

ORDINANCE No. 118127

COUNCIL BILL No. 111231

ORDINANCE NO. 118127
COUNCIL BILL NO. 111231
HEALTH, HOUSING, HUMAN SERVICES
LIBRARIES COMMITTEE
MAY 13 1996

CM

COMPTROLLER FILE No. _____

Introduced: MAY 5 1996	By: CHOW
Referred: MAY 13 1996	To: Services, Education & Libraries Committee
Referred:	To:
Referred:	To:
Reported: MAY 13 1996	Second Reading: MAY 13 1996
Third Reading: MAY 13 1996	Signed: MAY 13 1996
Presented to Mayor: MAY 9 1996	Approved: MAY 16 1996
Returned to City Clerk: MAY 16 1996	Published: [Signature]
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

55047



me

Law Department

The City of Seattle--Legislative

INDEXED

REPORT OF COMMITTEE

Honorable President:

Your Committee on HEALTH/HOUSING/HUMAN SERVICES/

to which was referred the within Council Bill No. 111231
report that we have considered the same and respectfully recommend that

STAYED 3-0

Full Council vote 7-0

[Signature]

Committee Chair

MC

Law Department

The City of Seattle--Legislative Department

INDEXED

Date Reported
and Adopted

REPORT OF COMMITTEE

Honorable President:

Your Committee on HEALTH/HOUSING/HUMAN SERVICES/EDUC & LIBRARY COMM.

to which was referred the within Council Bill No. 11231
report that we have considered the same and respectfully recommend that the same:

APPROVED 3-0 5/8/96

Full Council vote 7-0

[Signature]

Committee Chair

OK

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Preserve the City of Seattle's History and Culture

ORDINANCE 118127

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AN ORDINANCE accepting the proposal of Novalco Enterprises Inc. to purchase and develop Parcel 29 in the I-90 Redevelopment Project area; authorizing a Contract for Sale of Land and deed; appropriating funds for payment to the State of Washington of the purchase price owing and designating the disposition of sales proceeds; and ratifying and confirming prior acts, all by a three-fourths vote of the City Council.

WHEREAS, the City Council by Resolution No. 27901, passed the 28th day of August, 1989, recognized the I-90 Area Development Policies as the basic City policy governing the sale and development of City-owned land in the project area; and

WHEREAS, pursuant to Ordinance 115220 the City has acquired certain parcels of unimproved land from the State of Washington under a Land Transfer Agreement dated August 1, 1990, as amended ("Land Transfer Agreement"); and

WHEREAS, the Department of Housing and Human Services has conducted a request for qualifications process by which it has identified an interested developer qualified to construct housing on I-90 Parcel 29; and

WHEREAS, the Department of Housing and Human Services has negotiated terms of a Contract for Sale of Land with Novalco Enterprises, Inc. for the sale and development of I-90 Parcel 29; Now, Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That the proposal of Novalco Enterprises Inc. ("Redeveloper") to purchase and develop Parcel 29, legally described as:

Lots 3, 4, and 5 in Block of Rainier Heights, as per plat recorded in volume 9 of Plats, page 71, Records of King County, EXCEPT portion of said lots 3 and 4 condemned in King County Superior Court Cause No. 423901, Ordinance No. 78109; situate in the City of Seattle, County of King, State of Washington

in the I-90 Redevelopment Project area is hereby found to be in the public interest and in furtherance of the purpose of the I-90 Area Development Policies and the proposal is hereby accepted, subject to the terms of this ordinance and compliance by the Redeveloper with the terms of the Contract authorized in Section 2 of this Ordinance.

Section 2. The Director of Housing and Human Services ("Director") is hereby authorized to execute, deliver and administer for and on behalf of The City of Seattle a Contract

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1 For Sale of Land ("Contract") in substantially the form attached
2 hereto as "Exhibit A" with the Redeveloper. The Director is
3 further authorized, for and on behalf of the City, to execute a
4 "Quit Claim Deed" in substantially the form attached hereto as
5 "Exhibit B", and to deliver such deed upon (i) payment to the
6 City of the base purchase price of FORTY SEVEN THOUSAND THREE
7 HUNDRED Dollars (\$47,300.00), subject to increase as provided in
8 Section 2.B of the Contract, and subject to possible reduction
9 under Section 404 of the Contract in the event of a required
10 dedication of a portion of the above-described parcel for street
11 purposes, and (ii) satisfaction of the conditions precedent under
12 Section 5 of the Contract.

13 Section 3. The Director is hereby designated as the
14 authorized representative of The City of Seattle in connection
15 with the administration of the Contract and is hereby authorized
16 to approve construction plans and changes thereto as being in
17 conformity with the Contract and the I-90 Area Development
18 Policies, to grant such consents and approvals as she shall deem
19 appropriate to carry out the intent of this ordinance, and to
20 issue appropriate certification when improvements contemplated in
21 the Contract have been completed.

22 Section 4. Proceeds received by the City from the
23 Redeveloper for the sale of the above referenced parcel shall be
24 deposited in the Low-Income Housing Fund, I-90 Land Transfer
25 Account, except that if the Director determines that a rebate may
26 become payable after closing under Section 404 of the Contract,
27 the Director shall direct that up to TWO THOUSAND EIGHT HUNDRED
28 DOLLARS (\$2,800.00) of the proceeds shall be deposited in the
29 Finance Director's Clearing Account. If a rebate shall become
30 payable under Section 404 of the Contract, the Director shall
31 direct that the amount of the rebate be disbursed to the
32 Redeveloper or its assigns from the Clearing Account. Any
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1 proceeds remaining in the Clearing Account after any rebate due
2 under Section 404 of the Contract shall have been paid or after
3 that Section shall have expired, whichever is earlier, shall be
4 transferred to the Low-Income Housing Fund, I-90 Land Transfer
5 Account. Upon closing of the sale of such parcel and receipt of
6 the base purchase price (subject to any adjustments thereof
7 pursuant to Section 2 above), the City shall pay from such
8 account in the Low Income Housing Fund to the Washington State
9 Department of Transportation the purchase price of such parcel as
10 determined under the terms of the Land Transfer Agreement, which
11 amount is \$39,000.00, plus interest as required under the terms
12 of the Land Transfer Agreement. All necessary appropriations are
13 hereby made and authorized for the timely payment of the amount
14 due to the State from the Low Income Housing Fund. The City
15 Finance Director is authorized to draw and pay the necessary
16 warrants and make the necessary transfers pursuant to this
17 Section.

18 Section 5. The City Council finds that, although contracts
19 for the sale of land have been generally exempted by rule from
20 the coverage of the City's Women and Minority-Owned Business
21 ("WMBE") Ordinance, SMC Ch. 20.46A, the purpose of the WMBE
22 Ordinance to remedy the continuing effects of past discrimination
23 in contracting in the construction industry, in projects in which
24 the City of Seattle was involved, applies to the development of
25 the property being sold under this Ordinance. The purpose and
26 foundation for the WMBE Ordinance apply here because the City
27 will require development of the property in a specified manner as
28 an express condition of the sale, and because the development
29 team has been selected through a Request for Qualifications
30 ("RFQ") process. Therefore, the term of the RFQ process, by
31 which efforts to achieve WMBE participation were included as one
32 factor in the evaluation of the developers, and the terms of the
33 Contract of Sale, by which the buyer is allowed credits against

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the deferred portion of the purchase price of up to SEVEN THOUSAND ONE HUNDRED DOLLARS (\$7,100.00), are necessary in this case to carry out the remedial goals of the WMBE Ordinance. The requirements of the WMBE Ordinance itself will not apply to these contracts or to the development on the property being sold, so long as City funds are not used in such development.

Section 6. Any act pursuant to the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 7. The foregoing appropriation is made to meet actual necessary expenditures of the City for which insufficient appropriations have been made due to causes which could not reasonably have been foreseen at the time of the adoption of the 1996 Budget; Now, therefore, in accordance with RCW 35.32A.060, by reason of the facts above stated, this ordinance shall take effect and be in force thirty days after its passage and approval, if approved by the Mayor; but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

PASSED by three-fourths vote of all the members of the City Council the 13 day of May, 1996, and signed by me in open session in authentication of its passage this 13 day of May, 1996.

Martina Clark
resident _____ of the City Council

Approved by me this 16 day of May, 1996.

Mohammad Elahi
Mayor

Filed by me this 16 day of May, 1996.

Judith E. Pappan
City Clerk

(SEAL)

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- Exhibits:
- A. Form of Contract for Sale of Land
 - ATTACHMENTS:
 - A. Form of Certificate of Completion
 - B. Form of Quit Claim Deed (See Ex. B)
 - C. Description of Improvements
 - D. Disclaimer
 - E. Statement of WMBE Goals
 - F. LBE Commitment
 - G. Guidelines from RFQ
 - H. Exceptions to Title Objected to by Purchaser (if any)
 - B. Form of Quit Claim Deed

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Your
Seattle
Department of
Housing & Human
Services

Venerria L. Knox, Director
Norman B. Rice, Mayor

618 Second Avenue
Seattle, WA 98104-2232
206/386-1001
TDD: 206/684-0274

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County and United Way
of King County

Division of Family and
Youth Services

Division of Housing and
Community Services

Program Support Division

Office for Education

Mayor's Office for
Senior Citizens

Director's Office for
Policy Support

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MEMORANDUM

April 29, 1996

To: The Honorable Jan Drago, President
Seattle City Council

VIA: Tom Tierney, Director
Office of Management and Planning

FROM: Venerria L. Knox, Director *Ven Knox by [signature]*
Department of Housing and Human Services

SUBJECT: Ordinance Authorization to Enter into a Contract for Sale
of Land With Novalco Enterprises, Inc. for Parcel 29 in the
I-90 Redevelopment Project Area

The draft ordinance attached would authorize the sale of I-90 Parcel 29 for development of housing by Novalco Enterprises, Inc. Novalco was selected through a 1995 Request for Qualifications process conducted by the Department of Housing and Human Services (DHHS).

I. BACKGROUND

In 1990, the City entered into the Phase I Land Transfer Agreement with the Washington State Department of Transportation (WSDOT). Unimproved parcels were deeded to the City in June, 1991, with the proviso that the City pay for them within five years. In the fourth year following conveyance, interest is payable to WSDOT at eight per cent per year.

