

CITY OF SEATTLE

ORDINANCE 126356

COUNCIL BILL 120086

AN ORDINANCE relating to the transfer of City property located at 525 North 85th Street; authorizing the conveyance of the property to the Phinney Neighborhood Association, a Washington non-profit corporation, consistent with the intent of Resolution 31856 and to provide for the continued delivery of social services; making findings of fact about the consideration for the transfer; superseding Resolution 31837 for the purposes of this ordinance; and authorizing the Director of Finance and Administrative Services or designee to execute and deliver documents necessary to carry out the conveyance of such property on the terms and conditions of this ordinance.

WHEREAS, in 1977, The City of Seattle (“City”) purchased a medical clinic on an approximately 22,000-square-foot site located at 525 North 85th Street (“Greenwood Senior Center”) for use as a neighborhood senior center; and

WHEREAS, the purchase money for the Greenwood Senior Center included funds from a community development block grant from the United States Department of Housing and Urban Development and from an award of Referendum 29 funds as administered by the State of Washington Department of Social and Health Services; and

WHEREAS, in 1987 Greenwood Senior Center, Inc. (“GSC, Inc.”), purchased the 3,171-square-foot parcel abutting the east boundary of the Greenwood Senior Center to provide parking for the users of the Greenwood Senior Center; and

WHEREAS, in 1987 the City entered into a long-term mutual and offsetting benefit lease (“GSC Lease”) with Senior Services of Seattle/King County and GSC, Inc., both organizations being non-profit corporations and operating as joint tenants, pursuant to which the tenants paid no cash rent in exchange for a commitment to use the Greenwood Senior Center to provide offsetting public benefits in the form of senior services, and which then converted to a month-to-month lease; and

1 WHEREAS, in 2006, GSC, Inc., and the Phinney Neighborhood Association (PNA), a
2 Washington non-profit corporation, merged, with the PNA acquiring all of GSC, Inc.’s
3 right, title, and interest in (a) the GSC Lease (including GSC, Inc.’s standing as a month-
4 to-month tenant), and (b) the 3,171-square-foot parcel abutting the east boundary of the
5 Greenwood Senior Center; and

6 WHEREAS, pursuant to those certain *Procedures for Evaluation of the Reuse and Disposal of*
7 *the City’s Real Property* (“Disposition Procedures”), as first adopted by Resolution
8 29799 and amended by Resolutions 30862 and 31837, in May 2015 the Department of
9 Finance and Administrative Services (FAS) declared the Greenwood Senior Center
10 excess to its needs; and

11 WHEREAS, in 2016 and 2017, pursuant to the Disposition Procedures, FAS conducted public
12 outreach with respect to the proposed conveyance of the Greenwood Senior Center to the
13 PNA, and in doing so identified no opposition to such conveyance; and

14 WHEREAS, a portion of the funding for the City’s acquisition of the Greenwood Senior Center
15 was provided by Washington State Social and Health Services Facilities 1972 bonds
16 (“1972 Bonds”); and

17 WHEREAS, RCW 43.83.410 permits public bodies to transfer property and facilities acquired
18 and constructed with the 1972 Bonds to non-profit agencies in exchange for the promise
19 to continuously operate services benefitting the public on the site without further
20 consideration; and

21 WHEREAS, as a month-to-month tenant, PNA has continued to use and currently uses and
22 occupies the Greenwood Senior Center property in exchange for mutual and offsetting
23 benefits in the form of social services to older adult residents of the Greenwood

1 neighborhood, including senior programs, classes, events, daily hot lunch program, and
2 social activities; and

3 WHEREAS, in 2018 in Resolution 31856, City Council stated its intention to collaborate with
4 the Executive with the goal of transferring certain properties to non-profit organizations,
5 including PNA, in exchange for commitments to provide services to the community; and

6 WHEREAS, pursuant to that certain 2019 *Memorandum of Agreement Implementing Criteria for*
7 *Initiating Transfer of Mutually Offsetting Facilities to Tenants*, by and amongst six City
8 of Seattle departments and offices (the Department of Finance and Administrative
9 Services, the Office of Planning and Community Development, the Department of
10 Neighborhoods, the Office of Economic Development, the Office of Housing, and the
11 Human Services Department), an interdepartmental team within the City has determined
12 that the proposed new property owner, PNA, in all material respects meets the transfer
13 criteria established by the City for transferring property to tenants who have been
14 operating properties under mutually and offsetting benefit lease agreements; and

15 WHEREAS, FAS and the PNA have entered into an agreement regarding the consideration,
16 terms, and conditions for the City's conveyance of the Greenwood Senior Center to the
17 PNA, subject to the City Council's authorization; NOW, THEREFORE,

