other, whereupon the parties shall have no further rights or obligations hereunder except those rights and obligations which expressly survive termination. Buyer reserves its rights under applicable law to exercise its eminent domain authority to acquire the Property or any portion thereof for public use should the Closing not occur. Seller hereby acknowledges that it has reasonable grounds to believe that, if the Property is not sold voluntarily pursuant to this Agreement, the Buyer intends to exercise its eminent domain authority to acquire the Property.

4.5 Buyer's Actions Prior to Closing. Notwithstanding anything in the contrary to this Agreement, except as otherwise required by applicable law where Buyer is exercising its regulatory power, Buyer shall not, without the prior written consent of Seller, take any action that would: (a) result in any document being recorded in the public records against the Property's title prior to Closing; (b) result in any lien, assessment or other monetary encumbrances being placed on the Property prior to Closing; (c) deleted; or (d) otherwise bind Seller as owner of the Property in the event the Closing does not occur.

4.6 Unauthorized Use of Property. Notwithstanding anything in the contrary to this Agreement, (a) except as otherwise required by applicable law, Seller shall have no obligation to (i) cause the removal of any encampments or outdoor camping sites on the Land that have not been authorized by Seller, (ii) remove garbage, debris or other materials brought onto the Land without the authorization of Seller by the occupants of such encampments or outdoor camping sites (collectively, "Unauthorized Users"), or (iii) repair any damage to the Property (including, without limitation, the fencing around the perimeter of the Land) caused by Unauthorized Users; and (b) Seller shall not be deemed to be in breach of this Agreement due to the actions of Unauthorized Users.

4.7 Third Party Reports. In the event this Agreement is terminated for any reason other than a default by Seller, Buyer shall, promptly following a request from Seller, assign or share, to the extent of its power to assign or share, and deliver to Seller, for no additional consideration, copies of any environmental or other third party reports obtained by Buyer relating to the Property and any ALTA surveys of the Property (but excluding any internal reports, memoranda, financial projections, budgets, communications and similar proprietary or privileged information). Seller understands and acknowledges that: (a) Buyer shall not be required to make any warranties or representations of any kind, express or implied, including as to the right to rely thereon or the completeness, adequacy, truth or accuracy of any such materials, (b) Buyer shall have the right to expressly disclaim any liability for any and all defects or deficiencies contained in the materials, (c) the materials will be delivered by Buyer in their "AS IS, WHERE IS" condition without recourse or liability to Buyer, and subject to any restrictions, disclaimers or limitations on reliance

or use imposed by third-party consultants, and (d) Buyer shall retain the right to utilize and disclose the materials as needed to comply with applicable law. The obligations set forth in this paragraph shall survive termination of this Agreement.

ARTICLE 5. ACCESS, INSPECTION, DILIGENCE

5.1 Inspections.

(a) Buyer and its authorized agents or representatives shall be entitled to enter upon the Land during normal business hours (i.e., between the hours of _____), upon advance notice to Seller of at least forty-eight (48) hours (which may be oral), for the purpose of making such investigations, studies and tests including, without limitation, surveys, engineering studies, soil and groundwater tests as Buyer deems reasonably necessary or advisable (including geo-technic analysis of site grades and lot grading), all as more specifically set forth in this Section 5.1. Drilling and soil testing may occur elsewhere on the Land during or outside of the Exclusive Access Period in accordance with the terms and conditions of this Section 5.1(a). Buyer's entry and inspections may be conducted commencing on the Effective Date and ending on the Closing Date or the earlier termination of this Agreement. Buyer shall bear the cost of all inspections, tests, investigations and analyses. At Seller's option, Seller or its representative may accompany Buyer or its agents or representatives while on the Land. In conducting any inspections, investigations or tests of the Land or any Improvements, Buyer and its agents and representatives shall: (i) not unreasonably interfere with the operation and maintenance of the Land or Improvements; (ii) not injure or otherwise cause bodily harm to Seller, or their respective agents, guests, invitees, contractors or employees; (iii) provide evidence to Seller, prior to any entry onto the Land or Improvements, that Buyer has insurance policies naming Seller as an additional insured (unless the self-insurance provisions described below apply) and providing the following coverage against any claims or damages arising from the presence of Buyer, its agents and representatives on the Land: commercial general liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; workers compensation insurance with minimum statutory limits; and employers' liability insurance with minimum limits of not less than \$1,000,000, and maintain that coverage as a condition of any entry onto the Land or Improvements; (iv) promptly pay when due the costs of all tests, investigations, and examinations done; (v) not permit any liens to attach to the Land by reason of the exercise of its rights hereunder and, in the event any such liens do attach to the Land, Buyer agrees to cause such liens to be removed within ten (10) days after Buyer's receipt of notice of recordation of such liens; and (vi) fully restore the Land and Improvements to the condition in which it existed before any such inspection or tests were undertaken. In addition, notwithstanding any other provision of this Agreement, any invasive or intrusive inspections or tests of the physical condition of the Land or Improvements (including, without limitation, a Phase II environmental site assessment or testing) shall require the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. In connection with any request by Buyer for Seller's consent to any such invasive or intrusive inspections or tests, Buyer shall provide Seller with such information regarding the proposed inspections or tests as Seller shall reasonably request including, without limitation and if applicable, a map identifying any areas on the Property that Buyer is proposing to inspect or test. Buyer agrees to indemnify, defend and hold Seller and all of its officers, directors, agents, employees, attorneys, representatives and contractors harmless from and against any and all losses, liens, claims, causes of action, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of Buyer's inspections or tests permitted under this Agreement or out of the presence, actions or omissions of Buyer and/or

its employees, agents, representatives or independent contractors on the Land or within the Improvements (collectively, “**Inspection Loss**”) or any violation of the provisions of this Section 5.1; provided, however, that Buyer shall have no liability for, nor shall Seller be indemnified against: (a) Inspection Loss arising from the mere discovery of conditions on the Land or Improvements (provided that this exclusion from liability and indemnification shall not apply to the extent of any exacerbation by Buyer or its employees, agents, representatives or independent contractors of such conditions); or (b) Inspection Loss to the extent arising from Seller’s own negligence or misconduct, or the negligence or misconduct of Seller’s agents, employees or independent contractors. Notwithstanding any provision of this Agreement, no termination of this Agreement shall terminate Buyer’s obligations under this Section 5.1; instead, those obligations shall survive any termination or expiration of this Agreement.

