

CITY OF SEATTLE
ORDINANCE 126331
COUNCIL BILL 120058

AN ORDINANCE relating to the Office of Housing (OH); authorizing the acceptance of a transfer of real property in Southeast Seattle for the purpose of development of affordable housing and other related uses, and for general municipal purposes; placing the property under the jurisdiction of OH; and ratifying and confirming certain prior acts.

WHEREAS, the Central Puget Sound Regional Transit Authority (“Sound Transit”), a Washington municipal corporation, is the owner of certain surplus real property located in Seattle, Washington, further described in the Real Property Transfer Agreement attached as Exhibit A to this ordinance and incorporated by this reference (the “Property”). The Property is comprised of 16 individual tax parcels grouped into ten development sites; and

WHEREAS, pursuant to RCW 81.112.350, Sound Transit has additional power to further equitable Transit-Oriented Development (TOD) goals by disposing of surplus property to certain qualified entities on the express condition that such surplus property is developed and operated as affordable housing consistent with the requirements of RCW 81.112.350; and

WHEREAS, Sound Transit acquired all of the subject parcels except for one (parcel ID #4281400385-00) in part with funding provided by the Federal Transit Administration (FTA). Sound Transit and OH approached FTA about transferring the properties to The City of Seattle for affordable housing, particularly to increase the supply of affordable homeownership opportunities in the Rainier Valley. On September 9, 2020, following publication in the Federal Register, the FTA Region X office approved the transfer of the properties pursuant to 49 USC 5334(h). The approval allows Sound Transit to transfer the

1 properties to The City of Seattle with discharge of the repayment obligation to FTA,
2 provided the properties remain in their permitted use for at least five years. As part of the
3 Real Property Transfer Agreement described below, Sound Transit and OH agree to
4 comply with the FTA letter of approval and to cooperate with any requests for
5 information by FTA in connection with FTA’s approval of the transfer and monitoring
6 for compliance; and

7 WHEREAS, the City has previously appropriated to OH \$10 million for affordable
8 homeownership opportunities, and OH will invest those resources in development at the
9 Property; and

10 WHEREAS, Sound Transit Board adopted Motion 2021-08 authorizing Sound Transit to enter
11 into the Real Property Transfer Agreement described below; and

12 WHEREAS, Sound Transit and OH have executed the Real Property Transfer Agreement
13 described below, subject to City Council approval; NOW, THEREFORE,

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

15 Section 1. The Director of the Office of Housing or the Director’s designee (“OH
16 Director”) is authorized on behalf of The City of Seattle (i) to enter into the Real Property
17 Transfer Agreement attached to this ordinance as Exhibit B to Exhibit A, and to enter into
18 amendments or modifications thereto consistent with the intent of the Agreement, (ii) to execute
19 such documents as deemed necessary to accept the Property from Sound Transit, together with
20 all rights, privileges, and other property pertaining thereto, for the purpose of developing
21 affordable housing for households at or below 80 percent of area median income and for other
22 related purposes, and for general municipal purposes, and (iii) to execute such other documents
23 and to undertake all necessary actions and obligations described or anticipated in the Real

1 Property Transfer Agreement, including any covenants required by the Real Property Transfer
2 Agreement.

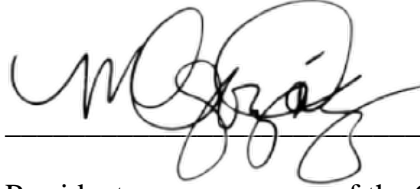
3 Section 2. Upon acceptance the Property shall be under the jurisdiction of the Office of
4 Housing.

5 Section 3. Any act consistent with the authority of this ordinance taken after its passage
6 and prior to its effective date is ratified and confirmed.

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

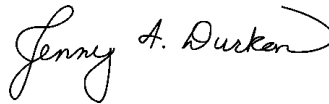
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1 Passed by the City Council the 10th day of May, 2021,
2 and signed by me in open session in authentication of its passage this 10th day of
3 May, 2021.

4 

5 President _____ of the City Council

6 Approved / returned unsigned / vetoed this 13th day of May, 2021.

7 

8 Jenny A. Durkan, Mayor

9 Filed by me this 13th day of May, 2021.

10 

11 Monica Martinez Simmons, City Clerk

12 (Seal)

13 Attachments:

14 Exhibit A - Real Property Transfer Agreement

15 Exhibit A, Exhibit A - The Property

16 Exhibit A, Exhibit B - Form of Deed

17 Exhibit A, Exhibit C - Form of Affordable Housing Covenant

18 Exhibit A, Exhibit D - Form of Restrictive Covenant

REAL PROPERTY TRANSFER AGREEMENT

This Real Property Transfer Agreement (the “*Agreement*”) is made and entered into between THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing (“*Buyer*” or “*OH*”), and CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington municipal corporation (“*Seller*” or “*Sound Transit*”).

RECITALS

A. Seller is the owner of certain real property located in Seattle, Washington further described on Exhibit A attached hereto and incorporated by this reference (the “Property”). The Property is comprised of 16 individual tax parcels grouped into ten development sites (each a “Site” and collectively, the “Sites”).

B. By Resolutions R2020-16 and R2015-07, the Sound Transit Board of Directors approved a declaration of surplus property for the Property.

C. Sound Transit adopted a Transit-Oriented Development (TOD) Program Strategic Plan and TOD Policy, each as amended and updated from time to time, which policy and strategic plan provide the foundation for how Sound Transit approaches integrating transit infrastructure and local and regional land use development when disposing of surplus properties. Pursuant to RCW 81.112.350, Sound Transit has additional power to further equitable Transit-Oriented Development (“TOD”) Goals by disposing of surplus property to certain qualified entities on the express condition that such surplus property is developed and operated as affordable housing consistent with the requirements of RCW 81.112.350.

D. Sound Transit acquired all of the subject parcels except for one (parcel ID # 4281400385-00) in part with funding provided by the Federal Transit Administration (FTA). Sound Transit and OH approached FTA about transferring the properties to the City of Seattle for affordable housing, particularly to increase the supply of affordable homeownership opportunities in the Rainier Valley. On Sept. 9, 2020, following publication in the Federal Register, the FTA Region X office approved the transfer of the properties pursuant to 49 USC 5334(h). The approval allows Sound Transit to transfer the properties to the City of Seattle with discharge of the repayment obligation to FTA, provided the properties remain in their permitted use for at least 5 years. Sound Transit and OH agree to comply with the FTA letter of approval and to cooperate with any requests for information by FTA in connection with FTA’s approval of the transfer and monitoring for compliance.

E. Buyer desires to acquire from Seller and Seller desires to convey to Buyer the Property (as hereinafter defined) on the terms and conditions set forth below for the purpose of making the property available for the development of affordable housing.

AGREEMENT

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

ARTICLE I. PROPERTY

Seller hereby agrees to convey and quitclaim to Buyer, and Buyer hereby agrees to acquire from Seller, the following Property subject to the terms and conditions set forth herein:

1.1 Property. That certain real property described on *Exhibit A* attached hereto and incorporated by this reference (the "**Property**").

ARTICLE II. CONSIDERATION AND BUYER OBLIGATIONS

2.1 Consideration. The Property will be transferred at no monetary cost but in consideration for Buyer's fulfillment of development and community benefit obligations as set forth in this Agreement.