18 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

19 Section 1. As used in this ordinance, the "Greenwood Senior Center" means the real
20 property and all easements, privileges, and appurtenant improvements on a site of approximately
21 21,987 square feet located at 525 North 85th Street and legally described as follows:

22 THE NORTH HALF OF LOT 2; AND THE EAST 60 FEET OF LOT 3; BLOCK
23 19, OSNER'S SECOND ADDITION TO SEATTLE, ACCORDING TO THE
24 PLAT THEREOF RECORDED IN VOLUME 12 OF PLATS, PAGE 3, IN KING

1 COUNTY, WASHINGTON, EXCEPT THE SOUTH 110 FEET OF SAID
2 PORTION OF LOT 3.

3 SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON

4 Section 2. The Director of Finance and Administrative Services (“Director”) or the
5 Director’s designee is authorized to convey the Greenwood Senior Center to the Phinney
6 Neighborhood Association (PNA), a Washington non-profit corporation, for consideration and
7 on the terms and conditions described under the Agreement for the Transfer of Real Property
8 between The City of Seattle and the Phinney Neighborhood Association (“PNA Transfer
9 Agreement”), included as Attachment 1 to this ordinance. The Director is authorized to enter into
10 a Subrecipient Agreement in the form of Exhibit A to the PNA Transfer Agreement
11 (“Subrecipient Agreement”) and convey title by deed substantially in the form of the Quitclaim
12 Deed Conveying Determinable Estate with Covenants (“Deed”) that is included as Exhibit B to
13 the PNA Transfer Agreement.

14 Section 3. The City Council finds that (i) the environmental and use covenants in the
15 Deed, (ii) the Subrecipient Agreement requiring compliance with federal funding requirements,
16 and (iii) the reversion of the property to the City if it is not used for the purposes required in the
17 Deed together are sufficient consideration for the transfer of the property to the PNA consistent
18 with the terms of RCW 43.83.410.

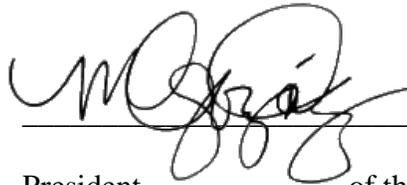
19 Section 4. The City Council finds that the property interests in 525 North 85th Street that
20 are authorized to be conveyed to the PNA on the terms of this ordinance are consistent with
21 municipal purposes, and therefore the surplus property procedures of Resolution 31837 are
22 superseded for the purposes of this ordinance.

23 Section 5. The Director or the Director’s designee is authorized to negotiate, execute,
24 deliver, and record, for and on behalf of the City, any and all documents and agreements

1 necessary or advisable to carry out the conveyance of the Greenwood Senior Center consistent
2 with the terms and conditions of the PNA Transfer Agreement.

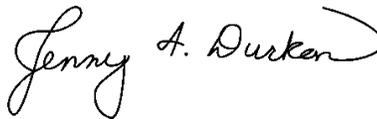
3 Section 6. This ordinance shall take effect and be in force 30 days after its approval by
4 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
5 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

6 Passed by the City Council the 1st day of June, 2021,
7 and signed by me in open session in authentication of its passage this 1st day of
8 June, 2021.

9 

10 President _____ of the City Council

11 Approved / returned unsigned / vetoed this 4th day of June, 2021.

12 

13 Jenny A. Durkan, Mayor

14 Filed by me this 4th day of June, 2021.

15 

16 Monica Martinez Simmons, City Clerk

17 (Seal)

- 1 Attachments:
- 2 Attachment 1 - Agreement for the Transfer of Real Property between The City of Seattle and the
- 3 Phinney Neighborhood Association
- 4 Exhibit A - Form of Subrecipient Agreement
- 5 Exhibit B - Form of Quitclaim Deed Conveying Determinable Estate with Covenants

AGREEMENT FOR THE TRANSFER OF REAL PROPERTY (the “Agreement”)

EFFECTIVE DATE: _____ (see Section 9.G.B. for provisions governing the Effective Date)

PARTIES

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

RECITALS

- A. The City owns that certain real property having a street address of 525 North 85th Street, Seattle, WA 98103, and legally described as follows:

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,

which real property, including appurtenant improvements, is referred to in this Agreement as the “Real Property.”