(b) Notwithstanding anything to the contrary in this Section 5.1, Buyer may fulfill its insurance obligations under this Section 5.1 by maintaining a self-insurance program that complies in all respects with Chapter 48.62 RCW and applicable provisions of the Washington Administrative Code (“**WAC**”) with insurance limits not less than the limits described in this Section 5.1, pursuant to such program Buyer may self-insure all of the risks described in this Section 5.1 and, accordingly, not maintain the policies described in this Section 5.1. Buyer’s right to self-insure is conditioned upon Buyer’s self-insurance program continuously complying in all respects with Chapter 48.62 RCW and applicable provisions of the WAC, including maintenance of any legally required loss reserves, and Buyer providing certification thereof promptly upon Seller’s request. For purposes of this Section 5.1, “self-insure” means that Buyer has elected to (i) assume the risk of, and be responsible for, liability arising from matters that would otherwise have been insured against under the policies of insurance described in this Section 5.1, and (ii) carry out and perform, for the benefit of itself and Seller, the defense and indemnity obligations described in this Section 5.1.

5.2 Due Diligence Materials. To the extent within Seller’s possession, custody, or control, Seller agrees to deliver to Buyer (which delivery may be by electronic means) the materials listed on Schedule 5.2 attached hereto (the “**Due Diligence Materials**”) within five (5) business days after the Effective Date. The Due Diligence Materials shall include copies of all Service Contracts, provided that none of the Service Contracts shall be assumed by Buyer at Closing. Seller shall be solely responsible for terminating all Service Contracts, at Seller’s sole cost and expense, no later than the Closing Date. Notwithstanding the foregoing or anything in this Agreement to the contrary, the “Due Diligence Materials” do not include, and Seller shall have no obligation to deliver to Buyer, any materials that are recorded in the real property records of King County and included in the Commitment (as defined below), documents concerning other proposals for Seller to sell or dispose of the Property or interests therein, Seller’s partnership records, internal memoranda, financial projections, budgets, appraisals, accounting records, any items protected by the attorney-client privilege and similar proprietary, confidential or privileged materials. The Due Diligence Materials have been made available to Buyer for informational purposes only, and without any representation or warranty whatsoever by Seller except as expressly provided in Section 4.1 above.

ARTICLE 6. TITLE AND SURVEY

6.1 Title and Survey Review. Prior to the Effective Date, Buyer obtained a preliminary commitment for an owner’s policy of title insurance on the Real Property (the “**Commitment**”), together with a copy of the documents forming the basis for each exception from coverage

described therein. Buyer shall have ____ (__) days from the Effective Date to advise Seller in writing of Buyer's approval or disapproval thereof, stating with specificity the basis for any objections. If Buyer does not timely provide Seller with written objections to any matter(s) described in the Commitment, such matter(s) shall be deemed Permitted Exceptions. If Buyer timely provides Seller with written objections to any matter described in the Commitment, then Seller shall advise Buyer within ____ (__) days thereafter of Seller's proposed resolution (if any) of each of Buyer's title objections. If Seller does not give Buyer written notice within such ____ (__) day period that it will endeavor to resolve one or more of Buyer's title objections, then Buyer shall advise Seller in writing within ____ (__) business days thereafter whether Buyer will (a) waive its objection(s) to all such items, or (b) elect to terminate this Agreement, in which event this Agreement shall thereupon be terminated, except as to any rights or obligations that expressly survive termination of this Agreement. Buyer's failure to timely respond shall be deemed its election to waive its objection(s) and the matters to which objections were originally made shall be deemed Permitted Exceptions.

Within ____ (__) days after Buyer's receipt of any supplement to the Commitment, Buyer shall notify Seller in writing of any objections thereto. Seller and Buyer shall have the same rights and duties with respect to an objection by Buyer to a supplement to the Commitment as they do with respect to an objection by Buyer to matters contained in the Commitment, except that Seller shall have ____ (__) days to respond to Buyer's notice of objections.

Buyer shall have the right to commission an updated ALTA survey of the Land and Improvements (the "**ALTA Survey**"). Within ____ (__) days after Buyer's receipt of a completed ALTA Survey, Buyer shall notify Seller in writing of any objections thereto. Seller and Buyer shall have the same rights and duties with respect to an objection by Buyer to the ALTA Survey as they do with respect to an objection by Buyer to a matter contained in the Commitment, except that Seller shall have ____ (__) days to respond to Buyer's notice of objections.

For purposes of this Agreement, the term "**Permitted Exceptions**" shall mean (i) liens for real property taxes and assessments not yet delinquent; (ii) any title or survey matter that Buyer and Seller have expressly agreed to be a Permitted Exception; and (iii) any title matter disclosed by the Commitment or ALTA Survey to which Buyer did not object or to which Buyer was deemed to have waived any objection; provided, that in no event shall Buyer be obligated to object to any title matter that may be satisfied by Seller's payment of money and in no event shall any such matter be deemed a Permitted Exception (except for any such matter arising out of the actions or omissions of Buyer).

Prior to expiration of the Inspection Period, Buyer and Seller shall jointly prepare an agreed preliminary schedule of Permitted Exceptions. Notwithstanding anything to the contrary contained in this Agreement, any notice required or permitted to be given under this Section 6.1 may be given by electronic means to the parties at their respective e-mail addresses set forth in Section 13.2 and shall be deemed delivered upon transmission; provided, however, that any notice by email that is delivered after 5:00 p.m. local time shall be deemed delivered on the next business day.

