



Contract Number: PC025-CAYA4

Expiration Date: March 7th, 2085

Program Name: Equitable Development Initiative

AGREEMENT FOR SERVICES

between

**THE OFFICE OF PLANNING
AND COMMUNITY
DEVELOPMENT**

and

**CENTRAL AREA YOUTH
ASSOCIATION
CONCERNING FUNDING FOR
PREDEVELOPMENT
AND SERVICES TO THE CITY
OF SEATTLE**

This Agreement for Services (“Agreement”) is made between the **City of Seattle** (the “City”), a **Washington Municipal Corporation, acting by and through its Office of Planning and Community Development** (the “Office”) and **Central Area Youth Association**, a Washington non-profit corporation (the “Recipient”), to carry out activities associated with the Equitable Development Initiative (“EDI”).

This Agreement is made to provide the Recipient with funding to repay existing loans and thereby obtain the release of two mortgages against the Property (defined below), conduct pre-development activities and begin planning the redevelopment of a site that includes the Property and a Development Property (defined below). The redevelopment will include a condominium unit to be used as an enhanced community center (“Facility”) focused on youth development through sponsorship of academics, life skills, cultural arts, and athletic programs and other programs and services to the community consistent with the City of Seattle’s Equitable Development Initiative goals. In exchange for City funds, and throughout the term of this Agreement, Recipient commits to providing to City certain public benefit services secured by deeds of trust and deliver to City a restrictive covenant restricting the Property to uses consistent with those services.

ARTICLE I: PROJECT TERMS

Section 100: Property Description and Project Location

The Property subject to this Agreement (the “Property”) and at which Recipient will perform some of its duties under this Agreement is located in Seattle, Washington at the property commonly known as 115 23rd Ave, Seattle, WA 98122 together with all improvements to the real property, with the following legal description:

LOT 16, BLOCK 32, H.L. YESLER'S FIRST SUPPLEMENTAL ADDITION TO THE CITY OF SEATTLE, AS PER PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 95, RECORDS OF KING COUNTY AUDITOR. SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

The Property is currently encumbered by two mortgages securing debt held by Recipient (together, the “Mortgages”) in an amount of \$450,008.59 and \$155,000.00 for a total debt of \$605,008.59, as estimated on February 24th, 2025. These Mortgages are recorded in King County under recording numbers: 20160816001369, 20220121001090.

Recipient owns and controls an adjacent property (the “Development Property”) with the following legal description:

LOTS 17 AND 18, BLOCK 32, H.L. YESLER'S FIRST SUPPLEMENTAL ADDITION TO THE CITY OF SEATTLE, KING COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 95, RECORDS OF KING COUNTY, WASHINGTON.

Recipient’s acquisition of the Development Property was funded by an EDI agreement executed on December 29, 2021, EDI Agreement number PC021-CAYA2 (“Prior Agreement”). The Development Property is currently subject to a restrictive covenant (“Prior Covenant”) and deed of trust (“Prior Deed”). Recipient’s Project predevelopment activities will be intended to enable improvements to the Development Property. The Facility will be located within a building constructed on both the Property and Development Property that also will include housing and other projects unrelated to the EDI program.

Section 101: Term of Agreement

The term (“**Term**”) of this Agreement shall be effective upon execution of this Agreement (“**Effective Date**”) and expire on **March 7th, 2085** (“**Expiration Date**”) unless amended by written agreement or terminated earlier under the termination provisions. The City will make no payments after the Expiration Date or such earlier date as the Agreement terminates. Recipient may not expend City funds under this Agreement after the end of the Term, regardless of whether those funds are held by Recipient or City. If Recipient has any unexpended City funds provided under this Agreement in its possession at the time of termination, Recipient shall immediately return to the City all such funds.

Section 102: Project Description

Recipient will perform the following activities that will together constitute the “Project”: cause to be removed two mortgages encumbering the Property by paying the debt secured by those instruments as set out in Section 103(E); conduct predevelopment activities that will result in creation of the Facility and other improvements to the Property enabling greater delivery of Services as set out in Section 103(F) and other public benefit activities; execute and deliver to City a Restrictive Covenant as defined and set out in Section 105(B); deliver Services as defined and set out in Section 104; and execute and deliver to City a Deed of Trust, as defined and set out in Section 105(A), and other security instruments set out in Sections 103(B)(1), 103(F) and 105 (“Additional Security”), to secure payment of liquidated damages if Services are not provided as defined in Section 412.

The Recipient shall perform its obligations under this Agreement and receive **no more than two million, six hundred forty-six thousand dollars (\$2,646,000) from the City (“Maximum City Payment”), which funds shall be used solely for Project purposes to increase the provision of public benefits to the community.** Subject to the terms and conditions of this Agreement, the City will provide the Mortgage Payment into a designated escrow account for Recipient to use in paying the balance due on the two mortgages against the Property. The remainder of the Maximum City Payment will be held by the Office and, subject to the terms and conditions of this Agreement, will be paid to Recipient for eligible Project expense on a reimbursement basis.

Notwithstanding Recipient’s other obligations under this Agreement, Recipient will provide public benefit services (“Services”) for the full Term of 55 years, or as otherwise valued by City to equal the full City payment to Recipient under Section 104 of this Agreement. Recipient’s payment in full and release of both Mortgages against the Property, execution and delivery of the Deed of Trust and Restrictive Covenant, and undertaking to perform agreed predevelopment activities at the Property and/or Development Property each will be necessary conditions for receiving funding but will not constitute or substitute for delivery of agreed Services and will not constitute partial performance in the event of Default.

This Agreement is being entered into with the understanding that the scope of the EDI-funded Project does not include the construction of residential units on the Property or Development Property. The Recipient has indicated interest in potentially developing residential units at the Property and/or Development Property. If the Recipient seeks to develop residential units at either the Property or Development Property, Recipient shall notify the Office thereof as early as possible and shall provide such documentation as the Office may reasonably request to evaluate the impact of the proposal on the Recipient’s commitments under this Agreement, the Deed of Trust and Additional Security, and the Restrictive Covenant. The Office may, in its discretion, require an amendment to this Agreement, the Restrictive Covenant, and the Deed of Trust and Additional Security to better ensure compatibility with the additional funding sources, accurately describe the Property and/or Development Property, maintain delivery of agreed Services, and preserve the City’s security and real property interests. Provided, however, the Office approval of Recipient’s request to develop residential units at the Property and/or Development Property shall not be unreasonably withheld, conditioned, or denied. It shall not be unreasonable for Office to condition approval of any reduction of the City’s security and property interest on an increase of the Term if Office determines that additional time is required for the City to realize the expected public benefit value of this Agreement. Recipient agrees to execute any such amendments, and if applicable, record the amended documents at Recipient’s cost.

Section 103: Payment from City

- A. **Payment Structure:** In exchange for the promises and obligations undertaken by Recipient, the City will pay Recipient up to the Maximum City Payment of **\$2,646,000**.

The City will transfer a portion of the Maximum City Payment to a registered escrow officer, licensed and registered in the State of Washington, prior to close of the mortgage payment and release transaction set out in the Loan Payoff Agreement (defined below)(“Mortgage Paydown”) to support acquisition of clear title to the Property via the repayment of the Mortgages up to a maximum of **\$700,000**, constituting the Mortgage Paydown amount plus transaction fees Office determines reasonable in its sole discretion (the “Mortgage Payment”), if and to the extent Office determines these costs are reasonably related to the Project and that all conditions precedent have been satisfied under Section 103(E) below. The Mortgage Payment will include transaction costs associated with the Mortgage Paydown, including the cost of recording the Deed of Trust and Restrictive Covenant, fees for escrow and title insurance services, and professional services,

including attorneys' fees and consultant costs, reasonably necessary for Recipient to complete the Mortgage Paydown.

