

## EXHIBIT A

### SUBRECIPIENT AGREEMENT

This Subrecipient Agreement is by and between the following parties:

- THE CITY OF SEATTLE, a first-class charter city of the State of Washington (the “**City**”) acting by and through its Department of Finance and Administrative Services; and
- THE PHINNEY NEIGHBORHOOD ASSOCIATION, a Washington nonprofit corporation (the “**PNA**”).

**EFFECTIVE DATE:** \_\_\_\_\_, 2021 (see Section 19).

#### RECITALS

- A. The City and the PNA are parties to that certain Agreement for the Transfer of Real Property (the “**Transfer Agreement**”) which governs the transfer of the following, real property from the City to the PNA:

The north half of Lot 2; and the east 60 feet of Lot 3; Block 19, Osner’s Second Addition to Seattle, according to the plat thereof recorded in Volume 12 of Plats, page 3, in King County, Washington, EXCEPT the south 110 feet of said portion of Lot 3.

Situate in the City of Seattle, County of King, State of Washington

Elsewhere in this Subrecipient Agreement, such real property is referred to as the “**Property**”.

- B. Available records show that the City acquired the Property in 1977 for \$412,420.00. Approximately 74% of the acquisition cost of the Property was funded with proceeds from a Department of Housing and Urban Development (“**HUD**”) community development block grant and the balance was funded by 1972 social and health services bond issuance of the State of Washington (“Ref. 29 Bonds”).
- C. In partial consideration for the City’s transfer of the Property to PNA, and to comply with the provisions of 24 CFR section 570.503 applicable to the transfer of the Property and as provided under the Transfer Agreement, the City and the PNA enter into this Subrecipient Agreement.

## AGREEMENT

- 1. Term.** This Subrecipient Agreement (“Agreement”) shall be for a term of fifteen years beginning on the Effective Date, provided that any provision which by its express terms or reasonable context is intended to survive the expiration or termination of the Agreement shall continue in effect as provided, including but not limited to Sections 8 and 16.
- 2. Statement of Work.** As required pursuant to 24 CFR 570.503(b)(1), during the fifteen-year term of this Agreement, the PNA shall deliver services at the Property as further described in **Attachment A** attached and made a part of this Agreement.
- 3. Disposition of Program Income.** As provided under 24 CFR 570.504, PNA shall either (i) remit to the City any program income it receives during the fifteen-year term of this Agreement or (ii) retain program income and use it for program purposes in compliance with all applicable regulations and requirements. Program income is as defined under 24 CFR 570.500.
- 4. Records and Reports.** Pursuant to 24 CFR 570.503(b)(2) and 24 CFR 570.504(c), on or before each anniversary of the Effective Date, the PNA shall furnish the City with a sufficiently detailed report to provide the City with a sound basis to:
  - a.** monitor whether the PNA has delivered the services required under Section 2; and
  - b.** identify all the activities undertaken with any program income received by the PNA during the fifteen-year term of this Agreement.
- 5. Uniform Administrative Requirements.** Pursuant to 24 CFR 570.503(b)(4), the PNA shall comply with applicable uniform requirements as described in 24 CFR 570.502.
- 6. Other Program Requirements.**
  - a.** Pursuant to 24 CFR section 570.503(b)(5), the PNA shall carry out each of its activities in compliance with all Federal laws and regulations described in subpart K, as such requirements may be amended from time to time, except as provided in 24 CFR 570.503 (b)(5)(i-ii).
  - b.** PNA shall comply with all requirements of 2 CFR Part 200, except as otherwise provided under 24 CFR 570.502 (a).

- c. The requirements of 24 CFR Part 570 Subpart K, as amended from time to time, are hereby incorporated and made part of this Agreement.

## **7. Default, Suspension and Termination.**

- a. If PNA violates or fails to keep or perform any term, provision, covenant, or any obligation of this Agreement, such failure or violation shall be a “default”. PNA shall be in “material default” under this Agreement in any of the following circumstances:
  - i. if PNA is in default and such default continues or has not been remedied to the City’s reasonable satisfaction within thirty (30) days after written notice has been provided to PNA, provided that if the nature of the default is such that it cannot be cured within thirty (30) days, PNA shall not be in material default if PNA commences a cure within thirty days and thereafter diligently pursues the cure to completion; or
  - ii. if PNA files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for PNA’s assets or if PNA makes an assignment for the benefit of creditors, or if PNA is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign; or
  - iii. if HUD determines that PNA has materially failed to comply with a federal term or condition applicable to this Agreement beyond any applicable notice and cure period.
- b. If PNA is in material default under this Agreement, in addition to any other right permitted at law or equity, the City reserves the right take any other action provided for under 24 CFR 85.43, as amended or supplemented from time to time, including but not limited to termination of this Agreement, which shall result in reversion of the Property to the City under the deed by which the City conveyed the Property to PNA.