6.2 Required State of Title. On the Closing Date, Seller shall convey to Buyer marketable fee simple title to the Real Property by quitclaim deed in the form attached hereto as Schedule 8.2(a), free and clear of any and all tenancies and other occupancies, liens, encumbrances, conditions, easements, assessments, restrictions and other conditions, except for

the Permitted Exceptions.

ARTICLE 7.

CONDITIONS TO SELLER'S AND BUYER'S PERFORMANCE

7.1 Conditions to Seller's Obligations. Seller's obligations to consummate the transaction contemplated by this Agreement are, in addition to the other terms and conditions of this Agreement, subject to the following closing conditions (any one or more of which may be waived in whole or in part by Seller at its discretion):

(a) Buyer's representations and warranties contained in this Agreement being true and correct in all material respects on the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date;

(b) Buyer having performed, in all material respects, all covenants and obligations required by this Agreement to be performed by Buyer on or prior to the Closing Date, and Buyer having made all deliveries to Seller or Escrow Agent required by this Agreement to be delivered by Buyer on or prior to the Closing Date; and

(c) Buyer having delivered to Escrow Agent (i) the Purchase Price as adjusted as provided herein, pursuant to and payable in the manner provided for in this Agreement.

In the event that one or more of the foregoing conditions has not been satisfied or waived by Seller on or before the date scheduled for Closing, Seller may, in addition to any other remedy available to Seller under this Agreement, elect to either waive such condition(s) and proceed to Closing or terminate this Agreement by written notice to Buyer; provided, however, if Seller elects to terminate this Agreement, Buyer shall have five (5) business days to satisfy the applicable closing condition and, if such condition is not timely satisfied by Buyer, this Agreement shall be deemed terminated and the parties shall have no further rights or obligations hereunder except those (if any) which expressly survive termination of this Agreement.

7.2 Conditions to Buyer's Obligations. Buyer's obligations to consummate the transaction contemplated by this Agreement are, in addition to the other terms and conditions of this Agreement, subject to the following closing conditions (any one or more of which may be waived in whole or in part by Buyer at its discretion):

(a) The representations and warranties made by Seller in this Agreement being true and correct in all material respects on the Closing Date, with the same force and effect as though such representations and warranties had been made as of the Closing Date;

(b) Seller having performed, in all material respects, all covenants and obligations required by this Agreement to be performed by Seller on or prior to the Closing Date, and Seller having made all deliveries to Buyer or Escrow Agent required by this Agreement to be delivered by Seller on or prior to the Closing Date;

(c) Buyer having received evidence (in form and substance acceptable to Buyer) from Seller that Seller has delivered, notices to any tenant occupying any portion of the Property as of the date hereof under any lease agreement terminating such lease agreements effective no later than the Closing Date in accordance with the requirements of the applicable lease

agreements;

(d) Between the expiration of the Inspection Period and the Closing Date, there having occurred no material adverse change in the condition of the Property (including but not limited to the physical or environmental conditions thereof) not caused by Buyer;

(e) [TITLE COMPANY] being irrevocably committed to issue to Buyer an ALTA Owner's Extended Coverage Policy of Title Insurance (or, at Buyer's option or if Buyer fails to obtain an ALTA Survey necessary to obtain extended coverage, standard coverage) insuring good, clear, record, marketable and fee simple title to the Real Property, subject to the terms, conditions and exceptions described in such policy and the Permitted Exceptions, with a coverage amount equal to the Purchase Price; and

(f) Buyer having obtained the Authorizing Ordinance, and the Authorizing Ordinance being in full force and effect and not having been revoked, modified, or superseded due to actions outside of the control of the Office of Housing.

In the event that one or more of the foregoing conditions has not been satisfied or waived by Buyer on or before the date scheduled for Closing, Buyer may, in addition to any other remedy available to Buyer under this Agreement, elect to either waive such condition(s) and proceed to Closing or terminate this Agreement by written notice to Seller; provided, however, that if Buyer elects to terminate this Agreement, Seller shall have five (5) business days to satisfy the applicable closing condition and, if such closing condition is not timely satisfied, this Agreement shall be deemed terminated and the parties shall have no further rights or obligations hereunder except those (if any) which expressly survive termination of this Agreement. In the event that any one of the foregoing conditions has not been satisfied or waived by Buyer on or before the date scheduled for Closing, and the failure of such condition is the result of Seller's failure to perform or observe any covenant, condition or other obligation of Seller hereunder, Buyer shall be entitled to pursue all of its rights and remedies arising from such failure under Section 12.1.

In the event that the closing condition described in Subsection 7.1(c) has not been satisfied by the scheduled Closing Date, Buyer may elect to delay Closing for up to ____ (____) days in order to allow Seller to satisfy that condition.

ARTICLE 8.

CLOSING

8.1 Escrow Closing. Subject to the closing conditions stated herein, the closing of the transaction contemplated by this Agreement (the "**Closing**") shall occur through an escrow closing arrangement by 5:00 p.m. Pacific time at the offices of Escrow Agent or such other mutually agreed upon location on a date mutually agreed to by Buyer and Seller that is within ____ (____) days after the later to occur of the following: (i) the date on which Buyer obtains the Authorizing Ordinance, or (ii) expiration of the Inspection Period. The "**Closing Date**" shall be the date on which the Deed is recorded in the property records of King County, Washington. Notwithstanding anything in this Agreement to the contrary, if the Closing Date has not occurred on or before _____, for any reason other than Buyer's default, Buyer may, in addition to any other remedies Buyer may have hereunder, terminate this Agreement by written notice to Seller whereupon this Agreement shall terminate (except as to those provisions which expressly survive termination).