2.2 Request for Proposals. The Office of Housing shall complete a Request for Proposals (RFP) Process with the goal of achieving the following project milestones:

(a) All 10 Sites will be made available for development of Resale-Restricted Homes (as defined below) within 10 years of the date of transfer to OH, requiring developers to create between 100 and 150 homes across all Sites, for sale or rent to income-eligible households. OH will determine the final number of homes per Site following a community engagement process that will, in part, inform decisions regarding the number of bedrooms per home at each development, provided that the number of homes across all Sites shall not be less than 100. The intent of this range is to maximize the density on each Site and provide the largest number of affordable homes possible, while working to fulfill the previously identified community priority for "family-sized homes", understanding that homes with more bedrooms will limit the unit development capacity at each Site.

(b) Resale-Restricted Homes are homes that are subject to recorded restrictions intended to require that, for a period of at least 50 years, upon resale, the homes must be sold to eligible homebuyers at a sales price that is likely to be affordable to a Low-Income homebuyer. Resale restrictions must be in the form of a ground lease, covenant, or other recorded document approved by OH and are in addition to the Affordable Housing Covenant reserved by Sound Transit.

(c) The first 3 Sites will be made available for affordable housing development via a Request for Proposal process which is published within 180 days of the transfer of the Property to OH.

(d) OH agrees to make the Sites available to developers via a series of RFPs for the creation of long-term affordable housing that meets the requirements of RCW 81.112.350. In conjunction with publication of these RFPs OH shall conduct affirmative outreach to developers and/or homebuyer readiness organizations led by and/or serving communities of color.

2.3 OH Funding Commitment. The Office of Housing will make a minimum of \$10 million in funding available for the development of the Property for affordable housing. OH shall make the OH funding available for each Site according to a formula that allocates funding on a per unit basis. OH funding will be in accordance with its policies and procedures, which currently allow for funding of affordable units as follows:

- i. \$70,000 per unit for two-bedroom units or smaller
- ii. \$100,000 per unit for three-bedroom units or larger

These per-unit amounts may be modified to reflect changes to the City of Seattle's Housing Funding Policies but the total OH funding commitment will not be less than \$10 million. OH will review development proposals for financial feasibility and conformance to City policies.

2.4 Green Building. Projects developed on the Sites will be required to meet:

- i. Evergreen Sustainable Development Standard v3.0.1 (2018 update),
or
- ii. LEED Mid-rise v4 or LEED Residential v4.1 Gold level and meet
ESDS requirement: 5.1A Building Performance Standard – New
Construction, or
- iii. An approved equivalent green-building standard, approved by Sound
Transit and OH.

2.5 Sound Transit Participation in RFP Process. Sound Transit reserves the right to review and comment on a draft of each RFP. OH will provide Sound Transit with at least 10 business days to provide comments. OH will consider Sound Transit's comments in good faith but is not obligated to accept Sound Transit's comments on any RFP other than comments that affect OH's compliance with this Agreement or the Covenants. Sound Transit also reserves the right to have one staff member participate as part of the proposal evaluation committee for each RFP.

2.6 Reporting. Sound Transit will receive a quarterly report from OH summarizing any milestones associated with the solicitation and an annual report each year until all housing units across the Sites are built and occupied. Such annual report will include the number of units constructed or planned for construction and the amount of OH funding expended or pledged to date.

2.7 Community Engagement. Additionally, OH shall make a good faith effort to achieve the goals for this project identified through the joint equitable engagement efforts conducted during the summer of 2019, including:

- i. Drafting RFPs that request various community priorities such as
family-sized units for the sites.
- ii. Seeking opportunities to deepen affordability for those making below
80% of adjusted median income.

- iii. Requesting that developers facilitate relationships with community organizations and prioritize local groups looking for non-residential space where ground floor non-residential space is allowed.

ARTICLE III. TITLE AND DUE DILIGENCE

3.1 Review of Title and Surveys. During the Due Diligence Period (as defined below), Buyer shall obtain from First American Title Insurance Company (“**Title Company**”) a preliminary commitment for title insurance for the Property, including copies of all exceptions and encumbrances noted thereon (the “**Preliminary Commitment**”). Buyer is also anticipating obtaining surveys of the Property for extended title insurance. Buyer and Seller shall work together during the Due Diligence Period to resolve any title exceptions to which Buyer objects, but Seller shall not be required to expend any funds or incur any liabilities to cause any title exceptions to be removed from the Commitment or insured over by the Title Company.

3.2 Title Insurance. Subject to Buyer fulfilling its obligations hereunder, Title Company must issue to Buyer at Closing a Standard Coverage Owner’s Policy of title insurance or, if Buyer so requests in writing, an Extended Coverage Owner’s Policy of title insurance, issued by Title Company, dated the date of Closing, insuring Buyer’s title to the Property subject to no exceptions other than the standard printed exceptions, the Permitted Exceptions, and the Covenants (the “**Title Policy**”). The Title Policy shall contain such endorsements as Buyer may specify and which Title Company is willing to issue, provided that Buyer shall pay all costs of the Title Policy, the endorsements, and the cost of any update of the survey required for such extended coverage.

3.3 Conveyance of Property. At Closing Seller shall convey to Buyer fee simple title to the Property by execution and delivery of a quit claim deed in the form attached hereto as **Exhibit B** (the “**Deed**”), which is hereby approved as to form by Buyer.

3.4 Due Diligence Period. Purchaser to have a ninety (90) day due diligence review period commencing after the execution of the Property Transfer Agreement. During that time, Purchaser may review existing due diligence materials provided by Sound Transit, the Preliminary Commitment, and have a right to have limited access to the property to conduct additional due diligence activities, including obtaining an ALTA survey of each Site. OH shall notify Sound Transit prior to conducting on site due diligence, and shall coordinate its access to each Site with Sound Transit. Sound Transit due diligence materials that have been provided for each property include:

- (a) A 2019 title report
- (b) A 2019 appraisal
- (c) Any reports Sound Transit may have regarding environmental and soil conditions as known

Any additional due diligence is the responsibility of OH. Sound Transit has provided reports in its possession as a courtesy but does not make any warranties or representations as to their

accuracy or completeness.

ARTICLE IV. CONDITIONS PRECEDENT TO CLOSING

4.1 Conditions Precedent to Buyer Obligations. Buyer's rights and obligations under this Agreement are expressly conditioned on, and subject to satisfaction of, the following conditions precedent:

(a) Performance by Seller. Seller shall have performed all material obligations required by this Agreement to be performed by it.

(b) Title Policy. Title Company shall be committed to issuing the Title Policy, provided Buyer has fulfilled its obligations with respect to the Title Company.

(c) Representations and Warranties True. All of Seller's representations and warranties contained herein shall be true and correct in all material respects as of the date scheduled for Closing.

(d) City Council Ordinance Authority. City Council approval of the Property transfer and this Agreement on or before May 31, 2021. If City Council has not approved of the Property transfer and this Agreement by such date, this Agreement shall automatically terminate and be no further force and effect.

The conditions set forth in Sections 4.1(a) through (c) above are intended solely for the benefit of Buyer. If any of the foregoing conditions are not satisfied as of the Closing Date, Buyer shall have the right at its sole election either to waive the condition in question and proceed with the purchase of the Property or, in the alternative, to terminate this Agreement, whereupon the parties shall have no further obligations hereunder other than those obligations which survive the termination of this Agreement by their express terms.

4.2 Conditions Precedent to Seller Obligations. Seller's obligations under this Agreement are expressly conditioned on, and subject to satisfaction of, the following conditions precedent:

(a) Buyer shall have delivered to Seller the covenants described in Section 6.1, below, substantially in the forms of ***Exhibit C and Exhibit D*** to this Agreement, to be recorded at Closing as covenants running with the land.

(b) Buyer shall have performed all other material obligations required by this Agreement to be performed by it.

(c) Buyer's representations and warranties contained herein shall be true and correct in all material respects as of the date scheduled for Closing.