- B. Effective January 1, 1987, the City, as landlord, and the Greenwood Senior Center, a Washington non-profit corporation, as tenant, entered into that certain *Mutual and Offsetting Benefit Lease Agreement*, whereby the City leased the Real Property to the Greenwood Senior Center (the “Lease”).
- C. The PNA is the successor-in-interest to the Greenwood Senior Center under the Lease. The initial term of the Lease expired and as of the Effective Date, PNA occupies the Real Property on a month-to-month basis on the terms and conditions of the Lease for the purposes of operating a senior center.
- D. The City acquired the Real Property, in part, using funds provided through the 1972 social and health services bond issuance of the State of Washington (“Ref. 29 Bonds”).
- E. Under RCW 43.83.410, public bodies are authorized to transfer real property acquired or improved through Ref. 29 Bonds to nonprofit corporations organized to provide individuals with social and health services subject to certain promises and covenants.

- F. In addition to funding provided under Ref. 29 Bonds, City’s acquisition of the Real Property was funded, in part, by a United States Community Development Block Grant, and as a result City’s transfer of the Real Property is subject to certain federal requirements.
- G. Pursuant to City of Seattle Resolution 31856 and that certain 2019 *Memorandum of Agreement/Implementing Criteria for Initiating Transfer of Mutually Offsetting Facilities to Tenants* by and amongst various City of Seattle departments and offices, an interdepartmental team within the City of Seattle has determined that the PNA in all material respects meets the transfer criteria established by the City for transferring property to tenants who have been operating properties under mutually and offsetting benefit lease agreements.
- H. Consistent with the intent of Resolution 31856, the City and PNA mutually desire to enter into a binding agreement for the City’s transfer and conveyance of the Real Property to PNA.

AGREEMENT

In consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and PNA agree as follows:

1. The **RECITALS** are made a part of this Agreement.
2. **TRANSFER OF THE PROPERTY.** Subject to the terms and conditions of this Agreement, the City shall transfer and convey to PNA, and PNA agrees to accept from the City, the Real Property together with any and all personal property owned by the City and located within or used in connection with the Real Property, including any and all furniture, furnishings, fixtures, appliances, heating, air conditioning and cooling units or systems, sign and boilers. Such personal property, together with the Real Property, is collectively referred to in this Agreement as the “**Property**”.
3. **CONSIDERATION.** Consideration for the City’s transfer and conveyance of the Property to PNA shall be as provided in this Section 3.
 - A. **Covenants.** PNA shall promise and covenant, for and on behalf of itself and its successors and heirs, as follows:
 - i. PNA shall use the Property to continuously provide and operate social services to the public with a focus on meeting the social, physical, and mental health and welfare needs of seniors. Additionally, if PNA redevelops the Property or otherwise expands or constructs additional improvements on the Property, the improvements shall be dedicated to providing social services, which may be combined with affordable housing.

- ii. PNA shall assume all environmental risk associated with the property and shall indemnify the City from all environmental liabilities arising from the Property. In the event ownership of the Property reverts to the City, PNA's obligation shall not apply to the extent any environmental liability that results from any release, contamination or occurrence that occurs after the date of any reversion if the release or contamination is through no fault or action of PNA or its employees, agents, contractors, licensees, tenants, or invitees.
- iii. Title shall automatically revert to the City if (i) the Subrecipient Agreement (defined below) is terminated for material default under its terms, or (ii) if the Property is not used to meet a national objective set forth in 24 CFR section 570.208 for the recapture period required under the Subrecipient Agreement, or (iii) if the Property reverts under the terms of RCW 43.83.410.
- iv. PNA's covenants and promises shall be included in the Deed (defined in Section 8) and shall run with the land and shall bind future owners of the Property. PNA shall not sell the Property except as permitted under the Deed.

B. Subrecipient Agreement. On or before Closing, PNA shall execute a Subrecipient Agreement in the form attached as **Exhibit A** ("**Subrecipient Agreement**").

4. "AS-IS"; CITY DISCLOSURE STATEMENT; PNA ACKNOWLEDGEMENT OF CERTAIN CONDITIONS.

A. AS-IS Condition. PNA is in possession of the Property, is familiar with the Property and understands its limitations and defects. Therefore, except as expressly set forth in this Agreement:

- i. PNA acknowledges that City is transferring and conveying the Property "**AS-IS**" with all faults, and that City makes no representations or warranties regarding the Property or its suitability for PNA's intended use, and that City will convey the Property and PNA will accept the Property subject to any defects, including but not limited to easements, encroachments or claims for adverse possession, whether known or unknown, matters of public record, and off-record liens, if any.
- ii. Neither City nor any agent, employee, officer, director, attorney, broker, contractor, representative or property manager of City has made, and City specifically disclaims, any warranties, representations or guaranties of any kind or character, express or implied, statutory, oral or written, past, present or future, with respect to the Property.
- iii. PNA acknowledges that it has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of City (except those provided for in this Agreement) or any of its respective agents, employees,

officers, directors, attorneys, brokers, contractors, representatives or property managers and acknowledges that no such representations have been made.