8.2 Seller's Closing Deliveries. On or before the Closing Date, Seller shall deliver or cause to be delivered, at its expense, each of the following items to Escrow Agent:

(a) A duly executed and acknowledged Quitclaim Deed conveying the Real Property to Buyer in the form attached hereto as Schedule E, (the “**Deed**”) and an accompanying real estate excise tax affidavit (the “**REETA**”);

(b) Two (2) executed counterpart originals of an Assignment and Assumption of Intangible Property (the “**General Assignment**”) in the form attached hereto as Schedule 8.2(b), together with, to the extent in the possession, custody or control of Seller, executed counterparts of any contracts, warranties, or guaranties assigned thereby and any agreements governing the Intangible Property;

(c) A certificate of non-foreign status from Seller in the form required by Escrow Agent;

(d) A customary owner's affidavit sufficient for Escrow Agent to delete any exceptions for parties in possession, mechanic's or materialmen's liens from Buyer's title policy;

(e) Evidence reasonably satisfactory to Escrow Agent of Seller's authority to convey the Real Property to Buyer, in form and substance satisfactory to Escrow Agent;

(f) Seller's executed closing statement setting forth the Purchase Price and the adjustments, pro-rations and closing costs described herein;

(g) An executed certificate from Seller in the form attached hereto as Schedule 8.2(l) stating that all of Seller's representations and warranties set forth in this Agreement remain true, accurate and complete in all material respects as of the date of such certificate; and

(h) Such other instruments as Buyer or Escrow Agent may reasonably request to effectuate the Closing.

8.3 Buyer's Closing Deliveries. On or before the Closing Date, Buyer shall deliver or cause to be delivered at its expense each of the following to Escrow Agent:

(a) A true and correct copy of the Authorizing Ordinance, together with any other evidence of the authority of Buyer to purchase the Property from Buyer reasonably required by Escrow Agent;

(b) The Purchase Price, plus Buyer's share of closing costs and any other sums required hereunder to be paid by Buyer at Closing;

(c) One (1) executed counterpart original of the REETA;

(d) Two (2) executed counterpart originals of the General Assignment;

(e) Buyer's executed closing statement setting forth the Purchase Price and the adjustments, pro-rations and closing costs described herein; and

(f) Such other instruments as Seller or Escrow Agent may reasonably request

to effectuate the Closing.

ARTICLE 9. CASUALTY AND CONDEMNATION

9.1 Casualty. Buyer acknowledges that Buyer intends to demolish the Improvements and redevelop the Real Property after Closing. Therefore, if, prior to Closing, any Improvements are damaged by fire or any other casualty, such damage shall not give rise to a reduction of the Purchase Price or a right to terminate this Agreement in favor of Buyer, and Seller will be entitled to the Net Insurance Proceeds available to Seller with respect to such casualty loss. For purposes of this Section 9.1, “**Net Insurance Proceeds**” means all insurance proceeds available under Seller’s property insurance policy, less the cost of removing the damaged Improvements and restoring the Land to a safe condition in accordance with applicable law, as reasonably determined by a contractor or construction consultant selected by Seller and reasonably acceptable to Buyer (the “**Restoration Contractor**”). In the event of any such casualty loss, Seller shall engage the Restoration Contractor pursuant to a scope of work reasonably acceptable to Buyer to perform removal of the damaged Improvements and restoration the Land to a safe condition. Subject to clause (ii) of this Section 9.1 below, the cost of all work performed by the Restoration Contractor shall be paid by Seller. If Seller elects to make a claim under Seller’s property insurance policy in connection with such casualty loss: (i) promptly following such casualty loss, Seller shall tender a claim to its property insurance carrier (with a contemporaneous copy to Buyer) and keep Buyer informed of the status of such claim, and (ii) if for any reason the proceeds available to Seller under Seller’s property insurance policy are insufficient to pay the entire cost of the Restoration Contractor’s work, then Buyer may elect to pay directly to the Restoration Contractor the difference between the cost of such work and the amount of insurance proceeds available to Seller, and any amount so paid by Buyer shall be credited to Buyer at Closing (if Closing occurs).

9.2 Condemnation. If, prior to the Closing Date, any portion of, or interest in, the Land shall be taken or threatened to be taken by exercise of the power of eminent domain (an “**Eminent Domain Taking**”) by an agency or entity with condemnation authority under state or federal law other than the City of Seattle, Seller shall promptly notify Buyer and Buyer shall then elect, by written notice to Seller delivered within ten (10) days after receiving such notice, to either (i) terminate this Agreement, (ii) terminate this Agreement only as to that portion of the Land that is subject to the Eminent Domain Taking, in which case the Purchase Price shall be equitably reduced to account for the square footage of the Land subject to the Eminent Domain Taking and Seller shall retain the right to all awards recovered or recoverable with respect to the portion of the Land that is subject to the Eminent Domain Taking, or (iii) proceed with its purchase of the Property, without any abatement of the Purchase Price, and, at Closing, Seller shall pay over or assign, to Buyer all awards recovered or recoverable by Seller on account of such Eminent Domain Taking, less any amounts reasonably expended by Seller in obtaining such award.

ARTICLE 10. BROKERAGE COMMISSIONS

11.1 Brokers.

(a) Seller represents and warrants that it has not engaged any broker, finder or agent on its behalf in connection with the transaction contemplated by this Agreement.

(b) Buyer represents and warrants that it has not engaged any broker, finder or agent on its behalf in connection with the transaction contemplated by this Agreement.

(c) The covenants and agreements contained in this Article shall survive the termination of this Agreement or the Closing.

ARTICLE 11. DEFAULT, TERMINATION AND REMEDIES

12.1 Seller Default. In the event that (a) all of the closing conditions contained in Section 7.1 have been satisfied and Seller defaults in its obligation to sell the Property to Buyer in accordance with the terms of this Agreement, or (b) Seller otherwise defaults in the performance of any other material obligation of Seller under this Agreement, then Seller shall be in default hereunder and Buyer shall have the right to elect any of the following remedies as its sole and exclusive remedy and in lieu of all other remedies available to Buyer at law or in equity for such default: (i) to terminate this Agreement and receive reimbursement from Seller for Buyer's third party out-of-pocket costs and expenses actually incurred by Buyer in connection with negotiating this Agreement and evaluating the transaction contemplated herein and the development of the Property up to a maximum amount of \$_____, which costs and expenses shall be reasonably documented by Buyer; or (ii) take any and all legal actions necessary to compel Seller's specific performance of its obligations hereunder; provided, however, Buyer must file a claim for such specific performance within _____ (____) days from the scheduled Closing Date or else Buyer shall be deemed to have elected the remedy described in clause (i) above. Except as expressly set forth in this Section 12.1, Buyer hereby releases and waives all other remedies at law or equity for a default under this Agreement by Seller; provided, however, that the waivers, releases and limitations on remedies set forth in this Section shall not apply to any claim or cause of action that Buyer may be entitled to assert under this Agreement with respect to any indemnification obligations of Seller or remedies available to Buyer for breaches of representations or warranties under Section 4.1 (subject to the limitations set forth in Section 4.1). This Section 12.1 shall survive termination of this Agreement.