As of the end of 1994, eight of the unimproved parcels acquired by the City under the Phase I Land Transfer Agreement remained uncommitted. Three of these parcels had been offered previously, but had been released back to the City. The other five parcels had never been offered for sale.

HomeSight indicated an interest in purchasing three of the eight uncommitted Phase I parcels (Parcels 13, 35, and 36). In early 1995, the City sought qualified developers interested in the purchase of five available parcels (Parcels 1, 7, 10, 11B, and 29) for development in accordance with the I-90 Area Development Policies.

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The Honorable Jan Drago
April 29, 1996
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II. RFQ PROCESS

DHHS issued I-90 Area Residential Development Prospectus III on February 22, 1995. The offering was structured as a Request for Qualifications (RFQ) with a relatively short response time. Development priorities were couched as preferences rather than requirements, so as to elicit all feasible development concepts for the properties. The projected schedule was kept short in the hope of closing the sales before possible revaluation of the parcels by WSDOT, which could place redevelopment in jeopardy.

Prospectus III was advertised in the *Daily Journal of Commerce* and in the *Seattle Medium*. In addition, direct notice was mailed to nearly 400 businesses and individuals who had expressed interest in I-90 property or development opportunities. Fifty-two copies of the Prospectus and submittal forms were picked up at DHHS or HomeSight. Pre-submittal conferences were held at DHHS on February 27 and at HomeSight on March 6.

Responses were due March 24, 1995. A total of twelve development teams submitted qualifications and letters of interest for one or more sites.

Copies of all submittals received were provided to members of the Selection Advisory Committee, which met April 19 and May 3 to review and rate the submissions and to recommend selections to the DHHS Director. The committee included three representatives of the I-90 Development Advisory Committee (including the DAC chair and the chair of the Judkins Community Council), an additional community representative from the Jackson Place Community Council, three City representatives, and one HomeSight representative.

Teams were rated based on the criteria set forth in the Development Prospectus:

1. **Financial qualifications:** maximum of 25 points;
2. **Relevant experience:** maximum of 25 points;
3. **Economic participation** by WMBE and local businesses:
maximum of 20 points
4. **Development concept:** maximum of 30 points;
5. **Community benefits:** maximum of 10 bonus points.

Developer Selection

Three development teams submitted qualifications and letters of interest for Parcel 29. Novalco proposed to develop Parcel 29 with five townhouse dwellings. A joint venture of Johnson-Lyric and Little House Builders proposed to develop Parcel 29, in conjunction with adjoining property, with six single-family houses. Wagner Management proposed an apartment building. The Selection Advisory Committee rated the qualifications and proposal of Novalco highest of the three, and recommended Novalco's selection.

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The Honorable Jan Drago
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III. PROPOSED ACTION

The proposed ordinance authorizes the DHHS Director to enter into a Contract for Sale of I-90 Parcel 29 with Novalco, and to convey the parcel for development of five townhouse residences. The preliminary design is attached as Attachment C to the Contract for Sale.

The contract differs from previous I-90 contracts in that it anticipates closing shortly after contract execution, without requiring permits and financing to be in place as "conditions precedent." Prompt closing will enable the City to pay the amount to WSDOT before the deadline imposed by the Phase I Land Transfer Agreement. The provisions of the contract for sale requiring construction of housing consistent with the I-90 Area Development Policies are intended to survive conveyance, and are reflected in "conditions subsequent" to be included on the deeds. The conditions subsequent allow the City to reclaim possession of the property if the developer does not comply with contractual obligations.

IV. FINANCIAL IMPLICATIONS

The sales price to Novalco for Parcel 29 has been determined by an appraisal obtained in 1995, adjusted for conditions contained in the contract for sale of land. The price may not be less than the minimum necessary to cover the City's costs, including payment of the price and interest owed to WSDOT. Proceeds received by the City from the developer for the sale of Parcel 29 shall be deposited in the Low-Income Housing Fund, I-90 Land Transfer Account. The ordinance authorizes timely payment of the amount due to WSDOT from the Low Income Housing Fund.

V. OTHER CONSIDERATIONS

Novalco and its contractor, Ben-Tes, Inc., are both minority-owned firms based in Seattle's Central Area, although neither has been WMBE-certified. Novalco has further agreed to goals for participation by certified WMBE businesses in construction subcontracting and professional services. The contract for Parcel 29 includes financial incentives for achieving WMBE goals.

For additional information, please call Martha Diltz, Director of Housing and Community Services, at 684-0347, or Janeen Smith, I-90 Project Manager, at 684-0211.

Attachments

cc: Diltz
Smith
Hanna
Liston

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EXHIBIT A

FORM OF CONTRACT FOR SALE OF LAND

This Agreement, made on or as of the ___ day of _____, 1996, by and between The City of Seattle, a municipal corporation of the State of Washington (hereinafter called "City") and Novalco Enterprises, Inc., a Washington corporation (hereinafter called "Purchaser"), whose address is 2301 South Jackson St., Suite 102, Seattle, Washington 98144,

WITNESSETH:

WHEREAS, the City Council, by Resolution No. 27901 passed the 28th day of August 1989, recognized the I-90 Area Development Policies as the basic City policy governing the sale and development of City-owned land in the I-90 Corridor; and

WHEREAS, the City's goal as stated in Resolution 27196 is to encourage the replacement of lost housing and commercial development on such surplus property through a planned program of new housing and commercial construction; and

WHEREAS, pursuant to Ordinances 115220 and 115883 the City has acquired certain parcels of land (the "Estate Property"), from the State of Washington under a Land Transfer Agreement dated August 1, 1990, as amended ("Land Transfer Agreement"); and

WHEREAS, the Seattle Department of Housing and Human Services has published a Request For Qualifications ("RFQ") which indicated the preferred development, use and minimum sales price; and

WHEREAS, in response to the RFQ, Purchaser submitted qualifications and a Letter of Interest dated March 24, 1995, expressing Purchaser' desire to acquire the property described in Section 1 below ("Parcel") and construct thereon five townhouse dwellings; and

WHEREAS, by Ordinance _____, dated _____, 1996, the Seattle City Council authorized the Director to execute, deliver and administer the "Contract for Sale of Land" ("Agreement") and designated the disposition of sales proceeds; and

WHEREAS, the Director (herein "Director") of the Department of Housing and Human Services ("DHHS") has determined, following review and evaluation by the Developer Selection Committee, that the Purchaser is qualified to undertake the proposed development; and

WHEREAS, the Director has negotiated the terms of this Contract for Sale of Land with the Purchaser and has determined that the development proposed herein is generally consistent with the goals and objectives of the I-90 Area Development Policies, and has further determined the price of the Parcel stated in the Agreement to be reasonable given the terms and conditions thereof;

Now, Therefore, the parties hereto, for and in consideration of the promises and mutual obligations herein undertaken, do hereby agree as follows:

PART I

Section 1. Agreement to Convey Parcel

Subject to all of the terms and conditions of this Agreement, the City agrees to convey to Purchaser that certain real property located at 1105 Martin Luther King, Jr. Way South in The City of Seattle more particularly described as follows:

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Lots 3, 4, and 5 in Block 1 of Rainier Heights, as per plat recorded in volume 9 of Plats, page 71, Records of King County, EXCEPT portion of said Lots 3 and 4 condemned in King County Superior Court Cause No. 423901, Ordinance No. 78109, situate in the City of Seattle, County of King, State of Washington.

which real property is hereinafter referred to as "the Parcel."

Section 2. Payment of Purchase Price.

A. Purchaser agrees to pay to the City the sum of FIFTY FOUR THOUSAND FOUR HUNDRED DOLLARS AND NO CENTS (\$54,400.00), subject to increase as set forth in paragraph 2.B below and subject to contingent reduction, rebate and/or credit as set forth in Sections 402 and 404 below ("Purchase Price"). Payment of SEVEN THOUSAND ONE HUNDRED DOLLARS AND NO CENTS (\$7,100.00) of the Purchase Price shall be deferred and contingent upon performance as set forth in Section 402. The remainder of the Purchase Price ("Base Price") shall be payable in cash or cashier's check at the time of closing. The total Purchase Price and Base Price shall be subject to possible reduction or rebate in the amount of up to TWO THOUSAND EIGHT HUNDRED DOLLARS (\$2,800.00) as set forth in Section 404 below.

B. If the State of Washington elects a revaluation of such Parcel for purposes of the Land Transfer Agreement in accordance with the terms thereof, then the Purchase Price shall be increased by the amount, if any, by which the new price payable by the City to the State exceeds the Base Price under paragraph 2.A above; provided, that if prior to closing DHHS shall receive notice from the State of its election to revalue the Parcel, then DHHS shall promptly so notify Purchaser, all time periods and deadlines under this Agreement shall then automatically be tolled and extended until the price to be paid to the State for the parcel is finally resolved, and if the price to be paid by the Purchaser increases by more than __% as a result of such revaluation, then the Purchaser shall have the option, by notice to DHHS within ten (10) days after receipt of notice from the City of the final purchase price payable to the State, to cancel this agreement and receive a refund of the Good Faith Deposit, in which case neither party shall have any further liability or obligation hereunder.

Section 3. Conveyance

Upon the payment of the sum provided in Section 2 and all other amounts required to be paid by Purchaser hereunder, and upon the satisfaction of the conditions set forth in Section 5 below, the City shall convey title to the Parcel by Quit Claim Deed in the form attached hereto as Attachment B (the "Deed"), which is hereby approved as to form by Purchaser.