The conditions set forth in Sections 4.2(a) through (c) above are intended solely for the benefit of Seller. If any of the foregoing conditions are not satisfied as of the Closing Date, Seller shall have the right at its sole election either to waive the condition in question and proceed with the sale or, in the alternative, to terminate this Agreement.

ARTICLE V. REVERSIONARY RIGHTS

5.1 Reversionary Rights. Should OH fail in its obligations to transfer all Sites to developers for the construction of affordable housing by the 10th anniversary of the date of transfer of the Property from Sound Transit to OH, any properties still held by OH at that time will, upon the request of Sound Transit, be transferred back to Sound Transit ownership at no cost to Sound Transit, free and clear of all liens or encumbrances except the Permitted Exceptions and those encumbrances approved in writing by Sound Transit. OH and Sound Transit shall cooperate to execute and record the necessary instruments to effect such reconveyance.

ARTICLE VI. COVENANTS

6.1 Affordable Housing Covenant. As a condition of Seller's obligations to convey the Property to Buyer, at Closing, Buyer shall execute, acknowledge and deliver for recording a covenant (the "***Affordable Housing Covenant***") substantially in the form attached hereto as ***Exhibit C***, committing the use of the Property as follows:

(a) A recorded covenant that requires the Property be used for affordable housing in accordance with RCW 81.112.350 and addresses the following:

i. A minimum of 100% of the housing units constructed on the Property must be dedicated to affordable housing. Homes must be affordable to households whose adjusted income is at or below eighty percent (80%) of area median income for King County at the time of purchase.

ii. Ground floor community or non-profit space will be permitted on sites where required or allowed by local zoning code and recommended through community engagement process.

iii. Allowance of other potential ground floor uses will be determined on a case by case basis by the parties.

iv. Income restrictions to be for a term of no less than fifty (50) years.

v. Restrictions that, if any part of the Properties are sold during the term of income restrictions for a use other than approved, that any net sale proceeds be used for creating affordable housing within one-half mile of a light rail station or transit station, as required by RCW 81.112.350(1)(b)(ii)(B). This restriction does not apply to individual home buyers selling their unit to another income-qualified buyer.

6.2 Restrictive Covenant. As a condition of Seller's obligations to convey the Property to Buyer, at Closing, Buyer shall also execute, acknowledge and deliver for recording a covenant (the "***Restrictive Covenant***") substantially in the form attached hereto as ***Exhibit D***, to ensure that the Property is used for the permitted use of affordable housing as required by FTA, for a term of five (5) years.

6.3 OH Transfers to Affordable Housing Developers. OH agrees that it will not transfer, convey, or dispose of any Site to an awarded developer until such time as the proposed project has all necessary permits and financing in place and is ready to move forward with construction, unless Sound Transit has approved otherwise in writing. Additionally, OH will put in place or cause to be put in place various measures such as completion guarantees, payment and performance bonds, or reversionary clauses as appropriate to ensure that projects are completed and available for occupancy within 5 years of transfer of the property from OH to the developer.

6.4 Permanently Affordable Homeownership Financing and Programming. OH will put in place or cause to be put in place various loan and programmatic agreements with nonprofit partners to ensure monitoring and compliance with affordable housing covenants for at least 50 years. In addition, OH and Sound Transit shall work collaboratively as needed to allow for permanently affordable homeownership financing, including potential Fannie Mae requirements, so long as OH and its nonprofit affordable homeownership partners have provided Sound Transit with adequate assurances that the 50-year income restrictions will be satisfied.

ARTICLE VII: TRANSFER OF PROPERTY “AS IS”

7.1 Environmental Review. OH is responsible for conducting or assigning to the developers any required environmental review and approvals associated with project permitting. Sound Transit does not make any representations or warranties about the environmental condition of the Property, including its physical condition, the presence or absence of any hazardous substances, or its suitability for any intended use. By electing to proceed with the acquisition of the Property pursuant to this Agreement, OH expressly acknowledges that it has had an opportunity to conduct its own investigation of the Property. OH acknowledges that Sound Transit is conveying the Property in an “AS-IS” condition and state of repair, and with all faults, of any kind or nature and without any representations or warranties, express, implied or statutory.

7.2 Delivery Condition. The Property will be delivered in an as-is condition. Any encroachments, side sewer easements, or encumbrances on title will be the responsibility of OH to resolve or require the developer that takes ownership of the properties to resolve. Upon recording of the Deed to OH, OH shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, hazardous substances, vaults, debris, pipelines, utilities or other structures. OH will take ownership of any fencing put on the perimeter of the Sites by Sound Transit. Upon closing, Sound Transit will remove all signage and padlocking on that fencing.

7.3 Release of Sound Transit. To the maximum extent allowed by law, OH does hereby waive and release Sound Transit and its officers, directors, employees, representatives, and agents from any and all damages, losses, liabilities, costs and expenses whatsoever (including, without limitation, reasonable attorneys’ fees and costs) and claims associated therewith which may arise on account of or in connection with the physical or environmental condition of the Property. The terms and conditions of this Section 7 shall expressly survive the Closing and shall not merge with the provisions of the Deed or any other closing documents.

OH acknowledges that the transfer at no cost reflects the “AS IS” nature of this transaction and any faults, liabilities, defects or other adverse matters that may be associated with the Property.

ARTICLE VIII. CLOSING AND ESCROW

8.1 Closing. The closing of the transaction contemplated in this Agreement (the “*Closing*”) shall take place within 180 days of mutual execution of this Agreement unless otherwise mutually agreed to by Buyer and Seller (the “*Closing Date*”).

8.2 Delivery by Seller. On or before the Closing Date, Seller shall deposit with First American Title Insurance Company (“*Escrow Holder*”), the following:

(a) the duly executed and acknowledged Deed for the Property ready for recordation on the Closing Date together with a duly executed real estate excise tax affidavit and a non-foreign certificate; and

(b) such other instruments or documents as may be required pursuant to the provisions hereof or as mutually agreed by counsel for Seller and Buyer to be necessary to fully consummate the transaction contemplated hereby.

8.3 Delivery by Buyer. On or prior to the Closing Date Buyer shall deposit with Escrow Holder the following:

(a) a duly executed real estate excise tax affidavit;

(b) the duly executed Covenants; and

(c) such other instruments or documents as may be required pursuant to the provisions hereof or as mutually agreed by counsel for Seller and Buyer to be necessary to fully consummate the transaction contemplated hereby.

8.4 Title Policy; Other Instruments. Title Company shall issue the Title Policy at Closing or as soon thereafter as practicable. Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Holder, Title Company or otherwise required to close the escrow and consummate the transfer of the Property in accordance with the terms hereof.

8.5 Prorations. All expenses of the Property, including but not limited to, real property taxes, drainage district service charges, water, sewer and utility charges, current years’ installments of assessments or LID’s and other expenses normal to the maintenance of the Property, but excluding insurance premiums, shall be prorated as of 12:01 a.m. on the Closing Date.

8.6 Closing Costs and Expenses. Buyer and Seller shall each pay their own attorney’s fees and expenses to perform their obligations hereunder in addition to the following:

(a) Buyer shall pay all real estate excise taxes, and other transfer taxes applicable to the transfer of the Property.

(b) Buyer shall pay:

- (i) The fees for the Escrow Holder;
- (ii) All costs and expenses of Buyer's consultants and investigations;
- (iii) The premium for the Title Policy, together with the cost of all endorsements requested by Buyer and the cost of the survey, if any is required.