12.2 Major Defaults. Notwithstanding Section 12.1 above, if Seller has conveyed or encumbered the Property and, as the result thereof, the remedy of specific performance is not available to Buyer, then Buyer shall have the right to seek to recover from Seller all direct damages resulting therefrom, without limitation or cap (but subject to the waivers set forth in Section 13.17).

12.3 Buyer Default. In the event that all of the closing conditions contained in Section 7.2 have been satisfied and Buyer defaults in its obligation to purchase the Property on the Closing Date in accordance with the terms of this Agreement, or (b) Buyer otherwise defaults in the performance of any other material obligation of Buyer under this Agreement, Seller shall be entitled all remedies available to Seller at law or in equity for such default.

ARTICLE 13. MISCELLANEOUS

13.1 Assignment. This Agreement may not be assigned in whole or in part by Buyer or Seller without the prior written consent of the other (which consent may be withheld in the sole discretion of the party whose consent is being requested) and any attempt to assign this Agreement without such consent will be of no effect and will be a default hereunder. The covenants and

agreements contained in this Agreement shall extend to and be obligatory upon the permitted successors and assigns of the respective parties to this Agreement.

13.2 Notices. Any notice required or permitted to be delivered under this Agreement shall be in writing and shall be deemed given: (i) when delivered by hand during regular business hours; or (ii) the next business day if sent by a reputable national overnight express mail service that provides tracing and proof of receipt or refusal of items mailed. Any notice given by a party to Escrow Agent shall be simultaneously given to the other party. Notices to Seller, Buyer and/or Escrow Agent shall be delivered as follows:

If to Seller: INSERT

With a copy to: INSERT

If to Buyer: City of Seattle
c/o Office of Housing
700 Fifth Avenue, Suite 5700
Seattle, WA 94725
Attn:
Phone:
Email: @seattle.gov

With a copy to: Seattle City Attorney's Office
Civil Division
701 Fifth Avenue, Suite 2050
Seattle, WA 98104
Attn: Katriana Samiljan, Assistant City Attorney
Email: katriana.samiljan@seattle.gov

And to: INSERT

If to Escrow Agent: INSERT

13.3 Interpretation. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words of a similar number shall be held to include the plural and vice versa, unless the content requires otherwise.

13.4 Captions. The captions used in connection with the Articles and Sections of this Agreement are for the convenience only and shall not be deemed to extend, limit or otherwise define or construe the meaning of the language of this Agreement.

13.5 Partial Invalidity. If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

13.6 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

13.7 Amendments. This Agreement may be amended only by a written instrument executed by Seller and Buyer (or Buyer's permitted assignee or permitted transferee).

13.8 Integration. This Agreement including the schedules and exhibits attached hereto embodies the entire agreement between Seller and Buyer with respect to the transactions contemplated in this Agreement, and there have been and are no covenants, agreements, representations, warranties or restrictions between Seller and Buyer with regard thereto other than those set forth or provided for in this Agreement.

13.9 Confidentiality. Seller acknowledges that as part of the process of Buyer's potential acquisition of the Property, this Agreement and information relating to the material terms of this Agreement may be made public. Additionally, Seller acknowledges that Buyer is a public entity and is obligated to make records available to the public in accordance with the Washington State Public Records Act, Chapter 42.56 RCW (the "**Act**"). The Due Diligence Materials provided to Buyer and any other information or documentation identified by Seller to Buyer as "confidential" at the time of disclosure to Buyer (collectively, the "**Confidential Information**") shall be held in confidence by Buyer, and Buyer will not disclose such Confidential Information to the general public or to any person, firm, or entity without prior written authorization of Seller, except that the Confidential Information may be disclosed to Buyer's consultants, employees and legal counsel on a need to know basis, pursuant to a court order, or to comply with applicable law, including but not limited to the Act. If (i) Buyer receives any public disclosure request under the Act and Buyer's response to such request, after considering in good faith whether any legal exemption from disclosure may apply, will include documents, information or records constituting Confidential Information, or (ii) Buyer is otherwise required or compelled to disclose any Confidential Information under applicable law, rule or regulation, legal process, subpoena, court order, civil investigative demand, or request of other legal or regulatory authority, then Buyer shall provide Seller with written notice of such disclosure request or requirement, as applicable, as soon as reasonably possible, but in any event within ten (10) days, and Buyer shall not disclose the Confidential Information for ten (10) business days after such notice is delivered to Seller in order to permit Seller time to seek a protective order or injunction preventing the release and disclosure of the Confidential Information. If Seller obtains an injunction or other court-ordered protective order, then Buyer shall not release or disclose any of the Confidential Information pursuant to such order. Neither Buyer nor Seller shall make or issue any press release or other public announcement or other public disclosure of the transaction contemplated by this Agreement without the prior written consent of the other party.

13.10 Choice of Law; Venue. This Agreement shall be construed under and in accordance with the laws of the State of Washington. Any action arising out of this Agreement must be commenced in King County Superior Court or the United States District Court for the Western District of Washington. Each party consents to the jurisdiction of those courts in any such action and the laying of venue in the State of Washington.

13.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same

instrument.