Section 4. Condition of Title; Title Insurance

The City shall provide the Purchaser with an owner's policy of title insurance in standard form, at the City's expense. A preliminary title commitment ("Title Commitment") from Stewart Title Company of Washington, Inc., Order no. 273060, dated June 27, 1995, as supplemented through supplement no. _____ dated _____, has been provided by the City for the Purchaser's inspection and Purchaser has reviewed the Title Commitment. Any liens, encumbrances or defects (collectively "exceptions") shown thereon are hereby approved and accepted by Purchaser, except for any exceptions itemized on Attachment H hereto. If there are any exceptions itemized on Attachment H the City shall have a reasonable time thereafter in which to remove the exception(s), but in no event more than _____ () days from the date hereof. In the event that the City is unable to remove such exceptions or to convey good and marketable title to the Parcel this Agreement shall be terminated without liability of the City, and the Good Faith Deposit shall be returned to Purchaser, unless Purchaser elects to waive Purchaser's objections to such exceptions. If Purchaser, after receipt of notice from the City that one or more exceptions to title objected to by Purchaser will not be cleared, gives written notice to the City that Purchaser will not accept title subject to such exceptions, then this Agreement shall be

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terminated, the Good Faith Deposit shall be returned to Purchaser, and neither party shall have any further obligations hereunder except for any indemnity obligations of Purchaser under Section 202B herof. If Purchaser does not give written notice to the City, within fifteen (15) days after notice from the City to Purchaser that the City will not clear title of any exceptions objected

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to by Purchaser, that Purchaser elects to accept title subject to such exceptions, then at any time thereafter the City may return the Good Faith Deposit and terminate this Agreement without any further obligation on either party.

Section 5. Conditions Precedent

The following shall be conditions precedent to the City's obligation to convey the Parcel:

(a) Purchaser shall have inspected the Parcel and executed the Disclaimer and Release attached hereto as Attachment D ("Disclaimer").

(b) Purchaser shall have deposited with Stewart Title Insurance Company of Washington, Inc. (the "Escrow Agent") for delivery to the City the sum of money required to pay the purchase price stated under Section 2 of this Agreement and all other amounts payable by Purchaser hereunder, in cash or cashier's check.

(c) Purchaser shall otherwise be in compliance with all of the terms hereof.

Section 6. Good Faith Deposit

Purchaser shall deposit with the City a good faith deposit in the amount of TWO THOUSAND THREE HUNDRED AND SIXTY FIVE Dollars (\$2,365.00) (the "Good Faith Deposit") immediately upon execution of this Agreement. This Good Faith Deposit shall be held in the City Finance Department's Clearing Account until such time as the Purchaser becomes entitled to return of such deposit under the terms hereof, or until the City becomes entitled to retain such deposit under the provisions of this agreement. The Good Faith Deposit shall serve as earnest money to secure Purchaser's obligation to close the purchase of the Parcel and, after Closing, shall secure Purchaser's obligation to complete the Improvements in a timely manner and in accordance with this Agreement. At the Purchaser's option a performance bond in an amount of \$2,365.00, in form satisfactory to the City, conditioned to be paid to the City in full if a Certificate of Completion is not issued prior to the deadline set forth in Section 103 of this Agreement, may be submitted in lieu of the Good Faith Deposit at the time the Deed is recorded. In the event the Purchaser exercises this option the Good Faith Deposit may be credited to the purchase price. Purchaser shall not be entitled to interest on the Good Faith Deposit.

Section 7. Closing

A. Closing shall take place on such date as the Purchaser shall specify by notice to the City at least ten (10) days in advance of the closing date, which notice may be given at any time within thirty (30) days after all conditions herein, other than deposit of funds and instructions in escrow, have been satisfied. Closing shall occur no later than May 1, 1996, unless extended by agreement of the parties hereto, and on no account may closing be extended beyond June 1, 1996. "Closing" shall mean the execution, delivery and recording (as appropriate) of all documents and payment of all funds into escrow as provided herein.

B. At Closing, the Escrow Agent shall be instructed to record the Deed and to instruct in turn the King County Office of Records and Elections (County Recorder) to mail the original of the Deed following recording, to the Purchaser as grantee. The escrow fee charged in connection with this closing shall be paid one-half each by the Purchaser and the City. Any taxes, assessments or public charges that are payable with respect to the Parcel during the City's ownership thereof shall be prorated as of Closing. Purchaser shall pay the cost of recording the Deed and any documents required by Purchaser's financing. Each party shall sign and deliver such escrow instructions and other documents as are reasonably necessary to effect Closing as contemplated herein.

C. If the sale fails to close due to fault of one of the parties, as described in Sections 702 and 703 of Part II of this agreement, then such party shall be solely responsible for all escrow and title insurance cancellation charges. If the sale fails to close by the date set forth in subsection A.

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above for reasons other than those set forth in Sections 702 or 703, then the Good Faith Deposit shall be returned to Purchaser less one half of any escrow or title insurance cancellation charges and the City shall pay such charges one-half from the Good Faith Deposit and one-half from the City's own funds; provided that if the sale does not close due to the City's failure to clear defects in title objected to by Purchaser as permitted by Section 4 hereof, the City shall return the full Good Faith Deposit and pay all cancellation charges from its own funds.

PART II

DEVELOPMENT OF PARCEL

Section 101. Intent to Develop.

Purchaser represents and agrees that the purchase of the Parcel is for the purpose of development and not for speculation in land holding. The parties acknowledge that Purchaser's covenants to construct improvements in accordance with the terms and conditions contained herein are material to the City's agreement to convey the Parcel.

Section 102. Improvements.

Purchaser agrees to develop the Parcel with five (5) townhouse dwellings, as generally set forth in Attachment C to this Agreement, which is incorporated herein by this reference. The improvements to be constructed on the Parcel as generally described in Attachment C, which shall be more specifically described in the plans to be submitted by Purchaser hereunder, are referred to as the "Improvements".

Section 103. Timing of Improvements

Purchaser agrees that the Improvements to be constructed in accordance with this Agreement shall be completed no later than three (3) years from the date of execution hereof.

ACCEPTANCE, CONDITION AND POSSESSION OF PARCEL

Section 201. Acceptance AS IS; Disclaimer of warranties and release.

Subject to the rights of inspection and termination set forth below, Purchaser agrees to accept the Parcel **AS IS** with **NO WARRANTIES OR REPRESENTATIONS OF ANY KIND** by the City or its employees or agents, except as may be set forth specifically in this Agreement. The terms set forth in the Disclaimer attached as Exhibit D are hereby incorporated by reference.

Section 202. Inspections, Environmental Matters, Indemnity.

A. The City of Seattle has provided a Phase I Environmental Assessment for the Parcel. Purchaser acknowledges receipt of a copy of the report of Parametrix, Inc. dated April, 1991. The City does not warrant the accuracy or completeness of such report.

B. Purchaser shall have the right to enter on the Parcel for the purpose of inspections, and to commission Purchaser's own environmental investigation of the Parcel, and Purchaser's own engineering and other studies, all at Purchaser's sole risk and expense. No excavations or other activities that require a permit under applicable City Codes or regulations shall be conducted unless Purchaser obtains such a permit at its sole expense and complies with all conditions thereof. Purchaser agrees that the City and its officers, employees and agents shall not be liable to Purchaser for any injury to persons or property on or about the Parcel in connection with activities pursuant to this subsection, whether or not due to any condition of the Parcel or due to any negligence of the City or its officers, employees or agents. Unless otherwise expressly

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authorized by DHHS, Purchaser shall promptly restore the Parcel to the condition it was in prior to any activities undertaken pursuant to this subsection. Purchaser shall defend, indemnify and hold harmless the City from any liability, loss, or damage (including costs and attorneys fees) resulting from the acts or omissions of Purchaser or its contractors or agents in connection with any such inspection, investigation, studies or related activities on or about the Parcel. Any contract entered into by Purchaser for any consultants' services shall expressly provide that the City shall have no obligation thereunder and that the charges for such services shall not be a lien on the Parcel unless and until Purchaser shall have completed the purchase thereof from the City. If Purchaser does commission any such investigations or studies then Purchaser shall provide copies of any reports generated thereby to the City.

Section 203. Termination Following Inspection

In the event inspection by Purchaser or Purchaser's agent(s) discloses after the date hereof any latent physical condition that would materially impair the development thereof as contemplated hereunder, or would substantially increase the cost of such development, Purchaser shall have the option, as Purchaser's sole recourse, to terminate this Agreement by written notice to the City at any time prior to Closing. Together with notice of termination, Purchaser shall provide the City with a copy of any reports or findings that disclose such physical condition or conditions. If the City concurs that the physical condition disclosed would in fact materially impair the development of the Parcel substantially as contemplated hereunder, or would substantially increase the cost of such development, the City shall refund the Good Faith Deposit in full, and neither party shall have any further obligation to the other (except for Purchaser's obligation to indemnify the City under Section 202B above). Purchaser's execution of the Disclaimer attached hereto as Attachment D shall constitute Purchaser's waiver of any right to terminate under this Section and acceptance of the Parcel in AS IS condition.

Section 204. Changes in Condition

If Purchaser becomes aware of any change in the physical condition of the Parcel after the date hereof that would materially impair the development thereof as contemplated hereunder, or would substantially increase the cost of such development, Purchaser shall promptly notify the City of such change. The City may, but shall not be obligated to, inform the Purchaser of any such change in condition. If any such change is caused by the acts of Purchaser or its agents, employees or contractors the Purchaser shall restore the Parcel to its prior condition. If Purchaser is not responsible under the preceding sentence then (1) if the City gives notice to Purchaser within ten (10) days after receiving notice of such change in condition that the City elects to remedy such changed condition, then this Agreement shall remain in effect and the City shall remedy such changed condition prior to closing, and (2) if the City does not give notice of such election, then Purchaser shall have the option, by notice to the City no later than twenty (20) days after giving notice to the City of, or receiving notice of, such changed condition (as the case may be), to cancel this Agreement and receive a full refund of the Good Faith Deposit, in which case neither party shall have any further obligation or liability to the other hereunder (except for any liability of Purchaser under Section 202 B.). Any notice from Purchaser to City hereunder that Purchaser is prepared to close the purchase shall constitute Purchaser's representation that it has reinspected the Parcel and agrees to accept it in its condition on the date of such notice, under all of the terms set forth on Attachment D, whether or not such condition has changed from the date hereof.

Section 205. Condemnation

In the event any portion of the Parcel shall be taken, damaged or condemned for public or quasi-public use, except as stated in the following sentence, all compensation awarded upon such condemnation, damaging or taking up to the amount of the unpaid purchase price shall be retained by the City and applied to the purchase price, and any balance shall inure to Purchaser and the City shall have no claim thereto. In the event of taking, damage or condemnation by a public or quasi-public body of a portion of the Parcel making it infeasible for Purchaser to complete the

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development of the Improvements, Purchaser shall have the right to terminate this Agreement by written notice to the City within ten (10) days after the effective date of such taking, damage or condemnation, and if closing has not yet occurred then all compensation shall be retained by the City and the Good Faith Deposit shall be refunded.