## **8. Reversion of Assets; Use of Property for National Objective; Survival of Remedies.**

- a. As required by 24 CFR 570.503(b)(7), upon the expiration of this Agreement, the PNA shall transfer to the City any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds.
- b. As required by 24 CFR section 570.503(b)(7)(i), the PNA shall use the Property to meet one of the national objectives set forth in 24 CFR section 570.208 for five full years after the expiration of this Agreement.
- c. As required by 24 CFR section 570.503(b)(7)(ii), if the Property is not used to meet one of national objectives set forth in 24 CFR section 570.208 for five years after

expiration of this Agreement, the Property shall revert to the City as provided under the deed by which the City conveyed the Property to PNA.

- d.** PNA’s obligations under this Section 8 shall survive the expiration of this Agreement.
- 9. Right of Entry.** The City may, during the PNA’s regular business hours, enter the building on the Property for purposes of verifying that the PNA is using the Property to deliver the services as required pursuant to the paragraph above with the caption “Statement of Work”; provided that, the City’s right of entry is conditioned on the City giving the PNA not less than 48-hours’ prior written notice of the time and date of such entry and verification.
- 10. Nondiscrimination; Delivery of Certificate of Compliance with Civil Rights Act.** PNA shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and The City of Seattle, including but not limited to Chapters 14.04, 14.10 and 20.42 of the Seattle Municipal Code, as they may be amended from time to time. On or before the Effective Date, the PNA shall deliver to the City a fully executed certificate of assurance of compliance with the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 in the form of **Attachment B**, which is made incorporated into this Agreement.
- 11. Lobbying.** PNA hereby certifies and agrees as follows, in accordance with 31 U.S.C. Section 1352, to the best of its knowledge and belief:
  - a.** No Federal appropriated funds have been paid or will be paid, by or on behalf of PNA, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
  - b.** If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any PNA, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - c.** It will require that the language of this section be included in the award documents for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction by Section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## **12. Audit Requirement.**

- a.** If PNA is a nonprofit organization receiving a total of \$750,000 or more in federal direct or indirect funds, PNA shall comply with the provisions of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR 200. To this end, PNA shall have an audit conducted by an independent certified public accountant in accordance with Government Auditing Standards. The auditor shall determine whether:
  - i.** The financial statements of PNA present fairly its financial position and the results of its operations in accordance with generally accepted accounting principles.
  - ii.** PNA has an internal control structure to provide reasonable assurance that PNA is managing federal awards in compliance with applicable laws and regulations, and controls that ensure compliance with the laws and regulations that could have a material impact on the financial statements; and
  - iii.** PNA has complied with laws and regulations that may have a direct and material effect on its financial statement amounts and on each major federal program.
- b.** Audit reports must be prepared at the completion of the audit. The audit report shall state that the audit was made in accordance with the provisions of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR 200. The audit report shall be made up of at least the following three parts:
  - i.** The financial statements and a schedule of federal awards and the auditor's report on the statements and the schedule.
  - ii.** A written report of the independent auditor's understanding of the internal control structure and the assessment of control risk.
  - iii.** An auditor report on compliance.
- c.** If PNA receives less than \$750,000 per year it is exempt from federal audit requirements, but records must be available for review by appropriate officials.

- d. No audit costs shall be allowable costs if audits required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR 200 have not been made or have been made but not in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR 200.425. In cases of continued inability or unwillingness to have a proper audit in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR 200, PNA will be subject to appropriate sanction.
- e. If an audit is required, it shall be done annually. Audits shall be completed within six (6) months of the end of PNA’s fiscal year. A copy of the audit report shall be submitted to the City of Seattle – Human Services Department within thirty (30) days after the completion of the audit. In addition to the audit report, PNA shall provide a copy of the audit management letter and a report of its comments on the findings and recommendations in the report, including a plan for corrective action if necessary. Resolution of all findings must be made within six (6) months of the receipt of the audit report.
- f. Use of small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals is encouraged.