- B. If the amount of the Mortgage Payment is less than the Maximum City Payment, the City may in its sole discretion make one or more additional disbursement(s) for the remainder of the Maximum City Payment to support predevelopment activities of the Facility up to a maximum of \$2,040,991.41 (the "Predevelopment Payment(s)"), subject to the conditions precedent and other disbursement conditions in Section 103(F) below. In no event shall City make any Predevelopment Payment that causes the City to exceed the Maximum City Payment amount. Predevelopment Payments will be made on a reimbursement basis for costs Office determines that Recipient incurs for authorized Project purposes.
1. Recipient acknowledges that the current appraised value of the Property is less than the Maximum City Payment. To provide City security for the Liquidated Damages total that will result if the City pays the Predevelopment Payment, City will require a security interest in the Development Property ("Development Property Additional Security") in addition to the Deed of Trust against the Property. The Development Property Additional Security will be in a form provided by Office or otherwise acceptable to Office in its sole discretion. In Office's sole discretion after considering EDI goals and Project goals, the Office may require as Development Property Additional Security either (a) an amendment to the Prior Deed and/or Prior Agreement in a form that Office determines will allow the City to recover Liquidated Damages under this Agreement in an amount up to the Maximum City Payment against the Development Property in addition to the Property or (b) a new deed of trust against the Development Property in a form that Office determines will allow the City to recover Liquidated Damages in an amount up to the Maximum City Payment including any and all Predevelopment Payments. The Office will determine in its sole and reasonable discretion what instrument form provides sufficient security, but the Office will not independently investigate the value of the Property or Development Property and will rely on information provided by the Recipient. Any amendment to the deed of trust will be made in accordance with Section 105(A)(2).
 2. To request Predevelopment Payment from the City, the Recipient shall, following City approval and acceptance of the Additional Security, submit an invoice to the Office Contact (defined below) on such form(s) provided by the Office. The invoice must be signed by an authorized representative of Recipient, who shall verify that the invoice is accurate. Predevelopment Payment(s) will be paid directly to Recipient.
- C. Excuse from Disbursement: The City shall be excused from payments if funds allocated by the Office cease to be available due to lack of appropriation.
- D. Services and Liquidated Damages Adjusted to Reflect Actual City Payment. If the City pays Recipient less than the Maximum City Payment for any reason, including Office's lack of appropriated funds, Office will adjust the Services (described in Section 104) that Recipient is required to perform and amend the Amortization Schedule in Exhibit A to equal the value of the actual amount paid by City. In that case, the liquidated damages secured by the Deed of Trust and/or Additional Security also shall be reduced to reflect the actual amount paid by City to Recipient and City shall execute and cause to be recorded at the City's sole expense a revised Restrictive Covenant with a reduced term ending when the value of Services rendered equal City dollars actually paid.

E. Conditions Precedent to City Payment of Mortgage Payment. City will pay into escrow for the Mortgage Paydown on behalf of Recipient as the Mortgage Payment such costs that City determines reasonable and necessary for Recipient to obtain release of the Mortgages if the Office has determined all of the following conditions are met:

- 1) Recipient has provided to City documentation of Recipient's organizational structure and operating facilities, Project plans, building conditions reports and surveys, and financial plans, and such other documentation that City may reasonably request. City must be satisfied after reviewing these documents that each of the following are true:
 - i. Recipient has enough funds and is organizationally prepared to acquire, operate, maintain, and improve as necessary the Property and/or Development Property to create the Facility so that the City can be reasonably assured of a minimum 55-year duration of the public benefit services agreed upon in this Agreement.
 - ii. Recipient is prepared to provide all agreed Services at the Property and/or Facility for the Term.
- 2) Recipient has provided to Office the title report for the Property, and Office is satisfied that the Property can be conveyed with clean title, subject to any Permitted Encumbrances described in Exhibit E.
- 3) Recipient has completed and executed a Restrictive Covenant in conformance with the terms and conditions of Section 105(B) and in the form of Exhibit B on the Facility within five years of the Effective Date of this Agreement.
- 4) Recipient has completed an executed a Deed of Trust in conformance with the terms and conditions of Section 105(A) and in the form of Exhibit C. The Deed of Trust shall be senior to any other monetary encumbrances on the Property that are disclosed by the title commitment or are otherwise known or should be known by the Recipient or any of Recipient's officers or agents.
- 5) Recipient has provided to Office all documents and loan documents reasonably related to the Mortgages, including the agreement(s) between Recipient and the lender(s) and/or holder(s) of the Mortgages setting out the payment of debt secured by the Mortgages and release of the Mortgages ("Loan Payoff Agreement"), an estimated settlement statement and escrow instructions prepared by an escrow officer licensed and registered in the State of Washington and Office has approved, with such approval not to be unreasonably delayed, conditioned or denied, these instruments as consistent with this Agreement and City EDI goals. It will not be unreasonable for Office to deny approval of any Property transaction document that is inconsistent with the terms of this Agreement or commercial real estate best practices.
 - i. Escrow instructions must require as a condition for releasing funds to Recipient that Office receive and approve, with such approval not to be unreasonably delayed, conditioned or withheld, the final settlement statement and/or closing statement for the Property transaction.
 - ii. Escrow instructions must require documentation from Recipient or must otherwise confirm to City's satisfaction that the Mortgages will be released pursuant to the Loan Payoff Agreement and that the Restrictive Covenant and Deed of Trust will be recorded at Mortgage Paydown in conformance with the requirements of this Section 103(E).
- 6) Recipient delivers to City insurance documentation meeting City requirements set out in Section 303(C).

Each of the conditions above are conditions precedent to City's obligation to pay the Mortgage Payment. City will be excused from making that payment if any of the above conditions are not fulfilled to City's satisfaction.

F. Conditions Precedent to City Payment of Predevelopment Payment. If Recipient satisfies all conditions of Section 103(E) and releases the Mortgages, and City determines that the Mortgage Payment did not use all funds available as the Maximum City Payment, the City may, but need not, provide Recipient with additional Predevelopment Payments on a reimbursement basis to fund activities necessary for the development of the Facility and the building on the Property and Development Property in which it will be located if the Office determines all of the following additional conditions are met:

1. Recipient orders an appraisal of the Property and/or Development Property by a Washington State licensed commercial real estate appraiser. The appraisal must demonstrate that the value of the Property and/or Development Property exceeds the Maximum City Payment.
 - i. In the event the appraisal values the Property and/or Development Property below the Maximum City Payment, Recipient may order an additional appraisal by a Washington State licensed commercial real estate appraiser at its own expense.
 - ii. A copy of the appraisal and additional appraisal (if applicable) must be provided to the Office at the Office Contact herein. Upon receipt of the appraisal and/or additional appraisal, the Office, in its sole discretion, will determine if the appraisal(s) satisfy this Section 103(F).
2. Recipient executes, delivers and causes to be recorded the Additional Security in conformance with Section 103(B)(1).
3. Recipient commits to removing the current building on the Property and Development Property and building an improved building to include the Facility that will enable Recipient to deliver enhanced Services and other improved public benefits within 5 years of construction start.
4. Recipient has provided to Office and Office has approved as consistent with Project purposes these development-related documents: fundraising plan, re-development feasibility analysis for a building on the Property and Development Property, and predevelopment budget showing the intended expenditure of predevelopment funds for development of a building on the Property and Development Property. Together these plans must demonstrate to Office's satisfaction that Recipient is prepared to conduct a financially viable development project and that the development project will result in creation of a Facility consistent with City EDI goals and this Agreement.
5. Recipient has incurred and paid for actual expenses necessary to investigate and prepare the Property for further physical development of and capital improvements to the Facility.
6. Recipient has provided to Office invoices sufficiently documenting the activities

conducted and/or services provided for which Recipient is requesting reimbursement, the amounts billed to Recipient, and confirmation that Recipient has paid the provider for these activities and/or services.