Section 206. Possession

Purchaser shall be entitled to exclusive possession of the Parcel (subject to the rights of the City contained herein) upon recording of the Deed.

PLANS, APPROVALS, FINANCING AND CONSTRUCTION

Section 301. Design and Schematic Plans

Prior to application for a Master Use Permit for development of the Parcel, and no later than eighteen months following the execution of this Agreement, the Purchaser shall submit to City schematic designs and plans (herein "Schematic Plans") in sufficient detail with respect to development of the entire Parcel to clearly describe the site plan, architectural character, circulation, landscaping features and relationship to the surrounding environment of the Improvements.

The Schematic Plans shall be in conformity with Section 101 of this Agreement and all applicable state and local laws and regulations, and shall be consistent with the design guidelines contained in the RFQ and attached hereto as Attachment G.

The Schematic Plans shall be subject to review and approval by the Director of the Department of Housing and Human Services ("Director") as to conformity with this Agreement. The Director shall complete the Schematic Plans review within fifteen (15) working days of receipt of the Schematic Plans. If within such period, the City gives notice to Purchaser of changes reasonably required by the City, the Purchaser shall submit revised Schematic Plans reflecting such changes within thirty (30) days after receipt of such notice. If the City does not give notice of any required changes within such period, and if the transmittal of such plans contained conspicuous notice on the first page thereof of the time limit for review hereunder, then the plans shall be deemed approved for purposes hereof unless they are manifestly inconsistent in material respects with Attachment C or G.

With the consent of the Director or her designee, the Purchaser may elect to proceed directly to prepare and submit Construction Plans in lieu of Schematic Plans, provided that the Construction Plans shall contain all information required for Schematic Plans and shall be subject to review and revision as provided in this Section, which requirements and reviews shall be in addition to those provided in Section 302. As a condition of the Director's consent, Purchaser may be required to consent to a period for review of plans and notification of required changes longer than otherwise provided herein.

Section 302 Construction Plans and Specifications

Purchaser shall prepare plans and specifications with respect to the construction of Improvements ("Construction Plans") in conformity with the previously approved Schematic Plans, this Agreement and all applicable state and local laws and regulations. The Construction Plans shall be in sufficient completeness and detail not only to satisfy requirements pertinent to application for a building permit but also to demonstrate to the Director that the improvements and their construction will be in accordance with the previously approved Schematic Plans. Purchaser shall submit the Construction Plans, together with construction or progress schedule, to the Director, prior to the submission of the Construction Plans to the Department of Construction and Land Use ("DCLU").

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Purchaser shall submit Construction Plans to the Director at any time following the City's approval of Schematic Plans and in any event within twenty-four months following execution of this Agreement. If the City does not give notice of any required changes in Construction Plans within fifteen (15) working days of receipt thereof, and if the transmittal of such plans contained conspicuous notice on the first page thereof of the time limit for review hereunder, then the plans shall be deemed approved for purposes hereof unless they are manifestly inconsistent in material respects with the Schematic Plans. Final approval of the Construction Plans will be subject to acceptance by DCLU as evidenced by the issuance of the necessary permits for development and construction of the Improvements.

Section 303. Changes in Construction Plans or Schematic Plans

If Purchaser desires to make any material changes in the size, character, design, or exterior surface of structures or in the site plan, exterior elevation or materials as set forth in the Construction Plans and Schematic Plans or either of them after approval by the City, the Purchaser shall submit the proposed change to the Director for her approval. If the Director finds that the Construction Plans and/or Schematic Plans as modified by the proposed change conform to the requirements of Section 301 and 302 hereof, the Director shall approve the proposed change evidencing such approval by her endorsement of the same on the revised plan sheets and by notifying the Purchaser and the DCLU Director in writing of her approval. Such changes in the Construction Plans and Schematic Plans or either of them shall in any event be approved or rejected in whole or in part, by written notice from the City to the Purchaser within fifteen (15) working days of submittal by the Purchaser. If the City does not give notice of any required changes in Schematic Plans or Construction Plans within ten (10) working days of receipt thereof, and if the transmittal of such plans contained conspicuous notice on the first page thereof of the time limit for review hereunder, then the plans shall be deemed approved for purposes hereof unless they are manifestly inconsistent in material respects with the requirements for such plans hereunder.

Section 304. Evidence for Financing

Unless the City shall have approved in writing evidence of Purchaser's ability to complete the Improvements without mortgage financing, Purchaser shall: (a) within thirty (30) days after the date hereof, apply to one or more financial institutions for construction financing for the Parcel, and shall diligently seek to obtain a loan commitment in an amount necessary, together with resources committed by Purchaser, to fund the purchase and construction contemplated hereby, and (b) provide the City, within 120 days of execution of this agreement, a firm financing commitment satisfactory to the City. If Purchaser fails to meet either of the deadlines in the foregoing sentence, then the City may give notice to Purchaser of the City's intent to invoke the Conditions Subsequent in the Deed and re-vest title of the Parcel in the City, in the manner stated in the Deed. If the City does not give notice to Purchaser within fifteen (15) days after receipt of a copy of the financing commitment that any terms thereof are not acceptable to City, then City shall be deemed to have approved the terms thereof except to the extent that any such terms are contrary to the provisions hereof.

Section 305. Report on Progress

Subsequent to the conveyance of the Parcel to the Purchaser and until construction of the Improvements is complete, the Purchaser shall, within ten (10) days of any request by the City, forward to the Director a report in writing as to the actual progress of the required drawings, financial commitment or construction.

Section 306. Purpose of Review of Plans and Inspection of Work

Review by DHHS of plans and specifications and inspection by DHHS of construction improvements is for the sole purpose of evaluating compliance with the terms of this Agreement. Such inspection shall not be construed as a representation or warranty to Purchaser or any third

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party that the plans and specifications are adequate for any purpose, that there has been or will be compliance on the part of any contractor or subcontractor with the plans and specifications, that construction has been or will be free from faulty material or workmanship, or as to any other matter. Purchaser shall cause this Section 306 to be included in any contract for work into which Purchaser shall enter under this Agreement.

Section 307. Certificate of Completion of Improvements

Promptly after completion of the Improvements in accordance with the provisions of this Agreement and the approved Construction Plans, as confirmed by inspection by DHHS, the Director shall furnish the Purchaser with a certificate of completion ("Certificate" herein) substantially in the form attached hereto as Attachment A. The Certificate shall be issued when the Purchaser has completed the Improvements pursuant to the Construction Plans and has cured any deficiencies noted by the City in its inspections. Delivery of the Certificate by the Director and recording thereof by the Purchaser shall be conclusive evidence of satisfaction of obligations of the Purchaser to construct the Improvements and of the termination of the condition subsequent in the Deed. Upon delivery of the Certificate, unless the City has already exercised its right to retain the Deposit for a breach or default on the part of Purchaser, the Deposit shall be returned to Purchaser.

If the Director shall refuse or fail to provide the Certificate in accordance with the provisions of this Section, the Director shall, within seven (7) days after written request by the Purchaser made prior to the last date for completion of the Improvements hereunder, provide the Purchaser with a written statement indicating in adequate detail in what respects the Purchaser has failed to complete the Improvements in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the Director, for the Purchaser to take or to cause to be taken to obtain such Certificate. When such acts or measures have been completed and the City has reinspected the Parcel to confirm such completion the Certificate shall be issued.

SPECIAL CONDITIONS

Section 401. Local Business Participation

A. Purchaser shall comply with the local business enterprise commitment ("LBE Commitment") as stated in the Commitment for Local Business Enterprise Participation attached hereto as Attachment F, which is hereby incorporated by reference. Failure to comply with the LBE Commitment shall be a material breach of this Agreement.

B. In connection with the construction of the Improvements, Purchaser or designee shall:

- (1) Fulfill the LBE Commitment;
- (2) Report in writing to the City on a monthly basis during construction as to the total dollar amount of construction contracts signed for the Improvements, and the total amount signed with Local Business Enterprises ("LBE") as defined in the RFQ, and identifying each LBE and the dollar amount of the contract awarded to such LBE.
- (3) Maintain records reasonably necessary for monitoring compliance with the LBE Commitment and permit inspection of such records by the City for up to one year after completion of the Improvements.

Section 402. Incentives for WMBE Participation

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A. In order to encourage economic participation in the redevelopment of the I-90 Corridor by Women-owned Business Enterprises ("WBEs") and Minority-owned Business Enterprises ("MBEs"), a portion of the Purchase Price of the property has been deferred, and shall be payable contingent upon Purchaser's performance in contracting with certified WBEs and MBEs, as follows:

- (1) The deferred portion of the Purchase Price is SEVEN THOUSAND ONE HUNDRED DOLLARS (\$7,100.00);
- (2) An amount equal to ten percent (10%) of the dollar value of work performed by MBEs in construction of the Improvements shall be credited toward payment of the deferred portion of the Purchase Price, PROVIDED that no credit shall be provided for work in excess of eighteen percent (18%) of the total amount of all contracts for construction of the Improvements;
- (3) An amount equal to ten percent (10%) of the dollar value of work performed by WBEs in construction of the Improvements shall be credited toward payment of the deferred portion of the Purchase Price, PROVIDED that no credit shall be provided for work in excess of nine percent (9%) of the total amount of all contracts for construction of the Improvements;
- (4) For purposes of this Section 402, contracts for construction of the Improvements shall include contracts for professional services, including but not limited to design and inspection services.
- (5) To the extent that credits earned as provided in Paragraphs (2) and (3) above total less than the deferred portion of the Purchase Price, the balance shall be payable prior to issuance of the Certificate of Completion for the Improvements, but in any event no later than three years after the date of this Agreement. The City may, but shall not be required to, apply the Good Faith Deposit or portion thereof to payment of the balance payable.
- (6) The total credits allowed under this Section shall not exceed the deferred portion of the Purchase Price. Credits shall be allowed only upon submission of evidence satisfactory to the City of participation of certified WBE contractors or subcontractors as determined pursuant to regulations of the City's Department of Administrative Services.