13.12 Business Day. In the event any date where performance is required hereunder (including the date scheduled for Closing) falls on a Saturday, Sunday or legal holiday recognized in the State of Washington, the date applicable shall be the next business day. As used herein, the term “**business day**” means any day other than a Saturday, Sunday or legal holiday recognized in the State of Washington.

13.13 Non-Merger. The representations, warranties, covenants and agreements contained in this Agreement that by their express terms survive the Closing are intended to survive the Closing (subject to any express limitations in this Agreement on such survival) and are not intended to “merge” with the Deed and the other closing documents. Except as expressly provided in the immediately preceding sentence, all of the representations, warranties, covenants and agreements of the parties contained in this Agreement shall not survive the Closing and shall merge into the Deed and the other closing documents.

13.14 Submission Not an Offer or Option. The submission of this Agreement or a summary of some or all of its provisions for examination or negotiation by Buyer or Seller does not constitute an offer by Seller or Buyer to enter into an agreement to sell or purchase the Property, and neither party shall be bound to the other with respect to any such purchase and sale until a definitive agreement satisfactory to Buyer and Seller in their sole discretion is executed and delivered by both Seller and Buyer.

13.15 No Solicitation. From and after the date of the execution and delivery of this Agreement by Seller until the termination of this Agreement, Seller will not, without the prior written consent of Buyer: (i) offer for sale all or any portion of the Property, (ii) solicit offers to buy all or any portion of the Property, or (iii) enter into any agreement with any party (other than Buyer) with respect to the sale, assignment, or other disposition of the Property or any portion thereof.

13.16 Deleted.

13.17 Damages. Notwithstanding anything to the contrary set forth in this Agreement, in no event shall Seller or Buyer be liable for any special, consequential, exemplary, or punitive damages of any kind. This limitation shall survive the Closing or termination of this Agreement.

13.18 Form 17 Disclosure Statement. PURSUANT TO RCW 64.06, AS AMENDED BY CHAPTER 64, LAWS OF 2010, BUYER HEREBY WAIVES ITS RIGHT TO RECEIVE THE SELLER DISCLOSURE STATEMENT REFERRED TO THEREIN. THIS WAIVER DOES NOT EXTEND TO THE SECTION OF THE DISCLOSURE STATEMENT ENTITLED “ENVIRONMENTAL”. The “Environmental” section of the Seller Disclosure Statement as completed by Seller is attached to this Agreement as Schedule 13.18. Buyer acknowledges and agrees that the Seller Disclosure Statement is for the purposes of disclosure only, will not be considered part of this Agreement, and will not be construed as a representation or warranty of any kind by Seller. Buyer further agrees that any information discovered by Buyer concerning the Property shall not obligate Seller to prepare and deliver to Buyer a revised or updated Seller Disclosure Statement. Buyer hereby waives any right to receive an updated or revised Seller Disclosure Statement, regardless of the source of any new information, except to the extent Seller is obligated under RCW 64.06.040 to provide an updated or revised Seller Disclosure Statement.

Buyer further warrants that it is a sophisticated purchaser who is familiar with the ownership and development of real estate projects similar to the Property and Buyer has or will have adequate opportunity to complete such independent inspections of the Property it deems necessary. BUYER HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, THE RIGHT TO RESCIND THIS AGREEMENT PURSUANT TO ANY PROVISION OF RCW 64.06, AS AMENDED BY CHAPTER 64, LAWS OF 2010.

13.19 No Reliance on Documents. Except for the representations, warranties and covenants expressly stated herein (including, without limitation, in Subsection 4.1(m)) and in any other document which is required to be or is delivered by Seller to Buyer at Closing: (i) Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered or given by Seller or its agents to Buyer in connection with the transaction contemplated hereby, and (ii) any reliance on or use of such materials, data or information by Buyer shall be at the sole risk of Buyer. This Section shall survive the Closing.

13.20 As-Is Sale. Subject to the express representations, warranties and covenants set forth in this Agreement or in any document delivered by Seller to Buyer at Closing, Buyer acknowledges that Buyer has entered into this Agreement with the intention of making and relying upon its own completed investigation of the physical, environmental, economic and legal condition of the Property. Subject to the express representations, warranties and covenants set forth in this Agreement or in any document delivered by Seller to Buyer at Closing, Buyer further acknowledges that it has not received from Seller any accounting, tax, legal, development planning, environmental, architectural, engineering, management or other advice with respect to this transaction and is relying solely upon the advice of its own advisors. Buyer acknowledges and agrees that, except as expressly set forth in the express representations, warranties and covenants in this Agreement or any document delivered by Seller to Buyer at Closing, neither Seller nor anyone acting on Seller's behalf is making or has at any time made any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, any warranties or representations as to habitability, merchantability or fitness for a particular purpose or as to the physical, structural or environmental condition of the Property or its compliance with laws. Buyer acknowledges and agrees that, upon Closing, Seller shall sell and convey to Buyer and Buyer shall accept the Property "as is, where is, with all faults", except to the extent of any express representations, warranties and covenants in this Agreement or in any document delivered by Seller to Buyer at Closing. Buyer has not relied and will not rely on, and Seller is not liable for or bound by, any express or implied warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto (including specifically, without limitation, any offering memorandum or offering package distributed with respect to the Property) made or furnished by Seller, the managers of the Property, or any agent representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing, unless specifically set forth in any representations, warranties or covenants in this Agreement or in any document delivered by Seller to Buyer at closing. Buyer also acknowledges that the Purchase Price reflects and takes into account that the Property is being sold "as-is." This Section shall survive the Closing.