7. Recipient delivers to Office confirmation or other documentation reasonably requested by Office to confirm that Recipient is still in compliance with City insurance requirements described in Section 303(C).
8. All invoices are dated on or before January 1st, 2030. The Office will not provide any Predevelopment Payments for activities occurring after that date.
9. Recipient is in compliance with all material terms and conditions of the Prior Agreement and has satisfied all conditions for redeveloping the Development Property under the Prior Agreement.

Each of the conditions above are conditions precedent to City's obligation to make any and all Predevelopment Payments. City will be excused from making any Predevelopment Payment requested by Recipient if any of the above conditions are not fulfilled to City's satisfaction.

- G. Invoice Approval. In addition to and without limiting any of the conditions set out in subsection 103(F), as a condition for Office paying any invoice submitted by Recipient towards the Predevelopment Payment, Recipient must provide to Office invoice(s) sufficiently documenting the Project activities conducted and/or services provided for which Recipient is requesting reimbursement, the amounts billed to Recipient, and confirmation that Recipient has paid the provider for these activities and/or services.
- H. False Representation and Remedial Action. If Recipient becomes aware that any representation it has made to City, financial or otherwise, is likely to be false, Recipient shall alert EDI within fourteen (14) days and take all remedial action required by City in its reasonable discretion.
- I. Funding Source Project Accounting. Recipient must provide the Office with final project accounting that shows to the City's satisfaction that no funds provided under this Agreement were spent on expenses (including without limitation, expenses associated with the purchase of property, goods and services as well as in-kind benefits provided by Recipient) paid for by another funding source. The City may in the Office's sole discretion require Recipient to refund or redeploy to approved Project purposes as directed by Office any funds the Office determines were not spent on unique approved activities under this Agreement.
- J. At the Mortgage Paydown, City will obtain a lender's policy of title insurance that City determines to be reasonable for a transaction of this nature. The cost of such title insurance policy will be included in the City payment to escrow if the payment does not exceed the Maximum City Payment.

Recipient's delivery of the Restrictive Covenant and provision of services secured by the Deed of Trust and Additional Security will provide consideration for the City payments to Recipient pursuant to this Agreement.

Section 104: Public Benefit Services from Recipient

- A. Recipient shall begin providing Interim Services (defined below) at the Property within thirty (30) days of the Mortgage Paydown (“Interim Services Start Date”) and shall begin providing the Permanent Services (defined below) set out in the Scope of Work by **January 1st, 2030** (“**Permanent Services Start Date**”). Together, the Interim Services and Permanent Services constitute the “Services.”
- B. Recipient shall provide interim services using available space, resources, and staff hours (“Interim Services”) from the Interim Services Start Date until the start of Permanent Services. It is understood and agreed that the Interim Services will be of a smaller scope and lesser value than the Permanent Services to be provided after Facility development. Recipient shall submit to Office and obtain prior approval of an interim operations plan before starting Interim Services. The Office will approve for amortization only Interim Services that are consistent with the EDI Application and align with the Permanent Services to be provided. Recipient will substantiate delivery of the Interim Services and the value of these services through timely submission of the Annual Reports during delivery of the Interim Services. The Office will credit the value of these Interim Services to Recipient, as determined by Office in its sole and reasonable discretion, and update the Amortization Schedule will be updated to reflect such value.
- C. If Recipient determines it will be unable to begin providing the Permanent Services by the **Permanent Services Start Date** or unable to continuously provide the Services throughout the Term, Recipient shall inform Office and may request an extension. In that event, City may in its discretion allow Recipient to continue providing Interim Services and credit Recipient the value of those Services as set out in Section 104(B) and/or provide Services beyond the schedule set out in the Scope of Work as a means of providing City with services valued equivalent to the Maximum City Payment. Any extension may be conditioned on an extension of the Term of this Agreement and the Deed of Trust, Additional Security and Restrictive Covenant for a length of time equal to the length of time that this Agreement is extended. Recipient shall be responsible for demonstrating that any proposed adjustment to the Services provided will not result in default on any other deed restrictions or use covenants applicable to the Property or Development Property.
- D. The value of the Maximum City Payment shall be amortized on a pro-rated, straight-line basis beginning on the Permanent Services Start Date through the end of the Term of this Agreement, so long as Recipient complies with the terms of this Agreement. If all Services are delivered as expected and the Amortization Schedule is not changed by City under the terms and conditions of this Agreement, Recipient will provide Services continuously for a period of 55 years starting at the Effective Date. The City will adjust the Amortization Schedule (a) if the City pays to Recipient an amount less than the Maximum City Payment, in which case the total value of Services to be rendered will be reduced to the amount of the City’s actual payment; (b) to reflect the value of Interim Services provided under Section 104(B); (c) to reflected any delay in the start of Permanent Services under Section 104(C); or (d) if City determines in its sole discretion that Recipient is able to use more of the Facility for Services than the 5,000 square feet currently planned. In the case of (d), the Office will in its sole and reasonable discretion increase the presumed annual value of Services rendered by Recipient to either \$1 per square foot per month of that portion of the Facility actually used for Services or \$150,000 year, depending on which measure the Office determines better reflects the value of Services, consistent with EDI goals.

- E. All Services provided by Recipient under this Agreement at the Property, Development Property, Facility, or other site reasonably necessary to accommodate development work during the Interim Services period, shall be consistent with the goals and values set forth in Recipient's EDI Application. In the event of any conflict between the terms of the Scope of Work and the EDI Application, the Scope of Work shall control.
- F. Recipient will provide to Office the Annual Report by July 1st of each year during the Term for the prior reporting year. This Annual Report will include at a minimum: a summary of all Services provided; the number of people served by Recipient and location of the Services, by month; and a determination of the valuation of these Services. The valuation provided by Recipient will be made in good faith and based on applicable market rates, to the extent available, and will be accompanied by enough information to allow City to independently confirm the value of Services provided. Recipient will include photos of the activities and or any materials used in Services.
- G. If, after reviewing Recipient's Annual Report of public benefits, City determines in its sole and reasonable discretion that Recipient did not provide Permanent Services with a value of \$150,000 per year (or other amount in the Amortization Schedule if adjusted under subsection (D)), City shall confer with Recipient to discuss options for Recipient to provide the shortfall in consideration. After consulting with Recipient, City may in its reasonable discretion require Recipient to (a) provide additional public benefits during the current year; (b) provide additional public benefits during multiple years during the Term of the Agreement; and/or (c) repay the value of public benefits not provided. City and Recipient may alternatively agree to extend the Term of the Agreement to allow Recipient additional time to provide public benefits with the understanding that such an extension will also extend the terms of the Restrictive Covenant, Deed of Trust and Additional Security set out in Section 105.
- H. Recipient's failure to provide agreed Services or to provide equivalent value as directed by City will be an Event of Default of this Agreement.
- I. If the Recipient determines that the Services are no longer a viable public use for all or a portion of the Facility, Recipient may propose to Office an alternative set of Services. The Office will allow Recipient to change the use if Office determines in its sole discretion and based on information provided by Recipient or otherwise available to Office that: (a) the current Services are inconsistent with Recipient's long-term viability or the needs of the community intended to be served by the Project; (b) the proposed alternative Services will have the same or greater valuation as the agreed Services, provide an equivalent or greater benefit to the City and its residents, serve the same geographic communities and meet a similar or equally compelling community needs; and (c) the proposed alternative Services are consistent with City EDI goals. The proposed Services do not need to be identical to the current Services. The City may condition approval for a change in Services to execution by Recipient and recordation of an amendment to the Restrictive Covenant or a new restrictive covenant consistent with the updated Services. In either case, the City will give Recipient credit for the time elapsed and Services provided measured from the Mortgage Paydown. Recipient shall be responsible for demonstrating that any proposed adjustment to the Services provided will not result in default on any other deed restrictions or use covenants applicable to the Property or Development Property.