- iv. The Property is conveyed subject to all existing easements, covenants, restrictions, conditions, reservations, exceptions, and agreements, recorded and unrecorded, and the City makes no warranties of any kind as to the title of the Property.

B. City will furnish a Seller disclosure statement, as required pursuant to RCW CH. 64.06.

C. PNA acknowledges receipt of the following: (i) GeoEngineers' Greenwood Senior Center Property Phase I Environmental Site Assessment dated September 11, 2013, and (ii) the SoundEarth Letter Report dated February 20, 2015.

5. REPRESENTATIONS AND WARRANTIES

A. City's Representations and Warranties. For purposes of the representations and warranties in subsections 5.a.i.-v., "the City Representative" is Karen Gruen. City represents and warrants to PNA as of the Effective Date, as follows:

- i. Seller is a municipal corporation duly organized and validly existing under the laws of the state of Washington.
- ii. City has the authority to enter into this Agreement and, as of Closing, to complete the transaction contemplated by this Agreement.
- iii. Entering into this Agreement does not conflict with any other contract or legal obligation of Seller.
- iv. To the best of City Representative's knowledge, there are no actions, suits or other legal proceedings pending or threatened against City with respect to the Property.
- v. The City Representative has not received written notice that City is in default under any covenants, easements, deeds, regulations, laws, rules, ordinances, orders, or restrictions affecting or encumbering the Property.

B. PNA's Representations and Warranties. PNA hereby represents and warrants to City that as of the Effective Date:

- i. PNA is a duly organized and validly existing entity under the laws of the State of Washington.

- ii. PNA has obtained all necessary approvals to enter into this Agreement, and, as of Closing, to complete the transaction contemplated by this Agreement.
- iii. Entering into the Agreement does not conflict with any other contract or legal obligation of PNA.
- iv. PNA is in possession of the Property and PNA has not granted any other party, affiliate, subtenant, or licensee a right to use and possession of the Property in a manner that conflicts with the use under the Deed or the Subrecipient Agreement.
- v. PNA (a) has not filed a petition in bankruptcy, (b) is not the subject of a petition in bankruptcy, (c) does not have a trustee or receiver appointed with respect to PNA's assets, (d) has not assigned assets for the benefit of creditors, (e) has not received notice of default, trustee's sale, foreclosure or forfeiture.

6. ACCESS AND DUE DILIGENCE. As of the Effective Date, the PNA is in possession of the Property pursuant to the Lease and has sufficient access to the Property and information regarding the Property to enable PNA to complete due diligence prior to entering into this Agreement without need of an additional due diligence period.

7. ESCROW. The Parties appoint Chicago Title Company, 701 Fifth Avenue, Suite 2700, Seattle WA 98104 as the Escrow Agent (referred to elsewhere in this Agreement as the "Escrow Agent") for the transfer and conveyance of the Property.

8. FORM OF DEED. At Closing, City shall convey the Property to PNA by quitclaim deed in the form attached as **Exhibit B** (the "**Deed**").

9. CONDITIONS TO CITY'S AND PNA'S PERFORMANCE

A. City's Closing Conditions. The obligation of the City to close the transaction contemplated by this Agreement is subject to the following closing conditions, any of which the City may waive, in whole or in part:

- i. PNA shall have delivered to Escrow Agent all funds, documents and instruments required to be delivered by PNA hereunder.
- ii. PNA shall have performed in all material respects all covenants and obligations required by this Agreement to be performed by PNA on or prior to Closing.
- iii. PNA's representations and warranties in Section 5 of this Agreement are true and correct as of the Closing date.

B. PNA's Closing Conditions. PNA's obligation to close the transaction contemplated by this Agreement is subject to the following closing conditions, any of which PNA may waive in whole or in part:

- i. Ratification of this Agreement by the PNA’s board of directors.
- ii. City shall have delivered to Escrow Agent all documents and instruments required to be delivered by City hereunder.
- iii. City shall have performed in all material respects all covenants and obligations required to be performed by City on or prior to Closing.
- iv. City’s representations and warranties in Section 5 of this Agreement are true and correct as of the Closing date.