13.21 Seller Release. Buyer acknowledges that it has had, or will have prior to Closing, the opportunity to inspect the Property and observe its physical characteristics and existing conditions and the opportunity to conduct such investigation and study on and of the Property and adjacent areas as Buyer deems necessary. Effective as of Closing, and except for any claims that expressly survive Closing under this Agreement or under any document delivered by Seller to

Buyer at Closing, Buyer hereby forever releases and discharges Seller and its partners, managers, affiliates and their respective officers, partners, members, managers, directors, employees, agents and representatives (collectively, the “***Seller Parties***”) from all obligations, claims, demands and liability regarding the condition, valuation, salability or utility of the Property, or its suitability for any purpose whatsoever including, but not limited to, with respect to the presence in the soil, air, structures and surface and subsurface waters, of Hazardous Materials or other materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future laws or regulations, and any structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and Hazardous Materials on, under, adjacent to or otherwise affecting the Property. The release contained in this Section 13.21 shall not be construed or interpreted as an indemnity from Buyer in favor of any Seller Parties for claims, demands or liability that may be asserted against any Seller Parties by any third-party, including any governmental or regulatory agency or as a waiver of Buyer’s statutory right to contribution under applicable law in the event there is a statutory basis for Buyer to seek reimbursement from Seller for losses suffered by Buyer arising from environmental liabilities of Seller. Notwithstanding anything in this Section 13.21 to the contrary, in the event that, prior to Closing, Buyer delivers to Seller any soil reports, environmental reports, hazardous materials reports, geotechnical studies or similar third party reports that disclose the presence of Hazardous Materials existing on, under or otherwise affecting the Real Property at levels requiring remediation activities in order to comply with applicable law or otherwise in violation of applicable law (collectively, “***Known Environmental Conditions***”), Seller agrees to (i) negotiate in good faith with Buyer in order to determine a mutually acceptable course of action for addressing such Known Environmental Conditions, which may include, without limitation, allocating responsibility for performing remediation activities associated with such Known Environmental Conditions (and the payment of the costs associated therewith) and allocating future liability arising out of such Known Environmental Conditions (the “***Environmental Plan***”), and (ii) execute such agreements, amendments or other documents as are necessary to memorialize the Environmental Plan (which may include, without limitation, an amendment to this Agreement for purposes of modifying this Section 13.21 or any other provisions of this Agreement in a manner consistent with the Environmental Plan). This Section shall survive Closing.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Purchase and Sale Agreement as of the day and year first set forth above.

SELLER:

_____,
a Washington _____

Title:

BUYER:

THE CITY OF SEATTLE, a Washington municipal corporation, acting by and through its Office of Housing

By: _____
Name:
Title:

SCHEDULE A

Legal Description of the Land

SCHEDULE B

Description of Intangible Property

All intangible rights owned by Seller and associated exclusively with the Property.

No tangible personal property.

SCHEDULE C

Schedule of Service Contracts and Environmental Reports

ENVIRONMENTAL REPORTS

1.

SCHEDULE D

Due Diligence Materials

- a. All soil reports, environmental reports, hazardous materials reports and geotechnical studies on pertaining to the Real Property.
- b. Copies of all Service Contracts.
- c. Copies of all title policies issued to Seller with respect to the Real Property as of or following Seller's acquisition of the Real Property.
- d. The most recent metes and bounds, perimeter surveys, topographic maps and plans of the Real Property.
- e. Any documents regarding existing rights or options to purchase or lease any part of or all of the Real Property.
- f. Real property tax bills for the last three (3) years.
- g. All information relative to foreclosure actions and bankruptcy proceedings affecting the Seller or the Property.
- h. Copies of any pending litigation to which Seller is a party affecting the Real Property.

SCHEDULE E
Form of Quitclaim Deed

When recorded return to:

QUIT CLAIM DEED

THE GRANTOR(S)

for and in consideration of

in hand paid, conveys and quit claims to

the following described real estate, situated in the County of _____, State of
Washington

together with all after acquired title of the grantor(s) herein:

Abbreviated Legal: (Required if full legal not inserted above.)

Tax Parcel Number(s):

Dated this _____ day of _____, _____.

GRANTOR:

_____,
a Washington _____

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of _____, a Washington _____, to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed on _____, 20__.

 _____ (Print Name)
 NOTARY PUBLIC in and for the State of
 _____, Residing at _____
 My Appointment Expires: _____

Exhibit A to Deed
Legal Description of Property

SCHEDULE F

Form of General Assignment

ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

This ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY (this “*Assignment*”) is made as of _____, _____ (the “*Effective Date*”) by _____, a Washington _____ (“*Assignor*”), and THE CITY OF SEATTLE, a Washington municipal corporation, acting by and through its Office of Housing (“*Assignee*”), with reference to the following recitals.

A. Assignor is or may be the owner of certain intangible property associated with its ownership of certain real property located in King County, Washington, commonly known as _____, Seattle, Washington, and as legally described on attached Exhibit A (the “*Property*”), including but not limited to the Property identified on attached Exhibit B (collectively, the “*Intangibles*”).

B. Assignor desires to assign, transfer, sell, and convey to Assignee all of Assignor’s right, title and interest in, to, and under the Intangibles, if any.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment of Intangibles. Assignor hereby assigns, transfers, sells and conveys to Assignee all of Assignor’s right, title, and interest, to the extent assignable, in and to the Intangibles. The Intangibles are conveyed, sold and transferred “as is” and “where is” and without any representation or warranty, express or implied, including without limitation, any warranty of merchantability or fitness for a particular purpose.

2. Assumption of Intangibles. By execution hereof, Assignee hereby assumes ownership of the Intangibles and agrees to perform all attendant duties and assume all attendant obligations and responsibilities arising from and after the Effective Date with respect to the Intangibles.

3. Indemnification. Assignee hereby agrees to defend, indemnify and hold Assignor harmless from and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys’ fees) incurred or suffered by Assignor proximately caused by Assignee’s failure to perform any of Assignee’s obligations arising with respect to the Intangibles from and after the Effective Date. Assignor hereby agrees to defend, indemnify and hold Assignee harmless from

and against any and all causes, judgments, suits, obligations, claims, demands, losses, liabilities, costs, damages, expenses, and fees (including, but not limited to, reasonable attorneys' fees) incurred or suffered by Assignee proximately caused by Assignor's failure to perform any of Assignor's obligations arising with respect to the Intangibles prior to the Effective Date.