Section 105: Property Instruments: Restrictive Covenant and Deed of Trust

- A. Deed of Trust. Recipient's promise to provide Services under Section 104 will be enforced by security against the Property in the form of a deed of trust securing specific performance of Recipient's obligations to pay liquidated damages set out in Section 412 of this Agreement (the "Deed of Trust", in the form attached as Exhibit C) and Additional Security. Recipient will execute and deliver to City the Deed of Trust at or before the Mortgage Paydown.

1. The City acknowledges that the Recipient may wish to modify the Deed of Trust to encumber the Facility rather than the Property. Prior to agreeing to a modification of the Deed of Trust to encumber the Facility:

- i. Recipient will cause to be recorded a condominium declaration describing the boundaries and locations of the individual condominium units including the unit encompassing the Facility. Recipient will provide the Office with a copy of the recorded condominium declaration and any surveys, site descriptions, or documents reasonably requested by the Office, and the legal description of the Facility; and

- ii. Recipient will order an appraisal of the Facility by a Washington State licensed commercial real estate appraiser. Recipient will provide the appraisal to the Office at the Office Contact below. Any modification of the Deed of Trust and/or Additional Security will be contingent on the Office's determination that the Facility's appraised value is sufficient to cover liquidated damages, up to the Maximum City Payment, as calculated in Section 412. The Office will rely on information provided by the Recipient and will not conduct an independent investigation into the Facility's value.

2. Any request to modify, amend, or release the Deed of Trust, Additional Security, and/or Prior Deed will be granted or denied in the sole discretion of the Office. The Recipient will execute any modified deed of trust in a form provided by the City with such modifications as the Office may accept in its sole determination. Any modified deed of trust will have priority over any and all Property (and/or Development Property, as applicable) encumbrances other than the Restrictive Covenant and/or Prior Covenant and other encumbrances, which may or may not include the Permitted Encumbrances, that the Office accepts in its sole discretion. Recipient will cause the modified deed of trust or release to be recorded at its own expense.

- B. Restrictive Covenant. As partial consideration for the City payment to Recipient under this Agreement, Recipient will deliver to City a covenant restricting the use of the Facility to public benefit purposes consistent with this Agreement and Recipient's EDI Application as further identified in that instrument ("Restrictive Covenant", in the form attached as Exhibit B). The term of the Restrictive Covenant will be fifty-five years (55) unless amended by mutual agreement, as set out in this Section 105, or as necessary to reflect any change to the Term under the terms and conditions of this Agreement. Execution and delivery of the Restrictive Covenant will be in conformance with the terms of this section.:

1. At or before Mortgage Paydown, Recipient will execute and deliver to City the Restrictive Covenant restricting the use of the Property to public benefit purposes consistent with this Agreement in the form attached as Exhibit B. 2. Any requests to modify or amend the Restrictive Covenant will be granted or denied in the sole discretion of the Office. If requested, Recipient will provide the legal descriptions of the property to be encumbered; any condominium declaration, survey, and site plan setting out the location, size, and characteristics of the Facility, unit, building or real property ; or any other materials that the Office may request in its sole and reasonable discretion. City will review these materials to determine whether the property to be encumbered is in conformance with the terms of this Agreement and will generate the expected public benefits during the term of this Agreement.

- i. If, on review of the documents and information provided under subsection 105(B)(2), the Office determines that the facility is smaller than the 5,000 square feet that Recipient has committed to Project purposes, or that the public benefit of the property is less than anticipated due to the configuration of the unit, Facility, building, or reconfiguration of the Property and/or Development Property, Office will notify Recipient that the term of the Restrictive Covenant must be increased. In this notice, Office will identify the basis for determining that the fifty-five term of the Restrictive Covenant is insufficient to achieve anticipated public benefits and the term length that will be required to allow the City to achieve anticipated public benefits through this Agreement. Office will provide with this notice an updated form of the Restrictive Covenant setting out the updated term. An increase in the term of the Restrictive Covenant may also result in an increase in the Term of this Agreement if the City determines in its sole and reasonable discretion that the configuration of the property also will reduce the Permanent Services to be delivered each year.
- ii. Recipient may, in the alternative to an increase in the Restrictive Covenant term under subsection 105(B)(4), propose that the Restrictive Covenant encumber additional space on the Property and/or Development Property, such as an additional condominium unit. City will consider such a proposal in its sole and reasonable discretion.

3. This Restrictive Covenant will be in addition to the Prior Deed and Prior Covenant already held by the City and acceptance of the Restrictive Covenant will not waive or modify any rights already held by the City under the Prior Agreement. If the City determines that it would be administratively convenient, advance City EDI goals, and be consistent with the business goals of this Agreement and the Prior Agreement, City may consider further modifications to the Restrictive Covenant form to allow consolidation of the City's property rights under the Prior Agreement and this Agreement. Any modification will be in the City's sole discretion, subject to a determination that City will achieve all anticipated public benefits and other consideration under the Prior Agreement and this

Agreement, and contingent on amendment to the Prior Agreement and/or this Agreement, in City's discretion.

4. The Restrictive Covenant shall be senior to any and all encumbrances on the Facility, except for any Permitted Encumbrances described in Exhibit E.

5. Failure to provide the Restrictive Covenant as set out in this Section 105 will be an Event of Default without requirement that the City first provide notice or opportunity to cure.

C. Extension. If the Office determines under Section 412 or Section 104 that additional time will be required for the City to realize expected public benefits under this Agreement, City may require as a condition for curing Default or forbearing action to enforce City rights under the Deed of Trust, Additional Security or Restrictive Covenant that Recipient amend either or both instruments to extend the term to a date that City determines in its reasonable discretion will allow the City to receive public benefits at the Facility equivalent to the Maximum City Payment, or such other amount as City has paid to the Recipient.

D. Release. If Recipient has satisfied its obligations under this Agreement, including providing all Services required and maintaining compliance with the terms of the Restrictive Covenant to the reasonable satisfaction of the Office, City will reconvey the Deed of Trust to Recipient and release the Restrictive Covenant on the Expiration Date of this Agreement.