**10. CLOSING; CLOSING DELIVERABLES; CLOSING COSTS/PRORATIONS;
OBLIGATION FOR LEASEHOLD EXCISE TAX**

A. Closing.

- i. The Closing Date will be a mutually agreed-upon date following the effective date of a Seattle City Council ordinance authorizing the transfer of the Property; ; provided that, City may extend the Closing Date for up to ninety (90) days if needed to secure the necessary authorizing legislation.
- ii. “**Closing**” will be deemed to have been completed when the Deed is recorded by the King County Recorder’s Office.

B. City’s Closing Deliverables. On or before the Closing Date, City shall deposit with Escrow Agent the following:

- i. The Deed, executed by the City;
- ii. The City’s executed counterpart of the Subrecipient Agreement;
- iii. Certification that City’s representations and warranties are true and correct;
- iv. Real Estate Excise Tax Affidavit in form required by law;
- v. Seller’s certification of Non-Foreign Status under Foreign Investment in Real Property Tax Act (26 U.S.C. 1445); and
- vi. Any mutually agreed-upon assignment of services contracts.

C. PNA's Closing Deliverables. On or before the Closing Date, PNA shall deposit with the Escrow Agent the following:

- i. Certification that PNA's representations and warranties are true and correct as of Closing;
- ii. Executed Subrecipient Agreement;
- iii. Executed Real Estate Excise Tax Affidavit in form required by law; and
- iv. PNA's executed acceptance of Deed.

D. Closing Costs/Prorations.

- i. PNA and the City shall share equally all costs associated with the transfer and conveyance of the Property, including recording fees and real estate excise tax (if any). PNA shall be responsible for the cost of an owner's policy of title insurance (whether it provides standard coverage or extended coverage).
- ii. Real and personal property taxes, assessments, and charges payable in the year of Closing will be pro-rated as of Closing Date. PNA acknowledges that pursuant to RCW 84.36.010 the Real Property is not currently subject to property tax because City is a public entity, and that the Real Property will become subject to taxation when PNA acquires it. City calls PNA's attention to the fact that the Real Property is subject to miscellaneous charges (e.g., a charge for surface water), even though Property is exempt from taxation pursuant to RCW 84.36.010(1). Such miscellaneous charges will be pro-rated at Closing.
- iii. **Leasehold Excise Tax.** In the event the State of Washington makes any demand upon the City for payment of leasehold excise taxes resulting from the PNA's occupation of the Property under the Lease (including possession of the Property by the PNA's predecessors-in-interest under the Lease) or withholds funds due to the City to enforce collection of leasehold excise taxes, the PNA shall, at its sole expense, defend and indemnify the City from all such demands, and if necessary repay City for all sums expended by the City, or withheld by the State from the City, in connection with such taxation; provided that this shall not prevent PNA from contesting such action, at PNA's sole cost. The obligations of this Section shall survive Closing.

E. RELEASE AND INDEMNITY. City's willingness to enter into this Agreement is conditioned, in part, on PNA's agreement to take the Property AS-IS and PNA's covenant to release and indemnify City from environmental liabilities arising from the Property as provided under the terms and conditions of the environmental covenant in the Deed.

F. BROKERS

The City represents and warrants that, in the context of the transaction contemplated by this Agreement, it is not represented by a real estate broker. Similarly, PNA represents and warrants that in the context of the transaction contemplated by this Agreement, it is not represented by a real estate broker. If any person or entity makes a claim for a brokerage commission or finder's fee of any kind, then the party through whom or on whose behalf such services are claimed shall defend and indemnify the other party from any claims, costs or fees for unpaid broker's fees or commissions.

G. MISCELLANEOUS

- A. Notices.** Any notice required or permitted to be delivered under this Agreement must be in writing and will 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 City and/or PNA shall be delivered as follows:

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

With Copy sent via email to:
Rebecca Keith
Seattle City Attorney's Office
Rebecca.Keith@seattle.gov

Note: If delivering notice to City 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 PNA: PHINNEY NEIGHBORHOOD ASSOCIATION
Attention: Christi Beckley, Executive Director
6532 Phinney Avenue North
Seattle, WA 98103
Telephone: 206-783-2244