8.7 Closing Statements. The prorations shall be made on the basis of a written closing statement submitted by Escrow Holder to Buyer and Seller prior to the Closing Date and approved by Buyer and Seller, which approval shall not unreasonably be withheld. In the event any prorations or apportionments made hereunder shall prove to be incorrect for any reason, then either party shall be entitled to an adjustment to correct the same. Any item which cannot be prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and re-prorated between Buyer and Seller when the information is available. Notwithstanding the foregoing, any adjustments or re-prorations shall be made, if at all, within one hundred eighty (180) days after the Closing Date.

ARTICLE IX. REPRESENTATIONS AND WARRANTIES

Seller and Buyer make the following representations and warranties:

9.1 Seller's Representations. Seller represents and warrants to Buyer as of the Date of Closing:

(a) Litigation. There is no litigation or proceeding pending against Seller, or to Seller's current actual knowledge threatened against Seller, which relate to the Property or the transaction contemplated by this Agreement.

(b) Compliance. Seller has no actual knowledge that the Property or the operation and use thereof does not comply in any material respect with applicable laws.

(c) No Prior Options, Sales or Assignments. Seller has not granted any options nor obligated itself in any manner whatsoever to sell the Property or any portion thereof to any party other than Buyer.

(d) Liens. Seller has no actual knowledge of unpaid bills, claims, or liens pending or contemplated by mechanics, material suppliers, surveyors, or others, recorded or unrecorded in connection with the Property.

(e) Authority. This Agreement is authorized under Sound Transit Motion M2021-08, and all documents executed by Seller which are to be delivered at Closing will be duly authorized, executed and delivered by Seller, and do not and at the time of Closing will not, violate any provisions of any agreement or judicial order to which Seller is subject.

9.2 Buyer's Representations. Buyer represents and warrants to Seller as of the Date of Closing:

(a) Authority. This Agreement is authorized under City Ordinance No.

_____, and all documents executed by Buyer which are to be delivered to Seller at Closing will be duly authorized, executed and delivered by Buyer, and do not and at the time of Closing will not, violate any provisions of any agreement or judicial order to which Buyer is subject.

(b) Availability of Funds. Buyer has or has access to sufficient funds to perform all its obligations under this Agreement.

9.3 General Provision Regarding Warranties and Representation. If, prior to Closing, either Buyer or Seller discovers a fact or circumstance which might render a representation or warranty by that party inaccurate in any material respect, it shall promptly advise the other party thereof in writing. If Buyer is so advised of such a fact or circumstance prior to Closing, it shall have the option, exercisable within five (5) days thereafter to either (a) elect to terminate this Agreement or (b) to waive such inaccuracy, in which event Buyer shall be deemed to have waived all rights, claims and causes of action against Seller related thereto and the representation or warranty shall be deemed amended to reflect such fact or circumstance.

ARTICLE X. LOSS BY CONDEMNATION OR CASUALTY

In the event that all or any material portion of the Property or the becomes the subject of a taking or condemnation under the provisions of eminent domain law or suffers a casualty after the Date of this Agreement but prior to the Closing Date, Seller may terminate this Agreement, in which case the parties shall have no further rights or obligations hereunder.

ARTICLE XI. INDEMNIFICATION

Buyer shall defend, indemnify and hold Seller harmless from and against and reimburse Seller on demand for, any and all obligations, losses, liabilities, claims, cost or expense (including reasonable attorneys' fees), whether direct, contingent or consequential, resulting from claims asserted against Seller by any third party relating to the Property and arising out of actions or circumstances occurring on or after Closing, other than claims arising from any misrepresentation, breach of warranty or non-fulfillment of any covenant or agreement on the part of Seller under this Agreement.

ARTICLE XII. CONDITION OF PROPERTY

12.1 "AS IS" Sale. The Property and title thereto shall be 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, INCLUDING THE POTENTIAL OF ENCROACHMENTS, OR ITS SUITABILITY OR SUFFICIENCY FOR BUYER'S INTENDED USES AND PURPOSES.

12.2 Condition of Property; Risk of Loss. Seller shall convey the Property to Buyer at Closing in substantially the same physical condition the Property is in as of the Effective Date, ordinary wear and tear excepted. Seller shall bear the risk of physical loss or damage to the Property until the Closing Date. Thereafter, Buyer shall bear the risk of physical loss or damage to the Property.

Buyer at: City of Seattle
Office of Housing
Attn: Erika Malone
700 Fifth Avenue, Suite 5700
P.O. Box 94725
Seattle, WA 98124-4725
Phone: 206-684-0247
Email: Erika.Malone@Seattle.Gov

With a copy to: The Seattle City Attorney's Office
Attn: Edward Lin
Seattle City Attorney's Office
701 Fifth Avenue, Suite 2050
Seattle, WA 98104
Phone: (206) 233-2169
Email: Edward.Lin@Seattle.Gov

or to such other addresses as either party hereto may from time to time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery.

14.3 Amendment, Waiver. No modification, termination or amendment of this Agreement may be made except by written agreement. No failure by Seller or Buyer to insist upon the strict performance of any covenant, agreement, or condition of this Agreement or to exercise any right or remedy shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. No waiver shall affect or alter this Agreement, and each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. All the terms, provisions, and conditions of this Agreement shall inure to the benefit of and be enforceable by Seller's or Buyer's permitted Affiliates and assigns.

14.4 Survival. All provisions of this Agreement which involve obligations, duties or rights to be performed after the Closing Date or the recording of the Deed, and all indemnifications, representations and warranties made in or to be made pursuant to this Agreement shall survive the Closing Date and/or the recording of the Deed.

14.5 Captions. The captions of this Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Agreement.

14.6 Merger of Prior Agreements; Reliance. This Agreement and any exhibits hereto, constitute the final and complete agreement between the parties with respect to the transfer of the Property and supersede all prior and contemporaneous agreements, letters of intent and understandings between the parties hereto relating to the subject matter of this Agreement. There are no oral or other agreements, including but not limited to any representations or warranties, which modify or affect this Agreement. Seller shall not be bound by, nor liable for, any warranties, representations or statements of fact or opinion made by any other person,

partnership, corporation or other entity, including, without limitation, the Title Company, any surveyor and any consultants. Buyer acknowledges to Seller that in entering into this Agreement, Buyer is not relying on any warranties except those expressly set forth herein.

14.7 No Joint Venture. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Buyer and Seller. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

14.8 Governing Law; Time. This Agreement and the rights of the parties hereto shall be governed by and construed in accordance with the internal laws of the State of Washington. “**Day**” as used herein means a calendar day and “**Business Day**” means any day on which commercial banks in Seattle, Washington are generally open for business. Any period of time which would otherwise end on a non-Business Day shall be extended to the next following Business Day. Time is of the essence of this Agreement.

14.9 Exhibits. All exhibits attached hereto or referenced herein are incorporated in this Agreement.

14.10 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such provisions had not been contained herein.

14.11 Counterparts. This Agreement and the documents to be delivered hereunder may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

14.12 Assignment. Seller’s rights and obligations under this Agreement are not assignable without the prior written consent of Buyer. Buyer’s rights and obligations under this Agreement are not assignable without the prior written consent of Seller.

14.13 Agency Disclosure and Brokerage Provisions. No brokers or agents have represented either party in this transaction.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the later date written below.

BUYER: THE CITY OF SEATTLE,
a Washington municipal corporation

DocuSigned by:
By: Emily Alvarado
Name: Emily Alvarado
Its: Director, Office of Housing
Date: 4/13/2021

SELLER: CENTRAL PUGET SOUND REGIONAL TRANSIT
AUTHORITY

DocuSigned by:
By: Thatcher Imboden
Name: Thatcher Imboden
Its: Director, Land Use, Planning & Development
Date: 4/13/2021

Authorized by Sound Transit Resolution/Motion M2021-08

Approved as to Form:

DocuSigned by: 4/13/2021
Josanna Valeri
Sound Transit legal counsel

Exhibit AThe Property

Ten sites, composed of sixteen individual parcels, primarily located along Martin Luther King Jr. Way S. in the Rainier Valley, in proximity to the Columbia City, Mount Baker, and/or Othello light rail stations, as listed below.