Section 106: Project Management and Maintenance

- A. Recipient is solely responsible for implementing the Project, which will include activities other than Services delivery. Failure to carry out these necessary supportive activities will be a default subject to Section 414, but these activities are not Services and the value of these activities will not count for the required value of annual Services to be delivered under Section 105.
- B. After Mortgage Paydown and for the remainder of the Term, the Recipient shall create and follow a plan to provide adequate staffing, funding and hours of operation to maintain the Property and Facility, including improvements and fixtures, in a safe and healthy manner for use by its staff/constituents and the public. Recipient will make this maintenance plan available to Office on request. The Recipient shall carry sufficient commercial general liability and property insurance as long as it operates the Property, Development Property and/or Facility. Additional insurance obligations are set out in Section 303(C). Failure to maintain the Property, Development Property, and/or Facility as described in this Section will constitute a breach of this Agreement subject to remedies under Section 412 and may result in the City taking any action it reasonably deems appropriate to preserve the Property and/or Development Property for Project purposes and to protect the City's property interest in the Property, Development Property, and/or Facility.
- C. On or before December 1st, 2029, Recipient shall provide the Office with a plan demonstrating Recipient will maintain sufficient funds in the Facility building reserves to cover major infrastructure needs during the Term.
- D. Recipient will execute at its own risk and cost, subject to reimbursement under Section 103, all contracts necessary to carry out Project goals, including contracts with vendors and service providers.

ARTICLE II: ADDITIONAL CONDITIONS

Section 200: Other Funds Raised

Recipient shall inform the Director of the Office of Planning and Community Development (“Director”) about any funds allocated to the Recipient that it anticipates will not be expended during the Term of this Agreement and permit the City to reallocate the same, and it shall inform and promptly pay to the City any funds in its possession that may be due to the City. The Recipient shall repay to the City any sums received which the Recipient does not expend for eligible purposes.

Recipient shall promptly inform the Director if alternative funding sources are committed to Recipient for any activities funded by this Agreement, including funding from the City other than those provided by this Agreement. If the Director determines that alternative funding sources from the City or otherwise are likely to be realized, Director may, at Director’s sole discretion, require a refund or deployment via an amended Scope of Work any funds Director determines are superfluous to the Project; if the Director elects a redeployment, the parties shall cooperate in good faith to effect such redeployment.

Section 201: Reimbursement

The City shall require escrow instructions sufficient to ensure that City funds are returned to City if the Mortgage Paydown does not occur. If the Mortgage Paydown is not completed, the Facility is not developed as anticipated under this Agreement, or Services cannot be provided at the Facility, Recipient shall refund to City all payments provided under this Agreement unless City and Recipient mutually agree to alternative consideration to be provided by Recipient. City may condition its acceptance of alternative consideration on execution by Recipient of security instruments City determines to be reasonably sufficient to guaranty Recipient’s performance.

Section 202: Recipient’s Obligation to Disburse Funds

It is the responsibility of the Recipient to pay for the services performed by its employees, contractors, consultants, and vendors and to ensure that contractors are paying their subcontractors, vendors, taxes and other financial obligations with consideration of prevailing wage requirements. The City shall not be held responsible for any amounts claimed by the Recipient’s employees, suppliers, staff, consultants, contractors or subcontractors which have not been approved for payment by the City.

ARTICLE III: PROJECT REQUIREMENTS

The following requirements must be completed by Recipient on an ongoing basis after the Mortgage Paydown. Satisfactory performance of these requirements is required for City to release the Restrictive Covenant and reconvey the Deed of Trust and Additional Security at the Expiration Date.

Section 300: Method of Payment

- A. When City determines the conditions precedent in Section 103(E) have been satisfied and on receipt and approval of the draft closing statement and escrow instructions, City will pay the Mortgage Payment into an escrow account reasonably acceptable to the City.
- B. When City determines the conditions precedent in Section 103(F) have been satisfied, City will pay any Predevelopment Payment(s) directly to Recipient.

- C. The Office reserves the right to withhold payments pending timely delivery of a properly executed invoice or other documents expressly required under this Agreement.

Section 301: **Contacts**

Notices, requests, grievances, reports, invoices or adjustments to either party shall be in writing and effective: (a) three (3) business days after being mailed by the United States postal service; (b) one (1) business day after being sent by overnight delivery using a nationally recognized overnight courier service; or (c) the same day when sent by email transmission with confirmed receipt to the email address. In each case, the notice shall be delivered to the address set forth below for such party, directed to the attention of the person identified therein. A party may change its address for notices by written notice delivered to the other party in accordance with this section.

The initial contact for notices, deliverable materials and invoices for the parties are:

Office:

Director, Office of Planning and Community Development (“Office Contact” or “Office Project Manager”)

P.O. Box 94788

Seattle, Washington 98104-7088

Attention: Giulia Pasciuto, OPCD Project Manager

Email: giulia.pasciuto@seattle.gov

Alternate email when out of office: jenna.franklin@seattle.gov and EDI_contracting@seattle.gov

Recipient (“Recipient Contact” or “Recipient Project Manager”):

Central Area Youth Association

119 23rd Ave.

Seattle, WA 98122

Attention: Chettie McAfee

Email: ccayamac@gmail.com

The parties may identify a different contact person at any time by providing written notice as set out in this section.

Section 302: **Required Opportunity for Access and Documentation**

A. Opportunity for Access

The Recipient agrees to make available, on request of the City, up to five free uses of the Facility for the City to use for an event, meeting, or workshop, as further provided in the Scope of Work. Arrangements for this free City use of space will be handled through the Office Contact, with access use to further the goals of the EDI program. City access rights will be in addition to rather than substitute for Services required under the Scope of Work.

B. Closing Reporting

The City shall submit escrow instructions to the escrow closer requesting copies of all documents recorded in connection with the Mortgage Paydown, including, without limitation, the Deed of

Trust and Restrictive Covenant. Recipient shall, if required by the escrow closer, consent in writing to the delivery to the City of such copies.

C. Project Oversight and Reporting

The Office will have oversight of this Project following Mortgage Paydown for the term of the Agreement to ensure Property and/or Facility uses meet City requirements. The Recipient shall provide an Annual Report to the Office, in a format acceptable to the Office, confirming the continued use of the Property and/or Facility for the Services to be provided to City no later than July 1st each year during the Term of this Agreement. In addition, the Recipient shall work cooperatively with the Seattle Department of Construction and Inspections (“SDCI”) staff to meet SDCI usage requirements.

D. Permission for Use of Project Images

The Recipient is requested to provide photo images of the Property and Facility, if available. The Office agrees that it will make use of such images for non-commercial purposes only, in connection with promoting the work of the Office and the cultural community. The Recipient will provide photo captions and the names of the photographers to ensure that appropriate credit is given if images are used. By submitting photo images, the Recipient grants permission for such use and represents that he/she/it has the right to authorize the use of such images by the Office, *including necessary parental permission for photos that may include children under the age of 18.*

Section 303: Indemnification and Risk Management/Third Party General Liability Insurance

A. Indemnification

Recipient shall defend, indemnify, and hold the City and its officials, agents, and employees harmless from and against all claims, demands, losses, damages or costs, including but not limited to damages arising out of bodily injury or death to persons and damage to property, caused by or resulting from:

- the sole negligence or willful misconduct of Recipient, its officers, employees, agents, contractors, subcontractors, consultants, or subconsultants;
- the concurrent negligence of Recipient, its officers, employees, agents, contractors, subcontractors, consultants, or subconsultants but only to the extent of the negligence of Recipient, its officers, employees, agents, contractors, subcontractors, consultants, or subconsultants;
- the negligent performance or non-performance of the Agreement by the Recipient; or
- the use of any design, process, or equipment that constitutes an infringement of any patent in effect, or violates any other intellectual proprietary interest, including copyright, trademark, and trade secret.