- B. Effective Date.** The “**Effective Date**” of this Agreement is the date the last party to execute this Agreement executes it, as represented by the date appearing below each party’s signature. Each party authorizes the endorsement of such date for administrative reference in the space provided in the Agreement’s heading.
- C. Entire Agreement.** This Agreement, including exhibits, constitutes the entire agreement of the City and PNA with respect to the Property and supersedes all written or oral agreements or undertakings. This Agreement may be modified only pursuant to a writing signed by both parties.
- D. Negotiated Agreement.** This Agreement has been negotiated by the parties and each party has had the opportunity to review it with legal counsel and to participate in the drafting. It shall be construed according to the fair intent of the language as a whole, and not for or against either party as the drafting party.
- E. No Assignment.** PNA may not assign its interest in this Agreement to any other party, without the City’s prior written consent, which the City may withhold in its sole and absolute discretion.
- F. No Third-Party Beneficiaries.** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies on any person other than the parties to this Agreement, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third-party, nor shall any provision give any third-party any right of subrogation or action against any party to this Agreement.
- G. Attorney Fees.** In the case of any legal action or dispute arising under this Agreement, each party will bear its own attorney fees and costs.
- H. Further Acts.** City and PNA will each execute and deliver such additional documents and instruments and take such further actions as may be reasonably necessary to carry out the Agreement’s terms and conditions.
- I. Time** is of the essence.
- J. Subject to the Approval of the Seattle City Council.** Final decisions regarding the disposal of the City’s real property require authorization by the Seattle City Council.

K. Governing Law; Jurisdiction and Venue. This Agreement shall be governed by the laws of the State of Washington. Jurisdiction and venue shall be in the Superior Court for the State of Washington – King County.

L. Counterparts and Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed to be one agreement. This Agreement may be executed pursuant to original or facsimile copies of signatures, with the same effect as if the parties had signed the document pursuant to original signature.

CITY:

THE CITY OF SEATTLE
Department of Finance and Administrative
Services

By: _____
Michelle Reed

Title: Chief Operating Officer

Date: _____

PNA:

PHINNEY NEIGHBORHOOD
ASSOCIATION, a Washington nonprofit
corporation

By: _____
Printed Name: Christi Beckley

Title: Executive Director

Date: _____

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)

Exhibit B
Form of Deed

Return Address:

PHINNEY NEIGHBORHOOD ASSOCIATION
Attention: Christi Beckley, Executive Director
6532 Phinney Avenue North
Seattle, WA 98103

**Please print or type information WASHINGTON STATE RECORDER'S Cover Sheet
(RCW 65.04)**

<p>Document Title(s) (or transactions contained therein): (all areas applicable to your document must be filled in)</p> <p style="text-align: center;">1. QUIT CLAIM DEED CONVEYING DETERMINABLE ESTATE WITH COVENANTS</p>
<p>Reference Number(s) of Documents assigned or released:</p> <p style="text-align: center;">NONE</p>
<p>Grantor(s) (Last name, first name, initials)</p> <p>CITY OF SEATTLE, a Washington municipal corporation</p>
<p>Grantee(s) (Last name first, then first name and initials)</p> <p>PHINNEY NEIGHBORHOOD ASSOCIATION, a Washington non-profit corporation</p>
<p>Legal description (abbreviated: i.e. lot, block, plat or section, township, range)</p> <p>N ½ of 2 and E 60 FT of 3, Block 19, Osner's 2d Add, King County, WA</p>
<p>Assessor's Property Tax Parcel/Account Number <input type="checkbox"/> Assessor Tax # not yet assigned</p> <p>643050-0322</p>
<p>The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.</p>

QUIT CLAIM DEED CONVEYING DETERMINABLE ESTATE WITH COVENANTS
(the “**Deed**”)

This Deed conveys real property located in King County, Washington legally described as follows:

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 (the “Property”).

For good and valuable consideration, the receipt of which is hereby acknowledged, **THE CITY OF SEATTLE (“Grantor”)**, a Washington municipal corporation, hereby conveys and quitclaims to the **PHINNEY NEIGHBORHOOD ASSOCIATION (“Grantee”)**, a Washington non-profit corporation, all Grantor’s right, title and interest in the Property, other than the rights expressly reserved in this Deed, for: (i) so long as the Property is used as a non-profit senior center to provide social services in compliance with the Covenant for Use of the Property in Section B below; and (ii) so long as any additional development or expansion of improvements on the Property is limited to improvements dedicated to senior services facilities, affordable housing, or both; and at such time when the Property is no longer used as provided in this Deed, the Property shall revert to Grantor and its heirs and successors. By acceptance of this Deed and signature below, the Grantee hereby binds itself and its successors and assigns, grantees, and lessees forever to use the Property as provided in this Deed, and further covenants as follows:

A. Environmental Covenant

1. The Property is conveyed AS-IS, WHERE-IS, WITH-ALL-FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR THE GRANTEE’S INTENDED USES AND PURPOSES. Grantee acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property. Grantee assumes Grantor’s responsibility for all environmental conditions of the Property, known or unknown, including but not

limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance (defined below) or other environmental contamination relating to the Property. Grantee also hereby releases and shall indemnify, defend, and hold Grantor and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties and costs assessed by any regulatory agency, fees, damages, losses, expenses (including but not limited to attorneys' fees, contractors' and consultants' fees and costs), and liabilities arising out of, or in any way connected with, the condition of the Property, including but not limited to any alleged or actual past, present or future presence, release or threatened release of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Grantee shall so indemnify Grantor and such personnel without regard to any fault or responsibility of Grantor or Grantee. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns.