B. In connection with the construction of the Improvements, Purchaser shall:

- (1) Make a good faith effort to achieve the goals for participation by WBEs and MBEs set forth in Attachment E.
- (2) Report in writing to the City on a monthly basis during construction as to the total dollar amount of construction contracts signed for the Improvements, and the total amount signed with WBEs and MBEs, identifying each WBE and MBE, and the dollar amount of the contract awarded to such WBE and MBE;
- (3) Maintain records reasonably necessary for monitoring progress toward WBE goals and permit inspection of such records by the City for up to one year after completion of the Improvements.

Section 403. Access and Egress Restrictions

The Improvements shall be designed, insofar as practicable, to minimize vehicular access directly from, or egress directly to, Martin Luther King Jr. Way South.

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Section 404. Possible Street Dedication, Adjustment of Purchase Price, Rebate

If the City requires a dedication of land for street purposes as a condition of issuing a permit for development of the Improvements, and such requirement is imposed within two years of the execution of this Contract for Sale, and if the Purchaser grants the required dedication, then the purchase price shall be reduced by \$6.22 for each square foot of land by which the area of the Parcel is reduced due to the dedication, PROVIDED that the total reduction in price shall not exceed TWO THOUSAND EIGHT HUNDRED DOLLARS (\$2,800.00). If the requirement for street dedication should be imposed and the dedication granted after closing, but within two years following execution of this Contract for Sale, and if Purchaser is then in compliance with all provisions hereof, the City shall rebate to Purchaser the amount by which the purchase price paid exceeds the reduced purchase price as calculated above (without interest on the amount rebated).

For purposes of this Section a dedication shall be considered "imposed" when (i) the City shall have issued a final decision upon an application by Purchaser, to the effect that a permit to develop the Improvements will be issued only on condition that a dedication of a specified portion of the Parcel be made for street purposes; and (ii) either the period for appeal of such decision shall have expired or the Purchaser shall have validly waived any right to appeal such decision. The provisions of this Section are in lieu of any claim for compensation, damages or other relief that Purchaser might otherwise have in connection with any dedication for street purposes that may be required as a condition of development of the Parcel, and Purchaser hereby irrevocably waives and releases any such claim or demand, other than for a price reduction or rebate as set forth in this Section.

In addition to the foregoing, and whether or not a dedication is required as a condition of a permit, the Purchaser hereby grants the City an irrevocable option to acquire from Purchaser an easement for street purposes over, across and under a portion of the Parcel adjacent to the southerly boundary of South Norman Street, sufficient to move that boundary up to five (5) feet southerly of, and parallel to, when measured radially from, its present location. The option price shall be \$6.22 per square foot and the option shall be exercisable by written notice to Purchaser, including a legal description of the area for which the option is exercised and a calculation of the price, on or before two years from the date of this Agreement. If the option is exercised the City shall pay the option price, and a special warranty deed for street purposes shall be delivered by Purchaser to the City, in form provided acceptable to the City, conveying an easement free and clear of any encumbrances or defects created or permitted by Purchaser, all at such place and on such date as the City shall specify in its notice exercising the option, but no later than 30 days after the date of such notice.

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

Section 501. Prohibition Against Transfer of Parcel and Assignment of Agreement.

Purchaser represents and agrees that:

A. Purchaser has not made or created or suffered to be made or created any assignment, conveyance, mortgage, lease, trust, power or transfer, of any sort, of this agreement or any interest herein, or any interest in or relating to the Parcel, or entered into any agreement or contract to do any of the foregoing and (except as authorized by Sections 601-605 herein) Purchaser shall not do any of the foregoing prior to issuance of a Certificate of Completion of the Improvements without the prior written approval of the City, which may be withheld in the City's sole discretion.

B. In order to request City approval for any transaction of the type referenced in Subsection A above, Purchaser shall submit to the City all documents relating to the proposed transactions and such information concerning the proposed transferee as the City shall request. If the City approves the transaction, as a condition of such approval, the transferee shall assume all obligations of Purchaser hereunder and shall agree to comply with such other conditions the City may find desirable in order to achieve and safeguard the purposes of this Agreement. This

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Subsection B shall not apply to mortgages or deeds of trust granted to a financial institution approved by the City as authorized in Section 601 below.

C. In the absence of specific written agreement by the City to the contrary, no transfer or approval thereof by the City shall be deemed to relieve Purchaser, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Improvements, from any of its obligations with respect thereto.

MORTGAGE FINANCING, RIGHTS OF MORTGAGEES

Section 601. Limitation Upon Encumbrance of Parcel

Prior to the issuance of a Certificate of Completion for the Improvements, the Purchaser shall not engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Parcel without the express written consent of the City. The Purchaser shall notify the City in advance of any financing secured by mortgage or other similar lien instrument, that Purchaser proposes to enter into with respect to the Parcel, or any part thereof, and in any event Purchaser shall promptly notify the City of any encumbrance or lien that has been created on or attached to the Parcel, whether by voluntary act of the Purchaser or otherwise.

Section 602. Mortgagee Not Obligated to Construct

Notwithstanding any of the provisions of this Agreement, the holder of any mortgage authorized by this Agreement (including any such holder who obtains title to the Parcel or any part thereof as a result of foreclosure proceedings, or action in lieu thereof) shall in no case be obligated by the provisions of this Agreement to construct or complete the Improvements or to guarantee such construction or completion; nor shall any covenant or any other provision in the Deed be construed to so obligate such holder: Provided, That nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Parcel or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided or permitted in the I-90 Area Development Policies adopted by Seattle City Council Resolution 27901.

Section 603. Copy of Notice of Default to Mortgagee

Whenever the City shall deliver any notice or demand to the Purchaser with respect to any breach or default by the Purchaser in its obligations or covenants under the Agreement, the City shall at the same time forward a copy of such notice or demand to each holder of any mortgage authorized by the Agreement which holder has been identified to the City in writing by Purchaser, at the last address of such holder shown in the records of the City.

Section 604. Mortgagee's Option To Cure Defaults

After any breach or default referred to in Section 603 hereof, each such holder shall (insofar as the rights of the City are concerned) have the right, at its option, to cure or remedy such breach or default and to add the reasonable cost thereof to the mortgage debt and the lien of its mortgage: Provided, That if the breach or default is with respect to construction of the Improvements, nothing contained in the Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of improvements on the Parcel (beyond the extent necessary to conserve or protect Improvements or construction already made) except for completion of the Improvements substantially as provided pursuant to this Agreement. In the case of any breach or default occurring after Purchaser shall have acquired the Parcel and shall have granted a mortgage or deed of trust in favor of a construction lender, such lender shall have an additional 30 days to cure such breach or default after the expiration of any cure period allowed to Purchaser, and if the breach or default cannot reasonably be cured within such 30-day period then the additional period of cure allowed to the lender shall be extended for such time as

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is reasonably required to cure such breach or default, provided that the lender shall give notice of its intent to cure and commence cure within such 30-day period and continue diligently to pursue such cure.

Section 605. Mortgage and Holder

For the purposes of the Agreement: The term "mortgage" shall include a deed of trust or other instrument creating an encumbrance or lien upon the Parcel, or any part thereof, as security for a loan. The term "holder" in reference to a mortgage shall include any insurer or guarantor (other than a partner, shareholder or principal of Purchaser) of any obligation or condition secured by such mortgage or deed of trust.

DEFAULT AND REMEDIES

Section 701. In General

Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, or any of its terms or conditions, by any party hereto, or any successor to a party, such party (or successor) shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, shall complete such cure within sixty (60) days after receipt of such notice or such shorter period as may be provided herein. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within the time permitted hereunder, the aggrieved party may pursue any remedies available at law or in equity, subject to the specific limitations herein.

Section 702. Termination By Fault of City Prior to Conveyance of Parcel

In the event that any of the following occurs prior to conveyance of the Parcel:

A. The City fails to tender conveyance of the Parcel in the manner required herein after satisfaction of the conditions provided in this Agreement and notice to close from Purchaser as specified herein, and any such failure shall not be cured within sixty (60) days after notice from the Purchaser; or

B. The City otherwise fails or refuses to carry out the terms and conditions of this Agreement prior to Closing;

then at the option of Purchaser this Agreement shall be terminated by written notice thereof to the City, Purchaser shall receive a full refund of the Good Faith Deposit. Purchaser shall have the right, as its sole remedy, to proceed against the City for actual damages limited to an additional amount equal to the Good Faith Deposit.

Section 703. Termination by Fault of Purchaser Prior to Conveyance of Parcel

In the event that prior to the conveyance of the Parcel to Purchaser:

A. Purchaser (or any successor in interest) assigns or attempts to assign this Agreement or any rights therein or in the Parcel without the express consent of the City; or

B. Purchaser, without legal excuse, gives notice that it will be unable or unwilling to close the Purchase as provided herein; or

C. Purchaser, without legal excuse, does not tender the full consideration for and take title to the Parcel, and perform all other obligations of Purchaser at Closing upon tender of conveyance by the City pursuant to this Agreement; or

D. Purchaser, without legal excuse, fails to give written notice of intent to close pursuant to Section 7.A of Part I hereof at least ten (10) days in advance of the last date for closing

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specified in such Section, notwithstanding the satisfaction of all conditions to Purchaser's obligation to close except those to be satisfied at Closing; or

E. Purchaser, without legal excuse, otherwise fails to comply in a timely manner with any of the other terms of this Agreement prior to Closing;

then at the option of the City this Agreement and any rights of Purchaser or of any assignee or transferee in this Agreement or arising therefrom with respect to the City or the Parcel shall be terminated, the Good Faith Deposit shall be retained by the City as liquidated damages, as the sole and exclusive remedy available to the City, and neither Purchaser (or assignee or transferee) nor the City shall have any further rights against or liability to the other under this Agreement except for any indemnity obligations of Purchaser under Section 202B hereof.