4. Binding Effect. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Governing Law and Venue. This Assignment shall be construed, interpreted and enforced in accordance with the laws of the State of Washington, without regard to principles of conflict of laws. Venue for any action arising under this Assignment shall lie in the Superior Court of King County, Washington.

6. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which when assembled together shall constitute one and the same agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment as of the day and year first above written.

ASSIGNOR:

_____,
a Washington _____

By: _____
Name: _____
Title: _____

ASSIGNEE:

THE CITY OF SEATTLE,
a Washington municipal corporation,
acting by and through its Office of Housing

By: _____
Name: _____
Title: _____

Exhibit A
Legal Description

Exhibit B
Intangible Property

All intangible rights owned by Seller and associated exclusively with the Property. No tangible personal property. Any intangible personal property now or hereafter owned by Seller and used exclusively in the ownership, use and operation of the Property, including Seller's rights under any permits and approvals, contracts, subcontracts, agreements, or other rights of Seller relating exclusively to the ownership, use and operation of the Property and all of Seller's rights under any warranties, indemnities, or similar agreements, and all payment, performance and surety bonds associated exclusively with the Property, if any. Notwithstanding the foregoing or anything to the contrary in this Assignment, the "Intangibles" does not include any intangible property owned by any tenant occupying any portion of the Property under any lease agreement.

SCHEDULE G

Form of Seller's Closing Certificate

SELLER'S CLOSING CERTIFICATE

THIS SELLER'S CLOSING CERTIFICATE (this "***Certificate***") is made and is effective this ____ day of _____, _____, by _____, a Washington _____ ("***Seller***"), for the benefit of THE CITY OF SEATTLE, a Washington municipal corporation, acting by and through its Seattle Public Utilities Department ("***Buyer***"), with reference to the following facts.

RECITALS

A. Seller and Buyer entered into that certain Purchase and Sale Agreement dated _____, ____ (as amended, the "***Purchase and Sale Agreement***"), for the purchase and sale of certain real property located in King County, Washington (the "***Property***"). Capitalized terms not otherwise defined in this Certificate shall have the meanings given to them in the Purchase and Sale Agreement.

B. Section 8.2(1) of the Purchase and Sale Agreement requires the certification by Seller to Buyer that the representations and warranties of Seller set forth in the Purchase and Sale Agreement are true, accurate and complete in all material respects as of the date of this Certificate.

NOW, THEREFORE, for and in consideration of the sale of the Property, Seller hereby certifies to Buyer that all of the representations and warranties of Seller set forth in the Purchase and Sale Agreement are true, accurate and complete as of the date of this Certificate.

IN WITNESS WHEREOF, Seller has executed this Certificate as of the date first above written.

[signature page follows]

SELLER:

_____,
a Washington _____

By: _____
Name:
Title:

SCHEDULE H

Environmental Section of Disclosure Statement

ENVIRONMENTAL SECTION OF DISCLOSURE STATEMENT

ENVIRONMENTAL

- | | | | |
|------------------------------|-----------------------------|-------------------------------------|--|
| ☐ Yes | ☐ No | ☐ Don't know | *1. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property? |
| ☐ Yes | ☐ No | ☐ Don't know | *2. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides? |
| ☐ Yes | ☐ No | ☐ Don't know | *3. Are there any shorelines, wetlands, floodplains, or critical areas on the property? |
| ☐ Yes | ☐ No | ☐ Don't know | *4. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead based paint, fuel or chemical storage tanks, or contaminated soil or water? |
| ☐ Yes | ☐ No | ☐ Don't know | *5. Is there any soil or groundwater contamination? |
| ☐ Yes | ☐ No | ☐ Don't know | *6. Has the property been used as a legal or illegal dumping site? |
| ☐ Yes | ☐ No | ☐ Don't know | *7. Has the property been used as an illegal drug manufacturing site? |

SELLER'S EXPLANATIONS REGARDING ASTERISKED ITEMS

If the answer is "Yes" to any asterisked (*) items above, please explain below (use additional sheets if necessary). Please refer to the line numbers of the question(s).

Attachment 5 – Harvey Request for Proposals Term Sheet

TRANSFER OF PROPERTY FROM THE CITY OF SEATTLE (“City”) TO
SELECTED DEVELOPER OR ITS DESIGNEE OR ASSIGNEE (“Transferee”)

This term sheet describes the basic terms of the proposed transfer of property between Transferee and City. The Agreement will include the following terms:

1. Transfer. Any transfer of the property shall be by Quit Claim Deed following a competitive Request for Proposals process.
2. Consideration. In consideration for the City transferring the Property to Transferee, Transferee shall agree to construct or cause to be constructed at the Property improvements substantially as described in those plans and specifications submitted by Developer to the Office of Housing, which improvements shall include housing units to be for sale and affordable to households with incomes of 80% or less of the area median income (AMI), as defined by The City of Seattle’s Office of Housing, at the time of sale. The City will give priority to proposals that will use Community Preference for homebuyer applicant selection and that will provide a substantial number of family sized units.
3. Conditions precedent to the City’s obligation to transfer the property:
 - a. Transferee shall have obtained approval from the Director of the Office of Housing (Director) of the final plan set and development budget including projected sales prices.
 - b. Transferee shall have obtained permits for the development of the Property consistent with the designs approved by the Office of Housing.
 - c. Transferee shall have provided evidence satisfactory to the Office of Housing that Transferee has secured all necessary construction financing to fund the construction of the Project.

4. Other conditions.
 - a. The Agreement may contain other conditions determined by the Director to be necessary to provide the desired outcomes.
 - b. Upon transfer of title to the property, the Office of Housing shall require the transferee to accept the property “as-is, where-is, with all faults” and to release, indemnify, and hold the City harmless from any future claims regarding the condition of the property, including but not limited to any and all claims related to environmental conditions.
 - c. Transferee shall record a covenant in favor of the City requiring at least a 50-year covenant preserving the affordable housing units built on the Property as resale-restricted affordable homes. As such, all home sales shall only be to households with incomes at or below 80% of AMI at affordable prices for a period of no less than 50 years.