2. For purposes of this Environmental Covenant, the term "Hazardous Substance" shall mean petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; underground or above-ground storage tanks; or any substance or material that is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup.
3. Grantee's release shall include both claims by Grantee against Grantor and cross-claims against Grantor by Grantee based upon claims made against Grantee by any and all third parties. The obligation to indemnify and defend shall include, but not be limited to, any liability of Grantor to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns. This release means that Grantee accepts the Property "as-is, where-is and with-all-faults," and that Grantee assumes all responsibility of Grantor to investigate, remove and remediate any environmental conditions on the Property and has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the Property.
4. Grantor shall have the right to defend itself and seek from Grantee recovery of any damages, liabilities, settlement awards and defense costs and expenses incurred by Grantor if Grantee does not accept unconditionally Grantor's tender to Grantee of the duty to investigate, remove and/or remediate environmental conditions on the Property and/or defend and indemnify Grantor against any such claim, suit, demand, penalty, fee, damages, losses, cost

or expense. This Covenant shall apply regardless of whether or not Grantee is culpable, negligent or in violation of any law, ordinance, rule or regulation. This Covenant is not intended, nor shall it, release, discharge or affect any rights or causes of action that Grantor or Grantee may have against any other person or entity, except as otherwise expressly stated herein, and each of the parties reserves all such rights including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.

B. Covenants Regarding Use of the Property:

1. The Property shall be continuously owned and used by a non-profit organization that shall use the Property to provide social services for the public, focusing on needs of seniors. Additionally, the Property shall be used in compliance with the Subrecipient Agreement between The City of Seattle and Phinney Neighborhood Association dated as of the same date herein (the “Subrecipient Agreement”) for the full term of the Subrecipient Agreement, including the five year recapture period following its expiration.
2. Title shall automatically revert to the City if the Property is not owned and used by a non-profit organization to provide social services programs for the public.
3. Title shall automatically revert to the City if the Subrecipient Agreement is terminated early for material default.
4. For purposes of this Deed, “social services” means services consistent with the Subrecipient Agreement (during its term) and RCW 43.83.410. For purposes of this Deed, “affordable housing” means housing development that creates and maintains housing units on the Property with a mix of units that are affordable to households with income levels up to 80% of area median income and with a majority of units serving households with incomes up to 60% of adjusted median income.
5. Services targeted to meet the needs of seniors may include but not be limited to:
 - a. Health services and wellness programs;
 - b. Assistance and support for accessing benefits available to low-income seniors;
 - c. Low cost meals and nutritional support;
 - d. Fitness and recreation programs;
 - e. Social and educational gatherings; and
 - f. Affordable housing.
6. Grantee is authorized to sell the Property only if all the following conditions are satisfied: (a) the sale must be subject to prior written approval by the Grantor and, if applicable, the State of Washington; (b) all proceeds from such a sale must be applied to the purchase price of a different property or properties of equal or greater value than the Property; and (c) (i) any new property or properties must be used for the purposes stated in Section B and the new property or properties must be available for use within one year of sale or (ii) the nonprofit organization must enter into an agreement with Grantor to reimburse Grantor for

the value of the Property at the time of the sale if the nonprofit organization ceases to use the new property for the purposes described in Section B.1.

7. Nothing herein shall preclude use of the Property for fundraising activities to benefit the primary purposes of the Grantee.

C. Additional Covenants

1. With the prior written consent of Grantee (which shall not be unreasonably withheld), Grantor shall have the right to enter the Property during weekday business hours for the purpose of making inspections of the property to determine if there is compliance by Grantee with the terms of this Deed. Grantee shall not request inspection more than annually unless Grantee has reasonable cause to believe there is a violation of one or more covenant in this Deed.
2. After expiration of the Subrecipient Agreement, the Grantee shall annually, no later than March 31, if requested in writing by the Director, submit to the Director of Finance and Administrative Services, or the head of any successor agency, certification that it has used the Property consistent with the covenants and limitations of this Deed.
3. If the Property reverts to Grantor, then Grantor will execute in favor of Grantee a Deed covenant release, notice of reversion, or similar document relating to such reversion that will include environmental covenants which will be effective on a prospective basis after the date of such reversion or reconveyance to release Grantee from any subsequent environmental liabilities, excluding any environmental conditions that may have been created or caused by Grantee while it owned the Property.
4. Grantee shall use the Property in compliance with all municipal, county, state and federal laws, ordinances and regulation and 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, and rules, regulations, orders and directives of the associated administrative agencies and their officers.
5. Grantee shall comply with all applicable provisions of the Americans with Disabilities Act of 1990 (ADA) in use of the Property and provision of services required by this Deed.
6. Grantee shall not deny an otherwise qualified individual any services anticipated by or required under this Agreement on the grounds of race, color, sex, religion, national origin, creed, marital status, age, sexual orientation, political ideology, ancestry, or the presence of any sensory, mental or physical handicap. Grantee shall not discriminate on any of the foregoing grounds in the awarding of any contract, in the provision of services required by this Deed.

