

Exhibit B – Montlake Homes 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 a minimum number of 50 housing units to be for sale and affordable to households with incomes at the time of sale of 80% or less of the area median income (AMI), as defined by The City of Seattle’s Office of Housing. The City will give priority to proposals that include a substantial number of family sized units. The selected proposal should also adequately address how it will mitigate environmental impacts and address pedestrian safety given the site’s proximity to State Route 520, including onramps and offramps, and other busy arterials.
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.