Site #	Parcel ID	ROW No	Site Address, Seattle WA	Closest Light Rail Station	FTA Interest	Est. Square Footage
2	1756700015-02	RV093	4851 MLK Jr. Way S.	Columbia City	60.00%	2,184
	1756700010-07	RV094	4853 MLK Jr. Way S.	Columbia City	60.00%	1,744
	1756700005-04	RV095	4859 MLK Jr. Way S.	Columbia City	60.00%	4,631
4	5414100205-00	RV079	4733 MLK Jr. Way S.	Columbia City	60.00%	1,815
	5414100220-01	RV082	4735 MLK Jr. Way S.	Columbia City	60.00%	1,428
	5414100230-09	RV083	4741 MLK Jr. Way S.	Columbia City	60.00%	4,522
5	4006000319-00	RV246	4203 S. Kenyon St.	Othello	60.00%	4,526
	4006000322-00	RV247	7908 MLK Jr. Way S.	Othello	24.16%	5,892
6	3333002640-00	RV192	6740 MLK Jr. Way S.	Othello	24.16%	8,439
7	1426300125-00	RV032	3601 MLK Jr Way S.	Mount Baker	24.16%	9,180
8	4281400385-00	RV243	7860 MLK Jr. Way S.	Othello	N/A	3,797
9	1756700110-06	RV096	4865 MLK Jr. Way S.	Columbia City	60.00%	3,292
	1756700120-04	RV097	3112 S. Ferdinand St.	Columbia City	24.16%	1,845
10	1703400990-00	RV099	3201S. Ferdinand St.	Columbia City	24.16%	3,776
11	2660500259-00	RV112	5042 MLK Jr. Way S.	Columbia City	60.00%	2,387
12	1662500061-00	RV185	6701 MLK Jr. Way S.	Othello	24.16%	8,341

Legal Descriptions:**Tax parcel 1756700015 (Site 2):**

PARCEL A OF CITY OF SEATTLE SHORT PLAT NO. 80-167, ACCORDING TO SHORT PLAT RECORDED SEPTEMBER 29, 1981 UNDER RECORDING NO. 8109290913, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20091112002407.

Tax parcel 1756700010 (Site 2):

PARCEL B OF CITY OF SEATTLE SHORT PLAT NO. 80-167, ACCORDING TO SHORT PLAT RECORDED SEPTEMBER 29, 1981 UNDER RECORDING NO. 8109290913, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20091112002410.

Tax parcel 1756700005 (Site 2):

PARCEL C OF CITY OF SEATTLE SHORT PLAT NO. 80-167, ACCORDING TO SHORT PLAT RECORDED SEPTEMBER 29, 1981 UNDER RECORDING NO. 8109290913, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20091112002408.

Tax parcel 1756700110 (Site 9):

ALL OF LOT 25 AND THE NORTH 36 FEET OF LOT 26 OF CORLISS ADDITION TO COLUMBIA, ACCORDING TO PLAT RECORDED IN VOLUME 15 OF PLATS AT PAGE(S) 27, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION OF SAID LOT 26 CONDEMNED FOR STREET;
AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20091112002409.

Tax parcel 1756700120 (Site 9):

LOTS 26 AND 27 OF CORLISS ADDITION TO COLUMBIA, ACCORDING TO PLAT RECORDED IN VOLUME 15 OF PLATS AT PAGE(S) 27, IN KING COUNTY, WASHINGTON;
EXCEPT THE NORTH 36 FEET OF LOT 26;
AND EXCEPT THAT PORTION OF SAID LOTS 26 AND 27 CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 98096 FOR EMPIRE WAY, PURSUANT TO ORDINANCE NO. 30673;
AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20091112002406.

Tax parcel 5414100220 (Site 4):

PARCEL A OF CITY OF SEATTLE SHORT PLAT NO. 80-168, ACCORDING TO SHORT PLAT RECORDED APRIL 28, 1981 UNDER RECORDING NO. 8104280365, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 98096 FOR EMPIRE WAY SOUTH, PURSUANT TO ORDINANCE NO. 30673;
AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20100730000175.

Tax parcel 5414100205 (Site 4):

PARCEL B OF CITY OF SEATTLE SHORT PLAT NO. 80-168, ACCORDING TO SHORT PLAT RECORDED APRIL 28, 1981 UNDER RECORDING NO. 8104280365, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 98096 FOR EMPIRE WAY SOUTH, PURSUANT TO ORDINANCE NO. 30673;
AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20110308000322.

Tax parcel 5414100230 (Site 4):

LOTS 14 AND 15 IN BLOCK 2 OF MEADOW PARK ADDITION TO COLUMBIA CITY, ACCORDING TO PLAT RECORDED IN VOLUME 10 OF PLATS AT PAGE(S) 93, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION CONDEMNED FOR EMPIRE WAY SOUTH IN KING COUNTY SUPERIOR COURT CAUSE NO. 98096, ORDINANCE NO. 30673;
AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20100730000176.

Tax parcel 4006000319 (Site 5):

THE NORTH 56.58 FEET OF THE WEST HALF OF LOT 16 OF LAKE DELL, ACCORDING TO PLAT RECORDED IN VOLUME 4 OF PLATS AT PAGE(S) 17, IN KING COUNTY, WASHINGTON;
EXCEPT THE EAST 150 FEET THEREOF;
AND EXCEPT THAT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 216919 FOR EMPIRE WAY, PURSUANT TO CITY OF SEATTLE ORDINANCE NO. 55314;
AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20110526000998.

Tax parcel 4006000322 (Site 5):

THE SOUTH 73 FEET OF THE NORTH 129.58 FEET OF THE WEST HALF OF TRACT 16 OF LAKE DELL, ACCORDING TO PLAT RECORDED IN VOLUME 4 OF PLATS AT PAGE(S) 17, IN KING COUNTY, WASHINGTON;
EXCEPT THE EAST 150 FEET THEREOF;
AND EXCEPT THAT PORTION CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 216599 FOR EMPIRE WAY, AS PROVIDED BY CITY OF SEATTLE ORDINANCE NO. 53314;
AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20110526000997.

Tax parcel 3333002640 (Site 6):

THAT PORTION OF LOT 5 IN BLOCK 13 OF HILLMAN CITY ADDITION TO THE CITY OF SEATTLE, DIVISION NO. 6, ACCORDING TO PLAT RECORDED IN VOLUME 11 OF PLATS AT PAGE(S) 23, IN KING COUNTY, WASHINGTON, LYING EASTERLY OF EMPIRE WAY SOUTH, KNOW KNOWN AS MARTIN LUTHER KING WAY;
EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20101208001109.

Tax parcel 1426300125 (Site 7):

LOTS 3 THROUGH 6; THE NORTH 10 FEET OF LOT 7, THE NORTH 11 FEET OF THE EAST 27 FEET OF LOT 34, AND ALL OF LOTS 35 AND 36 IN BLOCK 2 OF CASCADE VIEW ADDITION TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 15 OF PLATS AT PAGE(S) 75, IN KING COUNTY, WASHINGTON;
EXCEPT THE WEST 75 FEET OF SAID LOT 35;
ALSO EXCEPT THE WEST 3 FEET OF SAID LOT 36;

ALSO EXCEPT THAT PORTION OF SAID LOTS 4 THROUGH 7 CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 98096 FOR EMPIRE WAY SOUTH, PURSUANT TO ORDINANCE NO. 30673;
ALSO EXCEPT THAT PORTION CONVEYED FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20040330002447;
ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20100217000919;
TOGETHER WITH THAT PORTION OF VACATED ALLEY ADJOINING, WHICH, UPON VACATION ATTACHES TO SAID PROPERTY BY OPERATION OF LAW.