Section 704. Reversion of Title to City Upon Failure to Complete Improvements or Certain Other Events Subsequent to Conveyance to Purchaser

A. The City is selling the Parcel for the purpose of construction of five (5) townhouse dwellings and in reliance on the covenant of Purchaser that such dwellings will be constructed. Therefore, as set forth in the Deed, the conveyance of the Parcel to Purchaser shall be subject to a condition subsequent to the effect that in the event of failure to complete the Improvements in a timely manner or upon the occurrence of other events described therein prior to completion of the Improvements, and after failure on the part of Purchaser to cure or remedy such failure or other event within the period (if any) and in the manner stated in the Deed, the City at its option may declare a termination of all the rights and interests in and to the Parcel conveyed by the Deed to Purchaser, and that such title and interests in and to the Parcel shall vest in the City, upon which all rights of Purchaser (and all persons claiming through Purchaser) in and to the Parcel and possession thereof shall cease;

Provided, that such condition subsequent and any reverting of title as a result thereof in the City (1) shall always be subordinate to and limited by, and shall not defeat, render invalid, or limit in any way, (i) the lien of any mortgage authorized by the City pursuant to this Agreement, and (ii) any rights or interests provided in this Agreement for the protection of the holders of such mortgages; and (2) shall not apply to the Parcel once the Improvements to be constructed have been completed in accordance with this Agreement and the Certificate has been issued as provided in Section 307 hereof.

B. If the City exercises its right to revert title to the City pursuant to this section, the City shall return to Purchaser, without interest, all funds paid by Purchaser to the City for the Parcel, after deducting (1) any amounts used to pay off liens incurred or permitted by Purchaser, (2) City expenses related to this transaction, including expenses, if any, of restoring the Parcel to safe and marketable condition; and (3) any amount by which the appraised value of the Parcel at the time of reversion to the City is exceeded by the price paid by Purchaser.

C. In addition to, and not in the alternative to, the City's power of termination as provided for above, the City shall have the right, at any time when the City would have the right to declare a termination of Purchaser's interest under the terms of the Deed, by notice to Purchaser and Escrow Agent, to elect to retain the Good Faith Deposit or obtain payment on any bond provide in lieu thereof, in either case without any deduction, offset or recoupment whatsoever, as liquidated damages in the event of default, violation or failure of the Purchaser as specified in this section. If the City makes such election to retain the Deposit or realize on the bond, then Purchaser shall have an additional ninety (90) days beyond the deadline otherwise applicable to remedy the failure or event giving rise to the City's right to terminate Purchaser's interest, prior to effectiveness of any termination.

Section 705. Other Rights and Remedies: No Waiver of Delay

Either party shall have the right to institute such actions or proceedings as it may deem desirable for effectuating its remedies. Any delay by either party in instituting or prosecuting any

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such actions or proceedings or otherwise asserting its rights under this Agreement shall not operate as a waiver of any rights or remedies or to deprive it of or limit such rights or remedies in any way; nor shall any waiver in fact made with respect to any specific default be considered or treated as a waiver of the rights or remedies of either party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

MISCELLANEOUS PROVISIONS

Section 801. Agreement Survives Conveyance; Indemnities Survive Termination

It is the intent of the parties hereto that none of the provisions of this Agreement shall be merged by reason of any deed transferring any interest in any property; and any such deeds shall not be deemed to in any way affect or impair any of the provisions, conditions, covenants, or terms of this Agreement, except as otherwise provided in this Agreement. The indemnity in Section 202B and the release in Attachment D shall survive any deed and any termination of this Agreement and shall remain in full force and effect.

Section 802. Entire Agreement

This Agreement and the Attachments hereto constitute the entire agreement of the parties with respect to the subject matter hereof and supersede any and all prior agreements or understandings.

Section 803. Titles of Articles and Sections

Any titles of the several parts, Articles or Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 804. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 805. Partial Invalidity

Any provision of this Agreement which shall prove to be invalid, void or unenforceable shall in no way affect, impair or invalidate any other provision hereof, and such other provisions shall remain in full force and effect.

Section 806. Amendments

Amendments to this Agreement may be made only after written approval by the City and by Purchaser. Amendments which are not fairly within the scope of Ordinance _____ shall not be effective unless authorized by ordinance.

Section 807. Heirs and Successors

This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the limitations on transfer stated herein.

Section 808. No Third Party Beneficiaries

The provisions hereof are for the sole benefit of the parties hereto and, subject to the restrictions on transfers by Purchaser stated herein, their respective successors and assigns

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(including mortgagees to the extent provided herein). No other parties shall have any rights or remedies hereunder.

Section 809. City Approval and Consent

The Mayor and the Director of Housing and Human Services of the City are the sole persons authorized to act for and on behalf of the City in connection with this Agreement except where another is required by law or by this Agreement.

Section 810. Purchaser's Representations

Unless Purchaser is an individual, Purchaser represents and warrants that Purchaser is a duly organized and validly existing Washington corporation and has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby; the execution and delivery of this Agreement by the undersigned individual has been duly authorized by all necessary corporate or other action. Purchaser represents and warrants that it is purchasing the Parcel in good faith for its own account and not on behalf of any other party. Purchaser represents and warrants that this Agreement is the valid, binding obligation of Purchaser, enforceable in accordance with its terms.

Section 811. Notices

A notice or communication under this Agreement by either party to the other shall be effective on the earlier of the date actually received by hand delivery or by mail or evidenced by a signed receipt for certified mail, or three days after deposited in the United States mail, postage prepaid, return receipt requested, and

A. In the case of a notice or communication to Purchaser, if the same is addressed to Purchaser at the address stated on the first page of this Agreement; or

B. In the case of a notice or communication to the City, if addressed as follows:

Director, Department of Housing and Human Services
The City of Seattle
Sixth Floor, Alaska Building
618 Second Avenue
Seattle, WA 98104

or is addressed in such other way in respect to either party as that party may, from time to time, designate in writing delivered as provided in this Section. Any notice required or permitted by any applicable law also shall be effective if given in the manner specifically required or permitted by such law.

Section 812. Cooperation

The parties agree to use their best efforts diligently and promptly to take all actions necessary and appropriate in order to satisfy the conditions set forth in this Agreement and to execute and deliver all other documents reasonably necessary to carry out their respective obligations hereunder, including without limitation reasonable instructions to Escrow Agent.

Section 813. Time

Time is the essence of all provisions of this Agreement.

NOTICE: IF THE DOCUMENT ... THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Section 814. Governing Law

This Agreement shall be governed by the laws of the State of Washington.

Section 815. Attorney's Fees

In the event of any litigation, including without limitation bankruptcy, appellate, or arbitration proceedings, between the parties arising out of or in connection with this Agreement, the substantially non-prevailing party shall pay all reasonable costs including but not limited to reasonable attorneys' fees of the substantially prevailing party, including the reasonable value of services of the City's staff attorneys.

Section 816. Singular and Plural; Joint and Several

In this Agreement the use of the singular shall include the plural, and pronouns of any gender or none shall include the masculine, feminine, and neutral, as the context may require. If more than one person is signing this Agreement as Purchaser, the obligations of each shall be joint and several and the City shall be entitled to rely conclusively upon the authority of either or any of them to bind all with respect to any matters related to this Agreement.

EXECUTED as of the day and year first above written.

NOVALCO ENTERPRISES, INC.

THE CITY OF SEATTLE

By _____
Name: _____
Title: _____

By _____
Venerria L. Knox
Director, Department of
Housing and Human Services

Authorized by Ordinance No. _____

ATTACHMENTS:

- A. Form of Certificate of Completion
- B. Form of Quit Claim Deed
- C. Description of Improvements
- D. Disclaimer
- E. Statement of WMBE Goals
- F. LBE Commitment
- G. Guidelines from RFQ
- H. Exceptions to Title Objected to by Purchaser (if any)

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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ___ day of ____, 199___, personally appeared before me Venerria L. Knox, to me known to be Director of the Department of Housing and Human Services of the municipal corporation that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath stated that she was authorized to execute said instrument.

WITNESS my hand and official seal the date and year first above written.

Print name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ___ day of ____, 199___, personally appeared before me _____, to me known to be the _____ of Nevalco Enterprises, Inc., the corporation that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said party, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

Print name: _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission expires _____

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Attachment A to Contract for Sale of Land

Recorded at the request of:
after recording return to:

Attn: _____

CERTIFICATE OF COMPLETION

KNOW ALL PERSONS BY THESE PRESENTS: that Novalco Enterprises Inc., hereinafter called Purchaser, entered into a Contract for Sale of Land with the City of Seattle, a municipal corporation ("City"), for the purchase of property, dated the _____ day of _____, 1996, and pursuant to such Contract the City conveyed such property to Purchaser by deed recorded under King County Recording No. _____. The Contract contained requirements for completion of certain Improvements and the Contract and Deed provided for the reversion of title to the City in the event of failure to complete such Improvements.

The Director of Housing and Human Services of the City hereby certifies that the Improvements have been completed in accordance with the Contract. This Certificate is conclusive evidence of the satisfaction of the obligations of Purchaser to construct the Improvements and of the termination of all conditions subsequent contained in the Contract and Deed.

This Certificate is issued solely for purposes of the Contract and Deed, and shall not be construed as any warranty or representation as to the quality of the Improvements or their compliance with applicable codes or regulations.

Dated this _____ day of _____, 199__.

THE CITY OF SEATTLE

By: _____
Venerria L. Knox, Director
Department of Housing and Human Services

Authorized by Ordinance No. _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ___ day of _____, 19__, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the Director of Housing and Human Services of The City of Seattle, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Print Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires _____

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Attachment B to Contract for Sale of Land

FORM OF QUIT CLAIM DEED

See Ordinance Exhibit B.