**13. Attorney fees.** Each party shall bear its own attorney fees and costs.

**14. Notices.** Any notice required or permitted to be delivered under this Sub-Recipient Agreement must be in writing and shall be deemed given on the earlier of actual receipt or (i) when delivered, if delivered by hand during regular business hours, (ii) three (3) days after being sent by United States Postal Service, registered or certified mail, postage prepaid, return receipt requested and first class mail, postage prepaid, or (iii) the next business day if sent by a reputable national overnight express mail service that provides tracing and proof of receipt or refusal of items mailed. Notices to the City and/or Purchaser shall be delivered as follows:

If to the City:

THE CITY OF SEATTLE  
Department of Finance and Administrative  
Services  
Attn: Karen Gruen  
700 Fifth Avenue, Suite 5200  
P.O. Box 94689  
Seattle, WA 98124-4689  
Telephone: 206-733-9238

Note: If delivering notice by hand pursuant to subsection (i) above, notice must be delivered to the City’s street address; if sending notice by U.S. Mail pursuant to subsection (ii) above, notice must be sent to the City’s P.O. Box; and if sending notice by overnight express mail service pursuant to subsection (iii) above, notice must be delivered to the City’s street address.

If to the PNA:

PHINNEY NEIGHBORHOOD  
ASSOCIATION  
Attention: Christi Beckley, Executive Director  
6532 Phinney Avenue North  
Seattle, WA 98103  
Telephone: 206-783-2244

**15. Compliance with Laws.** As a subrecipient of a community development block grant, the PNA shall comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning community development block grants), as may be amended during the Term. The PNA shall also comply with all other applicable federal, state and local laws, regulations and policies governing the Property and its conveyance to the PNA. The PNA shall also utilize the Property to supplement rather than supplant funds and property otherwise available to the PNA.

**16. Indemnification.** PNA shall defend, indemnify, and hold the City, its elected officials and employees harmless from and against any and all losses, allegations, claims, actions, suits, charges, costs, fees and judgments whatsoever, including reasonable attorney’s fees, to the extent arising out of (i) the PNA’s performance of this Agreement, including any performance of the services or obligations of this Agreement by PNA’s subcontractors, subrecipients, agents, employees, or representatives, and (ii) any breach of this Agreement by PNA, including but not limited to failure to comply with any requirements of the applicable federal regulations, HUD, City, and/or other applicable federal, state and/or municipal laws, statutes, regulations, and/or requirements. The obligations under this Section shall survive the expiration of this Agreement for the period of legal limitation applicable to any claim that to which PNA’s obligations under this Section apply.

**17. Insurance.** PNA retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property and the provision of the services under this Agreement, including the maintenance of liability insurance coverage with a liability limit of not less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate. Such insurance shall name the City as an additional insured, shall provide for at least thirty (30) days’ notice to the City before cancellation, and shall provide that the act or omission of one insured will not invalidate the policy as to the other

insured party. The parties release and relieve the other and waive their entire right to recovery for loss or damage to the extent that the loss or damage is covered by insurance.

**18. Assignment.** The PNA may not voluntarily or involuntarily, directly or indirectly, sell, transfer, assign, pledge or otherwise dispose of, or mortgage, pledge, hypothecate or otherwise encumber, or permit or suffer any encumbrances of, all or any part of its rights or obligations hereunder, without the City’s prior written approval, which shall not be unreasonably withheld.

**19. Effective Date.** When used in this Agreement, the term “**Effective Date**” is the date the deed conveying title to the Property from the City to the PNA is recorded in the records of the King County Recorder. Each party authorizes the endorsement of such date for administrative reference in the space provided in the Agreement’s heading.

**20. Counterparts.** This Agreement may be executed in counterparts, each of which when taken together shall form a complete Agreement.

**CITY:**

THE CITY OF SEATTLE, a first-class charter city of the State of Washington acting by and through its Department of Finance and Administrative Services

By: \_\_\_\_\_

Printed Name: Michelle Reed

Title: Chief Operating Officer, Department of Finance and Administrative Services

**PNA:**

THE PHINNEY NEIGHBORHOOD ASSOCIATION, a Washington nonprofit corporation

By: \_\_\_\_\_

Printed Name: Christi Beckley

Title: Executive Director

**[Attachments A and B follow]**

**Attachment A**  
**To**  
**Phinney Neighborhood Association Subrecipient Agreement**

**PHINNEY NEIGHBORHOOD ASSOCIATION SCOPE OF SERVICE AND STATEMENT OF WORK**

Greenwood Senior Center (GSC), a program of the Phinney Neighborhood Association (PNA) will offer programs and social services at the Property that provide an opportunity for thousands of seniors each year to enhance physical fitness, mental stimulation, emotional well-being and social connections. In addition, all classes will be open to people of all ages, as the PNA strives to offer intergenerational programming at all of its sites, including the Property.