Recipient waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless the City and its officials, agents, or employees. This waiver has been mutually negotiated by the parties.

B. Risk Management

It shall be the responsibility of the Recipient to exercise good risk management at all times to reasonably minimize risk to those working in and visiting the Property and/or Development Property as well as the general public. Recipient is responsible for protecting its person and property at all times, including but not limited to supplies and equipment to perform Services hereunder. Recipient releases and agrees to hold the City harmless from liability for losses or damages of any kind sustained by Recipient in performing the Services required hereunder.

C. Insurance

Capitalized terms used in this section and not defined in this Agreement shall be construed in accordance with customary usage in the insurance industry as of the date of this Agreement, unless the context clearly requires otherwise.

Commencing at Mortgage Paydown, Recipient shall maintain in full force and effect so long as this Agreement or the Restrictive Covenant shall be in effect at Recipient's sole cost and expense, and Recipient's contractor and subcontractors of all tiers shall maintain in full force and effect during the period of construction, minimum types of insurance coverages with such minimum limits of liability and meeting such general conditions as are set forth below. The insurance policies are subject to approval by City in its sole discretion as to amount, policy form, endorsements, deductibles and insurer and must cover all risks City required: provided, however, that Recipient shall be deemed to meet the insurance requirements if Recipient maintains at least the coverage specified below. The specific minimum coverages, limits, general conditions, standards and forms set forth in this section establish the requirements that shall apply unless the City shall, by notice in writing, approve or require different or additional coverages, limits, general conditions, standards or forms.

Coverages Required of Recipient

(1) Permanent Property Insurance.

Recipient shall maintain at all times Permanent Property insurance on all buildings, improvements and fixtures on the Property and Development Property on an "All Risk" basis in an amount at least equal to the current 100% replacement cost thereof, as established no less frequently than annually, that covers:

- i. Loss from the perils of fire and other risks of direct physical loss (including earthquake if required in writing by the City and flood damage if the Property is in a flood hazard area) not less broad than provided by the insurance industry standard Causes of Loss - Special Form CP 10 30;
- ii. Loss or damage from water damage, or sprinkler systems now or hereafter installed in any building on the premises;
- iii. Loss or damage by abrupt and accidental breakdown, electrical injury and explosion of a steam boiler, steam piping or steam engine of steam boilers, pressure vessels, oil, or gasoline storage tanks; machinery, heating or air conditioning, elevator and escalator equipment or similar apparatus, in each case if the Property contains equipment of such nature.

(2) Commercial General Liability Insurance.

Recipient shall maintain at all times CGL insurance, written on an Insurance Services Office (ISO) occurrence form CG 00 01 or equivalent, including Premises/Operations; Products/Completed Operations; Personal/Advertising Injury; Contractual Liability; and

Stop Gap/Employers Liability. The minimum limits of liability shall be not less than \$1,000,000 CSL and \$2,000,000 General and Products/Completed Operations Aggregate.

(3) Automobile Liability Insurance.

Recipient shall maintain at all times automobile liability insurance for owned, non-owned, leased or hired vehicles, as applicable, written on a form CA 00 01 or equivalent with minimum limits of liability of \$1,000,000 CSL. Notwithstanding this requirement, City acknowledges that as of the Effective Date of this Agreement, Recipient owns no automobiles and automobile liability insurance is not therefore required at this time.

(4) Worker's Compensation.

Recipient shall maintain at all times worker's compensation insurance for Washington State as required by Title 51 RCW.

(5) Alcohol Liability Insurance.

If alcohol will be served at any time during the Term, it is solely the Recipient's responsibility to determine whether alcohol liability insurance is required, and if so, it is the Recipient's responsibility to determine the appropriate limits. Recipient acknowledges and agrees that the City bears no responsibility for any damage, loss, or claims of any nature relating to the offering and consumption of alcohol on the Property during the Term.

Section 304: Responsibilities of Recipient

The Recipient is responsible for the performance of the work and the long-term maintenance of the Project. The Recipient is responsible for performing all activities set out in the Scope of Work.

Section 305: Nonprofit Corporation Status

The Recipient shall maintain its status as a nonprofit corporation pursuant to RCW 24.03A.245. The Recipient shall also pay for and maintain in a current status any license fees, assessments, permit charges, other charges necessary for performance of this Agreement. It is the Recipient's sole responsibility to monitor and determine any changes or the enactment of any subsequent requirements for said fees, assessments, or charges and to immediately comply with said changes during the entire term of this Agreement. Any failure by the Recipient to maintain its status as a nonprofit licensed to operate in the City of Seattle and State of Washington shall be a material breach of this Agreement if such failure continues for 30 days after receipt of notice from the City of such failure.

ARTICLE IV: GENERAL CONDITIONS

Section 400: Involvement of Former City Employees

The Recipient agrees to promptly inform the City of any former City officer or employee who terminated City office or employment in the last twelve (12) months and who will be working on or subcontracting for any of the paid work under this Agreement upon becoming aware of the person's status as a former City officer or employee. The Recipient further agrees that no paid work under this Agreement will be done by a former City officer or employee who terminated City office or employment in the last twelve (12) months and who, in the course of official City duties, was involved in, participated in or acted on any matter related to this Agreement.

Section 401: Discrimination Prohibited

Affording Equal Employment Opportunity under Seattle Municipal Code Ch. 20.42 and Ch. 20.45, as now or hereafter amended, during the performance of this Agreement is mandatory and the Recipient agrees as follows:

The Recipient of this Agreement will not discriminate against any employee or applicant for employment because of age, race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. The Recipient will take action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to their creed, religion, race, color, sex, national origin, or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Recipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Office setting forth the provisions of this nondiscrimination clause.

The Recipient will, prior to commencement and during the Term of this Agreement, furnish to the Director of the Seattle Office for Civil Rights (“SOCR”) or his designee upon his request and on such form as may be provided by the Director of SOCR therefore, a report of the action taken by the Recipient in implementing the terms of this section, and will permit access to its records of employment, employment advertisements, application forms, other pertinent data and records by the Director of SOCR for the purpose of investigation to determine compliance with this section.

If upon investigation the Director of SOCR finds probable cause to believe that the Recipient has failed to comply with any of the terms of this section, the Director of SOCR and the Office shall give the Recipient an opportunity to be heard after 10 days' notice. If the Office concurs in the findings of the Director of SOCR, it may suspend the Agreement and/or withhold any funds due or to become due to the Recipient pending compliance by the Recipient with the terms of this section, if the organization has any employees.

Failure to comply with any of the terms of this section shall be a material breach of this Agreement. The provisions of this section shall be inserted into all subcontracts for work covered by this Agreement. In the provision of Services under this Agreement, the Recipient shall not discriminate against individuals because of non-membership in any Recipient-sponsored organization.

Section 402: Discrimination because of Certain Labor Matters

No person employed on the work covered by this Agreement shall be discharged or in any way discriminated against because he/she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable hereunder to the employer.

Section 403: Americans with Disabilities Act

The Recipient must make a good faith effort to ensure it is in compliance with the Americans With Disabilities Act of 1990 (“ADA”) which, in addition to existing federal, state, and city non-discrimination laws, extends the same civil rights protection to persons with disabilities which have already been granted on the basis of race, color, religion, sex, age and national origin requirements.