Tax parcel 4281400385 (Site 8):

THE SOUTH 11 FEET OF LOTS 1 AND 2 AND LOTS 35 THROUGH 38, INCLUSIVE IN BLOCK 5 OF LESTER ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME 19 OF PLATS AT PAGE(S) 39, IN KING COUNTY, WASHINGTON;
EXCEPT THE SOUTH 53 FEET THEREOF;
ALSO EXCEPT THE EAST 15 FEET OF SAID LOT 35;
ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20110526000999.

Tax parcel 1703400990 (Site 10):

LOTS 1664 AND 1665 IN BLOCK 61 OF COLUMBIA SUPPLEMENTAL NUMBER 1, ACCORDING TO PLAT RECORDED IN VOLUME 8 OF PLATS AT PAGE(S) 12, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR CAUSE NUMBER 98096 FOR STREET PURPOSES AS PROVIDED BY ORDINANCE NUMBER 30673 OF THE CITY OF SEATTLE;
ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20090720000113.

Tax parcel 2660500259 (Site 11):

THAT PORTION OF THE SOUTH 50 FEET OF TRACT 5 OF FRYE'S ADDITION TO COLUMBIA, ACCORDING TO PLAT RECORDED IN VOLUME 9 OF PLATS AT PAGE(S) 87, IN KING COUNTY, WASHINGTON, LYING EAST OF EMPIRE WAY;
EXCEPT THE EAST 88 FEET THEREOF;
ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20090720000143.

Tax parcel 1662500061 (Site 12):

TRACT 7 OF COFFMAN GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 10 OF PLATS AT PAGE(S) 17, IN KING COUNTY, WASHINGTON;
EXCEPT THE WEST 144 FEET OF THE NORTH 100 FEET;
ALSO EXCEPT PORTION CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 98096 FOR EMPIRE WAY;
ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF SEATTLE FOR STREET PURPOSES BY DEED RECORDED UNDER RECORDING NO. 20110315000126.

Exhibit B

Form of Deed

Exhibit C

Form of Affordable Housing Covenant

Exhibit D

Form of Restrictive Covenant

When Recorded, Return to:
City of Seattle
Office of Housing
700 Fifth Avenue, Suite 5700
P.O. Box 94725
Seattle, Washington 98124-4725
Attn: Erika Malone

QUIT CLAIM DEED

Grantor: CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a
regional transit authority of the State of Washington

Grantee: THE CITY OF SEATTLE, a Washington municipal corporation, by and
through the Office of Housing

Abbreviated Legal Description of Property:

Official Legal Description on Exhibit A

Assessor's Tax Parcel Account Number(s):

Reference Number of Related Documents: N/A

QUIT CLAIM DEED

The Grantor, CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a regional transit authority of the State of Washington, for and in consideration of public benefit and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, conveys and quit claims to THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing, as Grantee, all of Grantor's right, title, and interest in the following described real estate situated in the County of King, State of Washington (the "Property"), together with any after-acquired title of the Grantor therein and subject to all rights, conditions, covenants, easements, and reservations of record:

See Exhibit A attached hereto.

The Property is conveyed subject to an Affordable Housing Covenant and a Restrictive Covenant signed by Grantor and Grantee and recorded in the real property records of King County, Washington as of the date hereof.

Dated this ___ day of _____, 2021.

GRANTOR:
**CENTRAL PUGET SOUND REGIONAL
TRANSIT AUTHORITY**, a Washington regional
transit authority

Name: _____

Title: _____

Approved as to form:

Sound Transit legal counsel

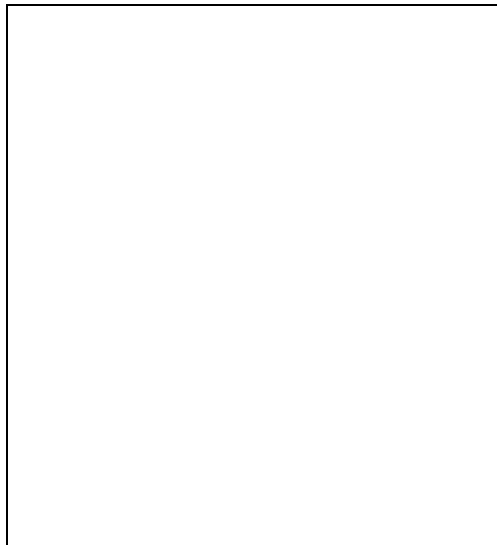
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of the Central Puget Sound Regional Transit Authority, a Washington regional transit authority, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

My appointment expires _____

Exhibit A

Legal Description of Property

After recording return to:
Central Puget Sound Regional Transit Authority
401 S. Jackson Street
Seattle, Washington 98104
Attn: Mara D'Angelo, Senior Project Manager

AFFORDABLE HOUSING COVENANT

GRANTOR: THE CITY OF SEATTLE, a Washington municipal corporation
GRANTEE: CENTRAL PUGET SOUND REGIONAL TRANSIT
AUTHORITY, a Washington regional transit authority

Abbreviated Legal Description:

Full legal on Exhibit A

Assessor's Property Tax Parcel Account Number(s):

AFFORDABLE HOUSING COVENANT

THIS AFFORDABLE HOUSING COVENANT (this “Affordable Housing Covenant” or “Covenant”) is entered into by and between THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing (“Grantor”) and the CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington regional transit authority (“Grantee” or “Sound Transit”), collectively referred to herein as the “Parties,” with reference to the following facts:

RECITALS

A. Sound Transit is a regional transit authority of the State of Washington created pursuant to RCW chapter 81.104 and 81.112 with all powers necessary to implement a high capacity transit system within its boundaries.

B. Pursuant to RCW 81.112.350 Sound Transit has additional power to further equitable transit oriented development goals by disposing of surplus property to qualified entities on the express condition that such property is developed and operated as affordable housing consistent with the requirements of RCW 81.112.350.

C. Grantor and Grantee entered into a Real Property Transfer Agreement dated as of _____, 2021 (the “Real Property Transfer Agreement”), pursuant to which Sound Transit agreed to convey the real property described on **Exhibit A** attached hereto and incorporated herein (the “Property”), on the terms and conditions contained therein for the purpose of the creation and maintenance of affordable housing pursuant to RCW 81.112.350.

D. Sound Transit’s agreement to convey the Property is conditioned upon the conveyance being subject to the restrictive covenants described herein. This Affordable Housing Covenant is executed and recorded along with the Quit Claim Deed (the “Deed”) of the same date.

E. The Parties are entering into this Affordable Housing Covenant for the benefit of Sound Transit and Sound Transit’s significant interests in land adjacent to and in the vicinity of the Property.

F. It is the intent of the Parties that the conveyance of the Property to Grantor to develop affordable housing thereon pursuant to the terms and conditions set forth in the Real Property Transfer Agreement and this Covenant will (i) provide public benefit and promote the public welfare, (ii) provide affordable housing in close proximity to existing transit facilities, (iii) support transit ridership thereby decreasing traffic congestion and improving air quality for the region, and (iv) comply with the requirements of RCW 81.112.350.

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. Each recital set forth above is incorporated into this Covenant.