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Attachment C to Contract for Sale of Land

DESCRIPTION OF IMPROVEMENTS

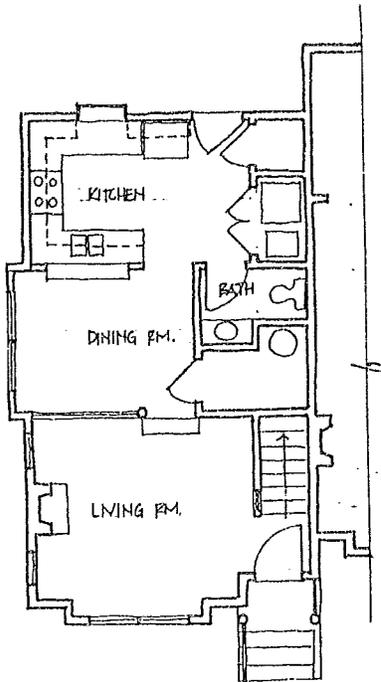
NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE
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PARCEL 29
ELEVATION ON MARTIN LUTHER KING WAY SOUTH
MARCH 1985

GLEASON
&
ASSOCIATES
Architects

2033 Fourth Avenue - 802
Seattle, Washington 98122
Telephone: (206) 441-8845
Facsimile: (206) 441-8542



PARCEL 29
TYPICAL PLAN - GROUND FLOOR
MARCH 1995

GLEASON
&
ASSOCIATES
Architects

2013 Fourth Avenue, #403
Seattle, Washington 98121

Telephone (206) 441 8830
Facsimile (206) 441 0593

1/8" = 1' - 0"

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Attachment D to Contract for Sale of Land

DISCLAIMER OF WARRANTIES AND RELEASE

Purchaser has entered into a Contract for Sale of Land dated _____, 1996 ("Agreement") with the City of Seattle, acting through its Department of Housing and Human Services, to purchase the following described real property:

Lots 3, 4, and 5 in Block 1 of Rainier Heights, as per plat recorded in volume 9 of Plats, page 71, Records of King County, EXCEPT portion of said Lots 3 and 4 condemned in King County Superior Court Cause No. 423901, Ordinance No. 78109; situate in the City of Seattle, County of King, State of Washington

which real property is hereinafter referred to as "the Parcel."

Purchaser has inspected the Parcel and has had the opportunity to obtain inspections and reports of professionals, and Purchaser agrees to accept the Parcel AS IS, WITH ALL DEFECTS, and ASSUMES THE RISK of any defects in the condition of the Parcel and of all matters set forth below. City makes NO WARRANTIES OR REPRESENTATIONS OF ANY KIND except as may be set forth specifically in this Agreement. Purchaser agrees that any express or implied representations or warranties made by or on behalf of the City, if not expressly stated in the Agreement, are hereby revoked and canceled and shall have no force or effect. Purchaser further agrees that no representations or warranties are implied by any provision of the Agreement or any other words or conduct in connection with this transaction.

Without limiting the generality of the foregoing paragraph, Purchaser agrees that, except as may be specifically set forth in the Agreement, neither City nor any person for whom City may have any responsibility makes any representation, warranty or promise of any kind with regard to any of the following: (1) the physical condition of the Parcel (land, buildings, fixtures, or infrastructure), whether or not readily determined by inspection; (2) the presence or absence of any underground tanks or any hazardous or defective substances or conditions on or about the Parcel, or on adjacent properties; (3) the history of the Parcel or activities that may have occurred or been conducted thereon or thereunder; (4) soils conditions or drainage; (5) square footage of land or buildings; (6) encroachments; or (7) location or condition of utility lines.

Except as otherwise expressly provided in the Agreement, Purchaser hereby irrevocably releases and waives any and all claims that Purchaser has or may have hereafter against City with respect to the condition of the Parcel or arising pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or the Washington State Model Toxics Control Act, as amended.

Purchaser and City by their signatures below acknowledge that this Disclaimer and Release has been specifically bargained for and that City would not be willing to sell the Parcel on the terms and conditions set forth in the Agreement without Purchaser's agreement to this Disclaimer and Release.

Purchaser _____ The City of Seattle
By: _____ By: _____
Its _____ Department of Housing and Human Services
Date: _____ Date: _____

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ATTACHMENT E
GOALS FOR
WOMEN AND MINORITY BUSINESS CONTRACTING

The undersigned Purchaser agrees as follows:

A. Women and Minority Business Enterprise (WMBE) Officer

The name of the person who has been charged with the responsibility for achieving goals for and reporting progress on participation by women-owned business enterprises (WBEs) and minority-owned business enterprises (MBEs) is _____.

Such person shall be the project WMBE Officer and has the authority to act on behalf of the Purchaser.

B. Goals for Women and Minority Business Enterprise (WMBE) Participation

1. Purchaser's WMBE goal is that at least nine percent (9%) of the total dollar value of the contracts for construction, plus professional services if they are included in the estimate in subsection 2 below, will be performed by WBEs and that at least eighteen percent (18%) will be performed by MBEs.

Project Address: _____

Parcel Number: _____

2. Purchaser estimates the total construction costs to be \$ _____. This estimate (does) (does not) include the cost of professional services, including but not limited to design and inspection.
3. Purchaser understands that contractors or subcontractors must be certified by the Washington State Office of Women and Minority Business Enterprises in order to be counted toward achievement of WMBE goals stated herein, and to qualify for any financial incentives for WMBE participation set forth in the Contract for Sale of Land.

Purchaser: _____

By: _____
Signature

_____ Date

_____ Print Name

_____ Title

_____ Address and Zip Code

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**COMMITMENT TO
LOCAL BUSINESS ENTERPRISE PARTICIPATION**

The undersigned states on behalf of the Respondent as follows:

A. Local Participation Officer

The name of the person who has been charged with the responsibility for securing compliance with and reporting progress on local business participation is named as Respondent's Representative herein. Such person shall be the project Local Participation Officer and shall be someone within the company who has the authority to effect compliance and act on behalf of the company.

B. Commitment to Local Business Enterprise Participation

1. The Respondent commits 50 % of the construction costs of the following project to local businesses and/or contractors. Respondent understands that this commitment will become a material term of Respondent's contract with the City of Seattle (or with Homesight, if applicable) and that failure to meet such commitment shall be a material breach of contract.

TO BE DETERMINED BY DHHS AND/OR HOMESIGHT

(Project Address)

TO BE DETERMINED BY DHHS AND/OR HOMESIGHT

(Parcel I.D. Number)

2. The Respondent estimates the total construction costs to \$ _____.

C. Documentation

1. Respondent will keep written record of the time and place of notice(s) regarding local business participation opportunities, person(s) notified, and the specific subject to the notice(s).
2. Respondent will submit, on a monthly basis to the Seattle Department of Housing and Human Services, evidence demonstrating the level of local business participation with respect to total construction costs.
3. All records of local business participation will be kept for at least sixty days after duration of the Respondent's contract with the City or one year, whichever is longer.

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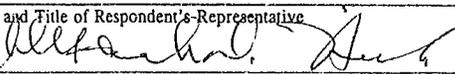
D. Cooperation With Seattle Department of Housing and Human Services

Respondent shall comply with the Local Business Enterprise Participation as set forth in this Commitment and with the LBE outreach plan, if any, submitted by the Respondent.

NOVALCO ENTERPRISES, INC. (206) 329 4476
Business Name Business Phone Number

2301 S. JACKSON ST., SUITE 102 SEATTLE, WA 98144
Business Street Address City State Zip Code

ALEXANDER D. HICKS, PRESIDENT
Name and Title of Respondent's Representative


Signature of Respondent's Representative

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Attachment G to Contract for Sale of Land

DESIGN REQUIREMENTS AND GUIDELINES FROM RFQ

The City strongly desires residential development providing character to the neighborhood which reinforces and integrates with the current architectural style. The following design requirements and guidelines were established to assist potential developers in meeting the City's housing expectations and to provide a framework for responding to this RFP process at a conceptual level. Specific examples of desired features are attached. Stock designs, compatible with the existing housing stock, are acceptable.

1. Requirements:

- a. Off-street parking must be provided; and
- b. All trees must be preserved and protected, unless otherwise allowed, in writing, by DHHS.

2. Guidelines

The site plan should take into consideration the project's effect on adjacent properties and neighborhood. The proposed project should be in character and of a residential scale that complements the entire neighborhood.

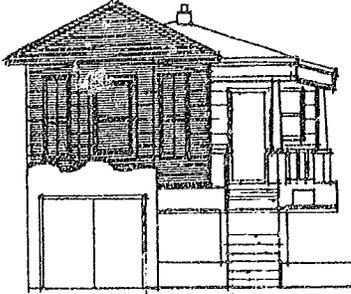
- a. Developers should allow careful consideration of natural conditions such as topography.
- b. Developers should incorporate materials, colors, and finishes in a way that positively contributes to the overall appearance of the neighborhood.
- c. Developers should incorporate materials, colors, and finishes in a way that positively contributes to the overall appearance of the neighborhood.
- d. Developers should minimize the visual impact of cars, refuse storage areas, utility boxes and street access through the use of innovative screening.
- e. Refuse collection and recycling areas should be integrated as part of the project design.
- f. Development shall provide the maximum pedestrian safety through landscaping and lighting.
- g. Specific building element guidelines include:
 - i. Roof Form - the design of the roof should be compatible with the existing roof forms in the neighborhood.
 - ii. Roof Materials - compatible in color, shades and textures with existing roofs in the neighborhood.

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- iii. Height, bulk and wall character, including siding materials should be visually compatible with surrounding housing. Building mass should step away from the street (see examples attached).
- iv. Entries - the design of the existing housing stock should be considered in the design of entry protection in the form of porches, alcoves or other structural elements, along with setbacks.
- v. Windows - the overall design should consider breaking up window areas into smaller areas to create variation.
- vi. Landscaping - the project design should include a landscape plan for front yard areas and areas within public view. Developers are encouraged to take full advantage of the wide range of landscaping materials and designs possible within the framework of single family housing.
- vii. Setbacks - the front setback should be no less than the average setback distance of the adjacent houses.

