

TRANSFER OPTION AGREEMENT

This TRANSFER OPTION AGREEMENT (this "Agreement") is entered into as of the _____ day of _____, 2020, by and between WHATCOM COUNTY, (the "Grantor"), and OPPORTUNITY COUNCIL, a Washington non-profit tax exempt corporation (the "Grantee").

RECITALS

- A. Grantor is the owner of certain real property located at 1000 and 1010 North Forest Street in Bellingham, Washington described on Exhibit A hereto (the "Property").
- B. Grantee desires to obtain, and Grantor desires to grant, an exclusive option to receive the Property or its use pursuant to the terms, covenants and conditions set forth in this Agreement.
- C. The Grantee expects to develop the Property, or cause an affiliated entity to develop the Property, as an apartment complex to provide affordable rental housing (the "Project").

AGREEMENT

1. For good and valuable consideration, receipt of which is hereby acknowledged, the Grantor grants Grantee the exclusive and irrevocable option to receive or obtain long term lease rights to the Property upon all of the terms, covenants, and conditions set forth in this Agreement, but not before the date the Grantee receives notice from the Washington State Housing Finance Commission that the Project has qualified for an allocation of federal low-income housing tax credits. The Grantor will transfer or lease the Grantor's interest in the Property consistent with RCW 39.33.015 and WCC 1.10.340(b).

2. This Agreement will terminate in five years if the Grantee has neither (a) received the notice described in paragraph 1 above by that date, nor (b) received loans or grants that are adequate to fully fund the development of the Project and cause federal low- income housing tax credits to be available for the Project.

3. This Agreement is conditioned on the Grantee executing an affordable housing covenant, restrictive use agreement or other similar agreement which will be recorded against the property to restrict the usage of 50 to 70 apartments affordable to households with annual income equal or less than 60 percent of the area median income as determined by the WA State Housing Finance Commission, for a period of at least 40 years. It is anticipated that this covenant will be executed prior to the exercise of the Transfer Option. Exercise of the option granted by this Agreement is further conditioned on the Grantor and Opportunity Council entering into a memorandum of understanding setting forth their understanding of the terms and conditions for the development of the Property.

4. The Grantor shall not, without the Grantee's consent, grant any liens or encumbrances not in effect of the date of the Agreement during its term.

5. The Grantee shall not assign this Agreement without the Grantor's consent except the Grantee may assign this Agreement to a Washington limited liability company controlled by the Grantee.

OPPORTUNITY COUNCIL:

Approved as to form:

Title

Date

Approved:

Accepted for OPPORTUNITY COUNCIL:

By: _____

Greg Winter, Opportunity Council Executive Director

STATE OF WASHINGTON)

) ss

COUNTY OF WHATCOM)

On this _____ day of _____, 20 __, before me personally appeared _____, to me known to be the _____ of Opportunity Council, who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

NOTARY PUBLIC in and for the State of Washington, residing at

_____. My commission expires _____.

EXHIBIT A
PROPERTY DESCRIPTION

Parcel 1 at 1000 North Forest Street

LOTS 7 AND 8, BLOCK 80, "MAP OF THE TOWN OF NEW WHATCOM, WHATCOM CO., WASH. TERR., 1883," NOW A PART OF THE CONSOLIDATED CITY OF BELLINGHAM, WHATCOM COUNTY, WASHINGTON, AS PER THE MAP THEREOF, RECORDED IN BOOK 1 OF PLATS, PAGE 24, IN THE AUDITOR'S OFFICE OF SAID COUNTY AND STATE.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Parcel 2 at 1010 North Forest Street

LOT 6, BLOCK 80, "MAP OF THE TOWN OF NEW WHATCOM, WHATCOM CO., WASH. TERR., 1883," NOW A PART OF THE CONSOLIDATED CITY OF BELLINGHAM, WHATCOM COUNTY, WASHINGTON, AS PER THE MAP THEREOF, RECORDED IN BOOK 1 OF PLATS, PAGE 24, IN THE AUDITOR'S OFFICE OF SAID COUNTY AND STATE.

SITUATE IN WHATCOM COUNTY, WASHINGTON.