2. Property to be Used for Affordable Housing. Grantor covenants and agrees the Property shall be used for the development, construction, use and operation of affordable housing that meets the following minimum criteria: The housing units on the Property shall be exclusively for lease or sale to residents whose Household Annual Income based on household size at the time of initial occupancy does not exceed 80% of Area Median Income (“Income Eligible Occupants”). Grantor shall be responsible for determining each applicant’s qualification as an Income Eligible Occupant. For purposes of this Affordable Housing Covenant, the definition and calculation of “Income Eligible Occupants,” “Household Annual Income” and “Area Median Income” shall be determined by using area median income, adjusted for household size, for King County. Area median income for King County shall be determined using the Department of Housing and Urban Development’s (HUD’s) calculation for King County median family income, which currently is based on the “Seattle-Bellevue, WA HUD Metro Fair Market Rent (FMR) Area.” If, at any point in the future, HUD no longer estimates median income for the Seattle-Bellevue, WA HUD Metro FMR Area, the Parties shall agree on a comparable figure reported by a local, state, or federal agency to be used instead. Resale restricted homes must be restricted by a ground lease, covenant, or other recorded document, in a form approved by Grantor, requiring that homes will be sold to Income Eligible Occupants at a sales price that is likely to be affordable to Income Eligible Occupants. Grantor shall be responsible for enforcing the terms of such recorded document.

3. Compliance with Legal Requirements. In the implementation of this Covenant, Grantor shall comply with all Fair Housing Laws and applicable nondiscrimination laws of the United States, the State of Washington, and The City of Seattle, including but not limited to Chapter 14.08 of the Seattle Municipal Code.

4. Term. This Covenant shall take effect upon recording in the real property records of King County, Washington and shall remain in effect for a term of 50 years.

5. Covenant to Run with the Land. This Covenant shall be recorded in the real property records of King County, Washington and shall be a covenant running with the land. This Covenant shall be binding on Grantor and any subsequent purchaser, mortgagee, lender, lessee, or any other person for so long as Grantor or any subsequent entity or person may have any right, title or interest in the Property, so long as this Covenant shall remain in effect. This Covenant shall not be subordinated to the lien of any mortgage, deed of trust, or other encumbrance on any interest in the Property unless Sound Transit expressly consents to such subordination in a written instrument properly executed, acknowledged and recorded.

6. Enforcement of Terms. The benefits of this Covenant shall inure to and may be enforced by Sound Transit or its successors and assigns. This Covenant is not intended, and shall not be construed, to create a duty or obligation of Sound Transit to enforce any term or provision of the Covenant at the request of or for the benefit of any person, and no former, present, or

prospective resident or any other person, firm, governmental entity, organization, or entity shall have a cause of action hereunder.

7. Defaults; Remedies. Failure to perform any provision of this Covenant shall constitute a default if the failure to perform is not cured within 90 days after written notice of such default has been given by Sound Transit. If the default cannot reasonably be cured within 90 days after notice, then Grantor shall not be in default if it commences to cure the default within such 90-day period and thereafter diligently prosecutes such cure to completion. Sound Transit shall be entitled to all remedies in law or equity, including without limitation the right to compel specific performance or restrain by injunction the actual or threatened commission or attempt of a breach of this Covenant and to obtain a judgment or order specifically prohibiting a violation or breach of this Covenant.

8. Delay. No delay in enforcing the provisions of this Covenant as to any breach or violation shall impair, delay or waive the right of Sound Transit to enforce the same or obtain relief against or recover the continuation or repetition of such breach or violation or any other breach or violation thereof at any later time or times.

9. Severability. If any provision of this Covenant shall be found to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

10. Amendments. This Covenant shall be amended only by a written instrument executed by the Parties hereto or their respective successors in title, and duly recorded in the real property records of King County, Washington.

11. Attorneys' Fees. Grantor hereby agrees to pay Sound Transit all costs, expenses and fees, including all reasonable attorneys' fees that may be incurred by Sound Transit in enforcing or attempting to enforce this Covenant following an event of default on the part of Grantor or any of Grantor's successor or assigns. The obligations of Grantor under this Section 11 shall survive any termination or expiration of this Covenant until all sums due have been paid in full.

12. Governing Law; Jurisdiction. This Covenant shall be governed by the laws of the State of Washington, and jurisdiction of any action concerning this Covenant shall lie exclusively in King County Superior Court.

13. No Conflict with Other Documents. The Parties agree they have not executed and will not execute any other agreements with provisions contradictory to or in opposition to the provisions contained in this Covenant and that in any event the requirements of this Covenant are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict herewith.

14. Fair Construction. The provisions of this Covenant shall be construed as a whole according to their common meaning not strictly for or against any Party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Covenant. Each Party hereto has reviewed and revised this Covenant with the assistance of its legal counsel.

15. Successors and Assigns. This Covenant shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns.

16. Counterparts. This Covenant may be executed in counterparts and each such counterpart shall for all purposes be deemed to be an original and together shall constitute one and the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Covenant on the later date set forth below.

GRANTOR:

THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing

By: _____

Name: _____

Title: _____

Date: _____

GRANTEE:

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington regional transit authority

By: _____

Name: _____

Title: _____

Date: _____

Approved as to form:

Sound Transit legal counsel

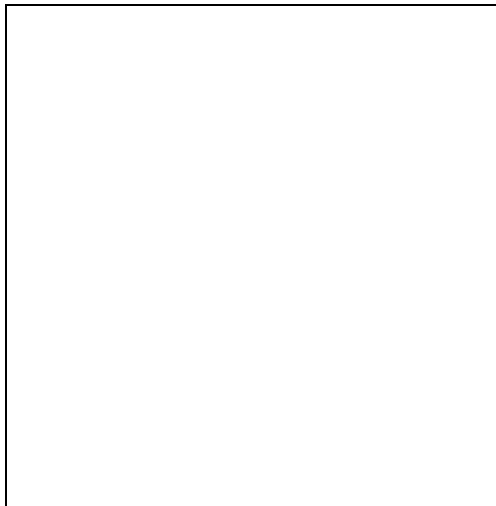
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of The City of Seattle, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

My appointment expires _____

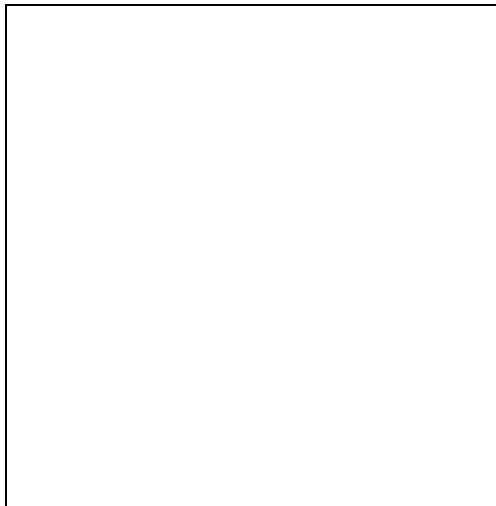
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of the Central Puget Sound Regional Transit Authority, a Washington regional transit authority, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

My appointment expires _____

EXHIBIT A

Legal Description of the Property

After recording return to:
Central Puget Sound Regional Transit Authority
401 S. Jackson Street
Seattle, Washington 98104
Attn: Mara D'Angelo, Senior Project Manager

RESTRICTIVE COVENANT

GRANTOR: THE CITY OF SEATTLE, a Washington municipal corporation

GRANTEE: CENTRAL PUGET SOUND REGIONAL TRANSIT
AUTHORITY, a Washington regional transit authority

Abbreviated Legal Description:

Full legal on Exhibit A

Assessor's Property Tax Parcel Account Number(s):

RESTRICTIVE COVENANT

THIS RESTRICTIVE COVENANT (this “Covenant”) is entered into as the ___ day of _____, 2021 by and between THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing (“Grantor” or the “City”) and the CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington regional transit authority (“Grantee” or “Sound Transit”), collectively referred to herein as the “Parties,” with reference to the following facts:

RECITALS

A. Sound Transit is a regional transit authority of the State of Washington created pursuant to RCW chapters 81.104 and 81.112 with all powers necessary to implement a high capacity transit system within its boundaries.