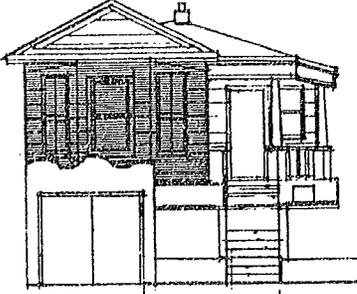
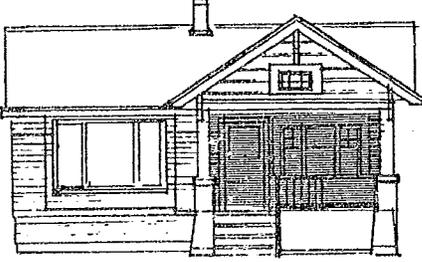
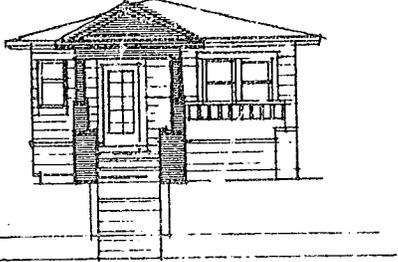
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Design Guideline Examples

DESIGN FEATURES	PRECEDENT	DESIGN GUIDELINE
<p>MASSING (projections)</p>	 <p>Projections break up the mass of the house</p>	<p>Use projections to break up the mass of the house</p>
<p>ROOFS (entries and bay windows)</p>	 <p>Gabled roofs used for entries or bay windows</p>	<p>Use gable roofs over entries and bay windows</p>
<p>ROOFS (main elements of house)</p>	 <p>Hip and gable roofs used for main elements of house</p>	<p>Use hip or gable roofs for main elements of house</p>

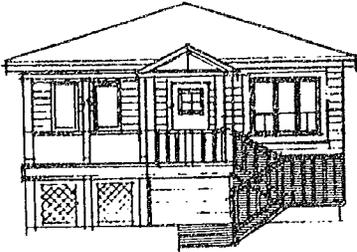
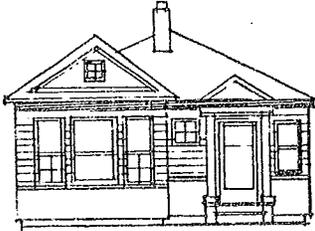
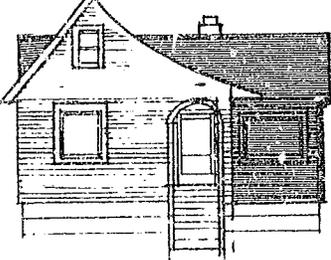
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Design Guideline Examples

DESIGN FEATURES	PRECEDENT	DESIGN GUIDELINE
BAY WINDOWS		Two or three part window pattern with at least some projection from facade
PORCHES & RAILINGS		Use open or closed porch as a transition between the entry stairs and house
ENTRIES		Entries clearly defined by a distinct element, such as a projection or alcove

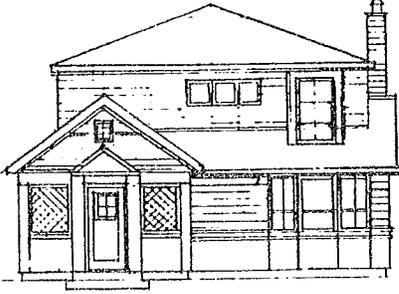
NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Design Guideline Examples

DESIGN FEATURE	PRECEDENT	DESIGN GUIDELINE
STAIRS	 <p data-bbox="602 785 984 806">Stairs link the sidewalk level to the house entry</p>	<p data-bbox="1079 491 1273 541">Clearly define transition from grade to entry</p>
CORNICE LINES	 <p data-bbox="607 1142 1073 1163">Strong horizontals are created by cornice at the first story</p>	<p data-bbox="1079 848 1284 919">Use a strong horizontal element (band) to define the first story level</p>
MASSING (setback)	 <p data-bbox="613 1499 1036 1520">Larger parts of the house are setback from the front</p>	<p data-bbox="1079 1205 1295 1276">Set larger mass of house back from the front facade</p>

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Design Guideline Examples

DESIGN FEATURES	EXAMPLE APPLICATIONS	DESIGN FEATURES
Projecting bay window		Gabled roofs for front facade projections Clearly defined entry Open porch with railing Entry stairs
Open porch with railing		Larger mass of house set back Strong cornice line
Clearly defined entry Covered porch Entry stairs		Hip roof to lessen mass Strong cornice line Bay window

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Attachment H to Contract for Sale of Land

EXCEPTIONS TO TITLE OBJECTED TO BY PURCHASER (if any)

To be provided.

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EXHIBIT B

QUIT CLAIM DEED WITH CONDITION SUBSEQUENT

(I-90 Unimproved Property)

After recording return to:

The City of Seattle
Department of Housing and Human Services
I-90 Project Coordinator
618 Second Avenue
Seattle, WA 98104-0274

1. **Grant.** The City of Seattle, a Washington municipal corporation ("Grantor"), hereby conveys and quitclaims to Novalco Enterprises Inc. ("Grantee"), for and in consideration of the sum of _____ DOLLARS (\$ _____) and the covenants of Grantee contained in that certain Contract for Sale of Land between Grantor and Grantee dated as of _____ ("Contract") that certain real property located in the City of Seattle, King County, Washington, commonly known as 1105 Martin Luther King Jr. Way S. and legally described as follows:

Lots 3, 4, and 5 in Block 1 of Rainier Heights, as per plat recorded in volume 9 of Plats, page 71, Records of King County, EXCEPT portion of said Lots 3 and 4 condemned in King County Superior Court Cause No. 423901, Ordinance No. 78109; situate in the City of Seattle, County of King, State of Washington.

("Property").

2. **Condition Subsequent.** Provided, however, that this deed and all rights of Grantee hereunder are subject to a condition subsequent upon the occurrence of which Grantor or its governmental successors or assigns shall have the absolute right, subject only to the express limitations set forth herein, to terminate, by notice to Grantee or by reentering and taking possession of the Property, the estate conveyed under this deed and all rights of all persons claiming by or through Grantee, whereupon fee simple title to the Property shall revert entirely in Grantor or its governmental successors or assigns. The condition subsequent shall have occurred if any of the following shall occur prior to the time that Grantee shall have completed construction of the Improvements to the Property (to consist of five townhouse dwellings) required pursuant to the Contract and obtained from Grantor a Certificate of Completion with respect thereto:

(a) Grantee or its successor in interest shall default on, fail to perform or violate Grantor's obligations with respect to the construction of the Improvements pursuant to the Contract (including without limitation obligations with respect to the nature of the Improvements and the dates for the beginning and the completion thereof), or shall abandon or substantially suspend construction work, and any such default, failure to perform, violation, abandonment or suspension shall not be cured, ended or remedied to the reasonable satisfaction of Grantor within thirty (30) days after Grantor's written demand to do so; or

(b) Grantee or its successor in interest shall, without the express written consent of Grantor, transfer any interest in the Property or cause or permit there to be placed on the Property any encumbrance or lien not authorized by the Contract, unless such encumbrance or lien is paid, removed or discharged or provision is made satisfactory to the Grantor for such payment, removal or discharge, within thirty (30) days after written demand from Grantor to do so; provided that in the case of a mechanic's or materialmen's lien or notice thereof Grantee shall have the right to prevent the occurrence of a condition subsequent pursuant to this subsection (b) by bonding or

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

Ray Chow

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____

PRESIDENT'S SIGNATURE

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

STATE OF WASHINGTON - KING COUNTY

68444
City of Seattle, City Clerk

-ss.

No. ORDINANCE 11

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on May 13, 1996, and published here by title only, will be mailed, at no cost, upon request for two months after this publication. For further information, contact the Seattle City Clerk at 694-8344.

ORDINANCE NO. 118125

AN ORDINANCE relating to the Seattle Engineering Department; authorizing the Director of Engineering to execute Public Works Trust Fund Loan Agreements with the Washington State Department of Community, Trade and Economic Development for bridge seismic improvement projects and for the Harbor Avenue Reconstruction Project; and authorizing acceptance of the Public Works Trust Fund proceeds and the incurring of indebtedness.

ORDINANCE NO. 118127

AN ORDINANCE accepting the proposal of Novato Enterprises Inc. to purchase and develop Parcel 29 in the I-90 Redevelopment Project area; authorizing a Contract for Sale of Land and deed; appropriating funds for payment to the State of Washington of the purchase price owing and designating the disposition of sales proceeds; and ratifying and confirming prior acts, all by a three-fourths vote of the City Council.

ORDINANCE NO. 118128

AN ORDINANCE accepting the proposal of George L. and Shirley J. Wallace, dba GW Construction Company, to purchase and develop Parcel 7 in the I-90 Redevelopment Project area; authorizing a Contract for Sale of Land and deed; appropriating funds for payment to the State of Washington of the purchase price owing and designating the disposition of sales proceeds; and ratifying and confirming prior acts, all by a three-fourths vote of the City Council.

ORDINANCE NO. 118129

AN ORDINANCE relating to the I-90 corridor, appropriating funds for payment to the State of Washington under the Land Transfer Agreement authorized by Ordinance 118220 for certain parcels of unimproved land in Block 1 of the Rainier Boulevard Addition to the City of Seattle and Block 3 of Charles Addition to the City of Seattle, authorizing reconveyance of certain other parcels to the State of Washington, and ratifying and confirming prior acts.

Publication ordered by JUDITH PIPPIN, City Clerk.
Date of official publication in Daily Journal of Commerce, Seattle, May 28, 1996.
5/28/96(68444)

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CTOT: 118125, 127-129

was published on

05/28/96

The amount of the fee charged for the foregoing publication is the sum of \$ _____, which amount has been paid in full.

Subscribed and sworn to before me on

05/28/96
[Signature]
Notary Public for the State of Washington,
residing in Seattle

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City of Seattle

Executive Department—Office of Management and Planning

Thomas M. Tierney, Director
Norman B. Rice, Mayor

April 1, 1996

The Honorable Mark Sidran
City Attorney
City of Seattle

APPROVED AS TO FORM ONLY *as revised*
MARK H. SIDRAN
City Attorney

By *W. R. Tol* 4/29/96
Assistant City Attorney



RECEIVED
CITY ATTORNEY
APR -5 AM 9:29

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING DEPARTMENT: Housing and Human Services

SUBJECT: AN ORDINANCE accepting the proposal of Novalco Enterprises Inc. to purchase and develop Parcel 29 in the I-90 Redevelopment Project area; authorizing a Contract for Sale of Land and deed; appropriating funds for payment to the State of Washington of the purchase price owing and designating the disposition of sales proceeds; and ratifying and confirming prior acts, all by a three-fourths vote of the City Council.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Glenn Whitham at 684-8036.

Sincerely,

Norman B. Rice
Mayor

by

Tom Tierney
for Tom Tierney, Director

legis/whitha62

Enclosure

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