The collection of services in this statement will be offered without discrimination to all members of the community seeking to participate in the services at the Property (also referred to in this attachment as the Greenwood Senior Center). During the term of the Subrecipient Agreement, the PNA will provide the following types of activities and services at levels comparable to services provided during 2019 unless otherwise approved by the City, recognizing that the types and levels of services will vary to some extent over the term of the Subrecipient Agreement. PNA will be responsive to the community's needs and interests, and will respond accordingly by adapting programming in a manner consistent with the requirements of the Subrecipient Agreement. In 2019, GSC served 2,435 individuals over age 50, and another 1046 under age 50 at the Property.

**Food and Nutrition Programming**

GSC offers programs geared toward addressing the dietary and nutritional challenges faced by seniors including a daily community dining lunch program in partnership with another nonprofit, and a once weekly dinner and nutrition classes. In 2019, there were 245 nutrition and food activities at the Property.

**Health Promotion, Wellness, and Fitness**

Senior programming has a strong emphasis in health promotion, wellness and fitness. Some of the offerings include ongoing classes and one-time activities. These currently include: Zumba Gold, line dancing, yoga, yoga for osteoarthritis, tai chi, walking groups, low impact exercise and stretching. In 2019, there were 824 activities at the Property in health promotion, wellness, and fitness.

**Education, Recreation, Socialization, and Personal Growth**

PNA offers many education and recreation activities and classes each month. They include computer classes, cell phone mentoring, computer mentoring, and resume classes. Art classes include watercolor and drawing, printmaking, coloring for relaxation, senior stitchers and jewelry making. PNA has speakers on a range of subjects including history

and the humanities. We offer many opportunities for social connection and personal growth including elder culture groups, book groups, movie afternoon, current events group and special topics. Our members also have opportunities to volunteer and stay engage with greater community including our Talk Time Program, our community garden group, and volunteering in the community. In 2019, there were 923 activities at the Property in education, recreation, socialization, and personal growth.

### **Social Services and Support Groups**

GSC has a strong and healthy social services program. Headed by our licensed social worker, programs include one-on-one counseling, family consultations and 9 monthly support groups. The GSC also has a program for people with a diagnosed memory loss including The Gathering Place, a Tuesday and Thursday enrichment program. We also have a Memory Loss Chorus, an Alzheimer's Café and always an additional special program each quarter. Our social worker provides support for caregivers through her counseling and support groups, and twice a year offers Powerful Tools for Caregivers, a six week class that gives tools to support caregivers. This year we are beginning a collaboration with a homeless women's shelter to provide a support group for homeless, aging women. In 2019, there were 297 activities in social services and support groups.

### **Community Gathering and Meeting Spaces**

Rooms at the GSC are available for hourly rentals, in-kind exchanges, and occasionally free use to community groups. Spaces are available for a variety of purposes, including educational, events, meetings, seminars, and retreats. Use of space is open to anyone, regardless of race, religion, sexual orientation, or special abilities. In 2019, PNA rented to 56 groups and individuals.

**Attachment B  
Form of Certificate of  
Assurance of Compliance**

**ASSURANCE OF COMPLIANCE  
WITH  
TITLE VI OF THE CIVIL RIGHTS ACT OF 1964  
AND  
SECTION 504 OF THE REHABILITATION ACT OF 1973**

The Agency provides this assurance in consideration of and for the purpose of obtaining federal grants, loans and contracts (except contracts of insurance or guaranty), property, discounts or other federal financial assistance as an Agency to the City.

The Agency assures that it will comply with:

1. Title VI of the Civil Rights Act of 1964, as amended, 42 USC 2000d et. seq., which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.
2. Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC 794, which prohibits discrimination on the basis of handicap in programs and activities receiving federal financial assistance, and regulations thereunder, 24 CFR Part 8.

The Agency agrees that compliance with this Assurance constitutes a condition of continued receipt of federal financial assistance and that it is binding upon the applicant, its successors, transferees and assignees for the period during which such assistance is provided. The Agency further assures that all Consultants, subcontractors, sub-grantees or others with whom it arranges to provide services or benefits in connection with programs or activities are not discriminating in violation of the above statutes, regulations, guidelines and standards. In the event of failure to comply, the Agency understands that the contract can be terminated and the Agency denied the right to receive further assistance.

**CERTIFICATION**

***I, the undersigned, do hereby certify under penalty of perjury that I am authorized to sign this certification on behalf of the Agency.***

\_\_\_\_\_  
Authorized Official Signature

\_\_\_\_\_  
Date

PHINNEY NEIGHBORHOOD ASSOCIATION, a Washington non-profit corporation  
Agency Name

6532 Phinney Avenue North, Seattle, WA 98103  
Address (Street, State, Zip Code)