B. Sound Transit conveyed the real property legally described on Exhibit A attached hereto (the “Property”). Sound Transit originally acquired the Property in part with grant funding provided by the U.S. Department of Transportation, Federal Transit Administration (“FTA”).

C. Sound Transit declared the Property as surplus property pursuant to Resolution R2020-16.

D. Sound Transit and Grantee entered into a Real Property Transfer Agreement dated _____, 2021 (the “Real Property Transfer Agreement”), pursuant to which Sound Transit agreed to convey the Property to the City, on the terms and conditions contained therein for the purpose of the creation and maintenance of affordable housing pursuant to RCW 81.112.350.

E. As a condition of such conveyance of the Property, in accordance with 49 U.S.C. 5334(h), the City has agreed to use the Property for the public purpose of affordable housing, and the City’s agreement to use the Property for such public purpose is a material inducement to Sound Transit’s agreement to convey the Property to the City.

F. Accordingly, the City must enter into this Covenant to run with the land, burdening the Property, as more fully set forth below.

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. Each recital set forth above is incorporated into this Covenant.

2. Permitted Uses. The Property, for a period of five (5) years from the date of recording hereof (the “Restricted Use Term”), must be used solely for the development of affordable housing, including resale restricted affordable homeownership units, and related community service purposes and for no other purpose unless approved in writing by the FTA (the “Permitted Uses”). The City shall not be deemed to be in violation of this Section 2 if the City is using good faith, diligent efforts to develop the Property for the Permitted Uses. Ground floor non-residential uses shall be permitted where required or allowed by local zoning code. The City may transfer the Property for affordable housing development provided the Property is transferred subject to this Covenant and the Affordable Housing Covenant recorded concurrently herewith. This Covenant shall automatically terminate after the Restricted Use Term expires. Notwithstanding the foregoing, upon Grantor’s request, the parties shall execute and record a termination of this Covenant after the Restricted Use Term expires as confirmation for the public record.

3. Right of Entry. If the Property is used for any purpose other than the Permitted Uses during the Restricted Use Term, Sound Transit shall have a right of re-entry, in addition to all rights and remedies under Section 7 below, in order to enforce compliance with Section 2 above.

4. Successors and Assigns. The rights and obligations set forth in this Covenant touch and concern the land, and shall run with the Property during the Restricted Use Term. The benefits and burdens herein shall be binding upon the City and its successors and assigns, and shall inure to the benefit of Sound Transit and its successors and assigns.

5. No Modification; Recording. This Covenant may not be modified or amended except by a subsequent agreement in writing signed by the parties. This Covenant shall be recorded in the real property records of King County, Washington.

6. Enforcement; Attorneys’ Fees. In the event of a dispute arising from or related to this Covenant, the prevailing party in any such proceeding shall be entitled to recover its costs and reasonable attorneys’ fees. This Section 6 shall survive the expiration or termination of this Covenant.

7. Remedies. If there is a default hereunder on the part of the City, Sound Transit, at its option in its sole discretion, shall be entitled to exercise all rights and remedies available under this Covenant or in law or equity, without prejudice to any other rights or remedies it may have, including, without limitation, the right to compel specific performance of the obligations under this Covenant and to restrain by injunction the actual or threatened commission or attempt of a breach of this Covenant and to obtain a judgment or order specifically prohibiting a violation of breach of this Covenant. In seeking any equitable remedies, Sound Transit shall not be required to prove or establish that Sound Transit does not have an adequate remedy at law, it being agreed that damage to Sound Transit from the City’s breach of this Covenant is not readily quantifiable and monetary damages would be inadequate. The City hereby waives the requirement of any such proof and acknowledges that Sound Transit will have suffered irreparable harm and would not have an adequate remedy at law for the City’s breach of this Covenant. In no event shall Sound

Transit be required to post a bond or other security in any action seeking to enforce the provisions of this Covenant by injunctive relief or other remedy.

8. Non-Waiver. Sound Transit's failure to provide notice of default hereunder, or any delay in providing any such notice of default, shall not be deemed a waiver by Sound Transit of the default. No waiver by Sound Transit of any provision of this Covenant or any breach thereof shall be of any force or effect unless in writing by Sound Transit, and no such waiver shall be construed to be a continuing waiver. The waiver by Sound Transit of the performance of any covenant, condition, or promise shall not invalidate this Covenant nor shall it be considered a waiver by Sound Transit of any other covenant, condition, or promise hereunder. The waiver by Sound Transit of the time for performing any other act shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time.

9. Governing Law; Jurisdiction. This Covenant shall be governed by the laws of the State of Washington, and jurisdiction of any action concerning this Covenant shall lie exclusively in King County Superior Court.

10. No Conflict with Other Documents. The parties agree they have not executed and will not execute any other agreements with provisions contradictory to or in opposition to the provisions contained in this Covenant and that in any event the requirements of this Covenant are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict herewith.

11. Counterparts. This Covenant may be executed in counterparts and each such counterpart shall for all purposes be deemed to be an original and together shall constitute one and the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Covenant on the later date set forth below.

GRANTOR:

THE CITY OF SEATTLE, a Washington municipal corporation, by and through the Office of Housing

By: _____

Name: _____

Title: _____

Date: _____

GRANTEE:

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington regional transit authority

By: _____

Name: _____

Title: _____

Date: _____

Approved as to form:

Sound Transit legal counsel

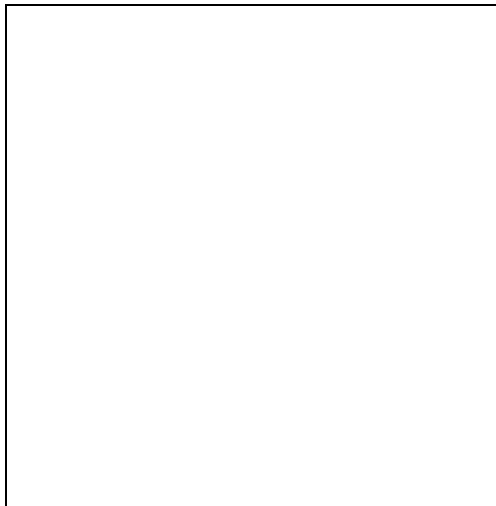
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of The City of Seattle, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

My appointment expires _____

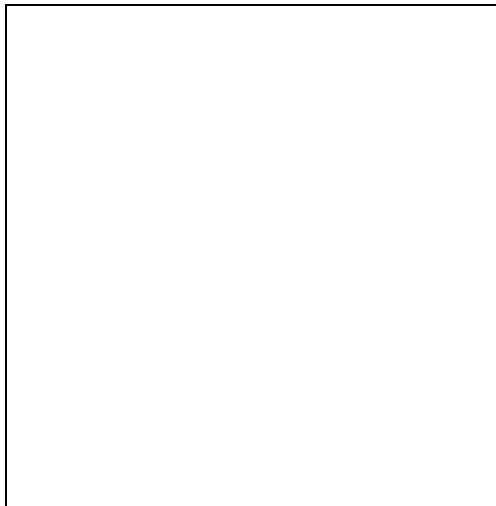
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of the Central Puget Sound Regional Transit Authority, a Washington regional transit authority, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

My appointment expires _____

EXHIBIT A

Legal Description of the Property