D. Notice and Remedy

1. The provisions in this Section D shall apply following the expiration of the Subrecipient Agreement and shall not in any way amend, limit, or otherwise require the Grantor to take any action with respect to the reversion of the Property to Grantor and Grantor's heirs and assigns at such time as the Property is no longer used as provided in the granting clause above and Section B. This section applies to any breach of one of more of the Covenants in Section A and C ("Deed Requirement").
2. If Grantor reasonably determines that the Grantee is in violation of any Deed Requirement or that a violation is likely to occur, Grantor shall give written notice to Grantee of such violation and demand specific corrective action in writing sufficient to cure the violation.
3. Grantor may bring an action as provided in Section D.4 if Grantee:
 - a. Fails to cure a violation of any Deed Requirement within thirty (30) days after receipt of written notice thereof from Grantor; or
 - b. Under circumstances where the violation cannot reasonably be cured within the thirty (30) day period, fails to begin curing such violation within the thirty (30) day period, or fails to diligently pursue the cure to completion.
4. Grantor may bring an action at law or in equity, or both, to enforce the terms of the Deed Requirement, to enjoin the violation, ex parte as necessary and as allowed under the applicable civil rules, by temporary or permanent injunction. All such actions for injunctive relief may be taken without Grantor being required to post bond or provide other security.
5. Grantor's remedies described in this Section D shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.
6. Enforcement of the Deed Requirements shall be at the discretion of the Grantor in accordance with the terms of this Section D. Any forbearance by Grantor to exercise its rights under this Deed shall not be deemed or construed to be a waiver by Grantor of such term or of any of Grantor's rights under this Deed, including the reversion of the Property. Grantor's delay or omission in the exercise of any right or remedy upon any breach by Grantee shall not impair such right or remedy or be construed as a waiver.
7. Nothing contained in this Section D shall be construed to entitle Grantor to bring any action against Grantee to abate, correct, or restore any condition on the Property or to recover damages for any injury to or change in the Property resulting from actions by a trespasser upon the Property or causes beyond Grantee's control, including, without limitation, civil unrest, epidemic, natural disaster, fire, flood, storm, pest infestation, earth movement, and climate change, and from any prudent action taken by Grantee under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes. The Property is conveyed subject to all existing easements, covenants, restrictions, conditions, reservations, exceptions, and agreements, recorded and unrecorded, and the Grantor makes no warranties of any kind as to the title of the Property.

The Property is conveyed subject to all existing easements, covenants, restrictions, conditions, reservations, exceptions and agreements, recorded and unrecorded, and the Grantor makes no warranties of any kind as to the title of the Property.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed.

<p>GRANTOR: THE CITY OF SEATTLE, a Washington municipal corporation</p> <p>By: _____ Michelle Reed</p> <p>Title: Chief Operating Officer, Finance and Administrative Services</p> <p>Date: _____</p>	<p>GRANTEE: Phinney Neighborhood Association, a Washington non-profit corporation</p> <p>By: _____ Christi Beckley</p> <p>Title: Executive Director</p> <p>Date: _____</p>
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This Quit Claim Deed is executed and delivered pursuant to City of Seattle Ordinance _____.

Page __ of __

[Notary page follows]

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Michelle Reed** known to me (or proved to me on the basis of satisfactory evidence) to be the **Chief Operating Officer of Finance and Administrative Services of The City of Seattle**, the municipal corporation named in and which executed the foregoing document, and stated on oath that he was authorized to execute the foregoing document on behalf of said municipal corporation and signed the same as the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned.

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

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 _____, 2021, before me, personally appeared **Christi Beckley**, to me known to be the _____ of **Phinney Neighborhood Association**, the Washington non-profit corporation who executed the foregoing instrument, and acknowledged the same to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute such document for and on behalf of said corporation.

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

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