If the Recipient is providing services, programs or activities to City employees or members of the public, the Recipient shall not deny participation or the benefits of such services, programs or activities to persons with disabilities on the basis of such disability. Recipient shall provide the services specified in this Agreement in a manner that complies with Title II of the ADA and any and all other applicable federal, state and local disability laws and regulations at all times and at no additional cost to City, including but not limited to the ADA; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C § 701 et seq.; and the Washington Law Against Discrimination, Wash. Rev. Code Ann. § 49.60.

If the Project contemplates construction or modifications to an existing Property, the final Project design shall comply with all applicable laws, building codes and regulatory requirements, including but not limited to the requirements of the ADA as amended (42 U.S.C. 12101 et seq.), its regulations, standards and guidelines. In cases where Title II and III of the ADA differ, the design shall comply with the provision that provides the highest degree of access to individuals with disabilities. Additionally, in cases where the 2010 ADA Standards for Accessible Design and building codes and other regulations differ, the design shall comply with the standard that provides the highest degree of access to individuals with disabilities. It is the responsibility of the Recipient to determine the applicable code provisions.

Any violation of the requirements in Section 403 shall be a material breach of contract and grounds for immediate termination of this Agreement, and Recipient may be subject to damages, sanctions, or other remedies as provided for under this Agreement or under applicable law.

The Recipient shall provide the following:

1. Provide advance notification of public meetings regarding the Project with the statement, “accommodation for persons with disabilities upon request.”
2. Hold public meetings in accessible locations.
3. Provide alternate forms of communication if requested.
4. Make programs or services provided to the public accessible.
5. Construct barrier-free physical projects.
6. Increase general awareness of and sensitivity to people with disabilities.

Section 404: Women and Minority Business Enterprise Requirements

The following section pertains to those projects which must meet the Competitive Bid Process.

A. General:

The City encourages the utilization of minority-owned businesses (“MBEs”) and women-owned businesses (“WBEs”) (collectively, “WMBEs”), in all City contracts. WMBE utilization requirements shall not apply to this Agreement. No minimum level of WMBE sub-consultant participation shall be required as a condition of receiving funding and no preference will be given pursuant to this Agreement to an entity for their WMBE utilization or WMBE status; provided, however, that any affirmative action requirements set forth in any federal regulations or statutes included or referenced in the Agreement will continue to apply.

B. Non-Discrimination:

The Recipient shall not create barriers to open and fair opportunities for WMBEs to participate in all City contracts and to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. In considering offers from and doing business with sub-consultants and suppliers, the Recipient shall not discriminate on the basis of race, color, creed,

religion, sex, age, nationality, marital status, sexual orientation or the presence of any mental or physical disability in an otherwise qualified disabled person.

C. Record-keeping:

The Recipient shall maintain, for at least 12 months after completion of this Agreement, relevant records and information necessary to document level of utilization of WMBEs and other businesses as sub-consultants and suppliers in the resultant Agreement and in its overall public and private business activities. The Recipient shall also maintain all written quotes, bids, estimates, or proposals submitted to the Recipient or proposer after the date of the issuance of this Agreement by all businesses seeking to participate as sub-consultants or suppliers in the resultant Agreement. The City shall have the right to inspect and copy such records. If this Agreement involves federal funds, the Recipient shall comply with all record-keeping requirements set forth in any federal rules, regulations or statutes included or referenced in the Agreement.

D. Affirmative Efforts to Utilize WMBEs:

The City encourages the following practices to open competitive opportunities for WMBEs:

1. Attending a pre-solicitation conference, if scheduled by the City, to provide project information and to inform WMBEs of contracting and subcontracting opportunities.
2. Placing all qualified WMBEs attempting to do business in the City of Seattle on solicitation lists, and providing written notice of subcontracting opportunities to WMBEs capable of performing the work, including without limitation all businesses on any list provided by the City of Seattle, in sufficient time to allow such businesses to respond to the written solicitations.
3. Breaking down total requirements into smaller tasks or quantities, where economically feasible, in order to permit maximum participation by small businesses including WMBEs.
4. Establishing delivery schedules, where the requirements of this Agreement permit, which encourages participation by WMBEs.
5. Providing WMBEs that express interest with adequate and timely information about plans, specifications, and requirements of the Agreement.
6. Utilizing the services of available minority community organizations, minority contractor groups, local minority assistance offices, the City of Seattle, and other organizations that provide assistance in the recruitment and placement of WMBEs.

E. Violations of Mandatory Requirements:

Any violation of the mandatory requirements of Paragraphs B and C in Section 404 shall be a material breach of contract for which Recipient may be subject to damages provided for by the Agreement and for which Recipient may face additional liability under applicable law.

Section 405: Right to Review Documents Prepared for Public Use

The Office shall have the right to review and comment on any reports or documentation given to or prepared or assembled by the Recipient under this Agreement prior to distribution. Recipient shall notify the Office prior to any proposed distribution to allow the Office the opportunity for review and comment.

Section 406: Subcontracting

This Agreement is personal to each of the parties hereto and neither party may assign or delegate any of its rights or obligations hereunder without first obtaining the consent of the other party. In the event of any approved assignment or subcontract, the Office shall continue to hold the Recipient responsible for proper performance of obligations under this Agreement. All provisions of this Agreement shall apply to all subcontracts entered into by the Recipient. The Recipient shall inform the Office of all subcontracts, including the process used for selecting a subcontractor.

Section 407: Documentation of Costs and other Financial and Reporting Requirements

All costs shall be supported by properly executed payrolls, time records, receipts, invoices, vouchers or other official documentation for all expenses, as evidence of the nature and propriety of the charges. All accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible, and the Office shall have the right to audit the records of the Recipient as they relate to the work, upon reasonable notice. The Recipient shall also:

1. Maintain an effective system of internal control over and accountability for all funds and property supplied and make sure the same is used solely for authorized purposes.
2. Keep a continuing record of all disbursement by date, check number, amount, vendor, description of items purchased and line item from which money was expended, as reflected in accounting records. A receipt, invoice marked "Paid," or payroll record must substantiate the line item notations.
3. Maintain payroll and financial records for a period of three (3) years after receipt of final payment under the Agreement.
4. Permit inspection and audit of its records with respect to all matters authorized by this Agreement by representatives of the City, the United States and the State of Washington Auditor, and at any time during normal business hours and as often as necessary.
5. Repay to the Office any funds in its possession at the time of the termination of this Agreement that may be due to the City.
6. Provide the Internal Revenue Service with appropriate and timely information regarding employee and/or consultant earnings.

In the event that the United States or the State of Washington or the City shall determine that any funds were expended by the Recipient for unauthorized or ineligible purposes or constitute disallowed costs and order repayment of the same, the Recipient shall within thirty (30) days remit the same to the Office.

Further, all financial records and fiscal control systems will be established and maintained in a manner to meet the approval of the City Comptroller and the State of Washington Auditor; records and reports submitted shall be satisfactory to meet the approval of the Director.

In providing Services under this Agreement, the Recipient, at its sole cost and expense, shall comply with all applicable laws of the United States and the State of Washington; the Charter and Ordinances of The City of Seattle; and rules, regulations, orders and directives of their administrative agencies and the officers thereof.

No funds under this Agreement may be used for construction or any other activities constituting a "public work" as defined by Washington state law. Unless otherwise approved by the City in writing, the City funds provided under this Agreement shall be held in a restricted account solely to be used for acquisition of the Property.

Section 408: Future Support

The Office makes no commitment of future support and assumes no obligations for future support of the activity contracted herein except as set forth in this Agreement.

Section 409: Reservation of Rights

Neither payment by the Office nor performance by the Recipient shall be construed as a waiver of either party's right or remedies against the other. Failure to require full and timely performance of any provision at any time shall not waive or reduce the right to insist upon complete and timely performance of such provision thereafter.

Section 410: Severability

If any provisions of this Agreement other than those provided in Article IV are held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to serve the purposes and objectives of the contemplated Project and the Office.

Section 411: Quality of Performance

- A. The Recipient shall be responsible for the quality of Services rendered under this Agreement. Its responsibilities hereunder shall not be reduced by recommendations or assistance received from the City.
- B. The Office shall judge the adequacy and efficiency of work performed, the sufficiency of records and the services rendered using reasonable standards consistent with EDI goals and appropriate for the scope and type of Project and Recipient's organizational capacity. If during the course of the Agreement, the City reasonably determines that Service(s) rendered do not provide agreed public benefits, the Recipient will correct, modify, remodel and/or repeat the process. Failure to make the necessary corrections shall be a breach of this Agreement.

All work shall be performed and services supplied in a manner to further Project purposes and goals, and in compliance with guidelines for performance set by the United States Government through the City, this Agreement, and general direction of the City.

Section 412: Default by the Recipient

- A. If Recipient fails to perform when required any obligation hereunder or in the Restrictive Covenant, or otherwise breaches any term hereof or thereof, the City may provide written notice to Recipient, specifying the nature of the breach and granting thirty (30) days opportunity after the date of the notice within which such breach must be cured. If a breach, other than as set forth below in this subsection, is curable but not susceptible to being cured within such thirty (30) days, the City will allow the Recipient an additional period of up to ninety (90) days to cure such breach or such additional time as the City reasonably determines is necessary and consistent with Project goals, provided that within such thirty (30) days, Recipient has committed in writing to cure the breach and has commenced to cure such breach, and that the Recipient diligently and continuously proceeds to cure such breach. The extended period to cure a breach shall not apply to a breach due to the intentional acts of Recipient, or to a breach of the same nature as one previously cured after notice during the preceding twelve (12) months. Unless Recipient shall fully cure all breaches specified in such notice within the time allowed, the same shall be an "Event of Default." No written notice by or opportunity for cure is required to be provided for an

Event of Default for failure by Recipient to execute and cause to be recorded a Restrictive Covenant under Section 105. After an Event of Default, the City may exercise any remedies provided for default in this Agreement, remedies for default set out in the Restrictive Covenant, and any other remedies at law or in equity. The City's rights and remedies hereunder are not exclusive, but cumulative, and the City's exercise of any right or remedy due to Recipient's failure to perform any covenant or condition of this Agreement shall not be deemed a waiver of, or alter, affect, or prejudice any other right or remedy that the City may have under this Agreement or by law or in equity. After an Event of Default, the City shall have the right to copy for its unlimited use, all finished or unfinished documents, data, studies, and reports prepared by the Recipient under this Agreement, and such materials shall, at the option of the Office, become the property of the Office.

- B. Following an Event of Default, the City is entitled to all remedies available at law or in equity, including without limitation, bringing an action for injunctive relief or specific performance, it being recognized that monetary damages may not be an adequate remedy for the City. The parties acknowledge and agree that the benefit to the City for its funding of the Project depends upon the operation of the Property as provided herein for the period identified in this Agreement and in the Restrictive Covenant. The parties acknowledge and agree that it would be impracticable and extremely difficult to determine the actual damages sustained as a result of the failure of Recipient to complete the Project and operate the Property as contemplated under this Agreement. As a result, the parties agree that as a remedy for such failure, the City shall have the right, at the City's option, to recover from Recipient and any successors to its interests, liquidated damages in the amount described below, which amount the parties agree is a reasonable estimate of the damage to the City, and is intended to fairly measure the loss to the City and not to be punitive in nature. If the City elects to pursue monetary damages, the City shall be entitled to liquidated damages calculated on a straight line prorated basis based on the amount of funds actually provided by City to Recipient minus the value of Services actually provided by Recipient under Exhibit A (\$2,646,000 [or such other amount actually provided by City] less (\$48,109.09 x the number of months Recipient provided Services)). The City shall have the right to foreclose on the Deed of Trust and Additional Security to ensure payment of the liquidated damages. The fact that the parties have specified an appropriate amount of liquidated damages is not intended as a waiver of the City's right to seek specific performance in the event of an Event of Default.
- C. The City may, at its option and to the extent applicable, set off any liquidated damages under this section against any amount otherwise payable or distributable by the City to Recipient, whether or not in relation to this Agreement.
- D. The Recipient's obligation to pay liquidated damages under this section shall be secured by the Deed of Trust and Additional Security, but the City shall not be required to pursue any remedies under the Deed of Trust or Additional Security.

Section 413: Repayment

In the event that the City terminates this Agreement due to misappropriation of funds or fiscal mismanagement, the Recipient shall return to the City all contract funds, which at the time of termination remain in its possession, and, shall pay to the City such funds as the City determines to be due to the City on account of the misappropriation or fiscal mismanagement or due to failure to deliver all public benefits set out in the Scope of Work.

Section 414: Termination for Convenience of City

The City may terminate this Agreement any time by a notice in writing to the Recipient. If the Agreement is terminated by the City as provided herein, the Recipient will be paid an amount which bears the same ratio to the total compensation as the Services actually performed bear to the total Services of the Recipient covered by this Agreement less payments of compensation previously made.

Section 415: Termination of Agreement by the Recipient

This Agreement may be terminated by agreement of the Recipient upon fifteen (15) days' written notice should the City fail to substantially perform its obligations under this Agreement through no fault of the Recipient. In the event of termination due to the fault of the City, the Recipient shall be paid compensation for Services performed to the termination date, including all authorized expenses then due, including expenses directly attributable to the uncompleted portion of the Services covered by the Agreement.

Section 416: Changes

Either party may request changes in the scope of services, performance, or reporting standards to be performed or provided under this Agreement. Such changes, including any increase or decrease in the amount awarded to the Project and extensions of term of this Agreement, which are mutually agreed upon by and between the Recipient and the Office, shall be incorporated in written amendments to this Agreement.

Section 417: Exhibits Incorporated; Integrated Document

This Agreement incorporates all attached Exhibits, particularly, Exhibit A (Amortization Schedule), Exhibit B (Restrictive Covenant), Exhibit C (Deed of Trust), Exhibit F (EDI Checklist) and Exhibit E (Permitted Encumbrances). This Agreement embodies the complete agreement, terms and conditions between the Office and the Recipient. No verbal agreements or conversation with any officer, agent or employee of the Office prior to the execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon either party.

Section 418: Proprietary and Confidential Information

Under Washington's Public Records Act, Chapter 42.56 RCW, all materials received or created by the City of Seattle are considered public records. These records include, but are not limited to, bid or proposal submittals, agreement documents, contract work product, or other bid material. The Public Records Act requires that public records must be promptly disclosed by the City upon request unless the Act or another Washington State statute specifically exempts records or portions of records from disclosure. A list and description of records identified as exempt by the Public Records Act can be found in RCW 42.56 and RCW 19.108. If the City receives a public disclosure request for any records or parts of records relating to this Agreement, the City will notify Recipient in writing of the request. The City shall have no obligation to assert an exemption from disclosure on Recipient's behalf. If Recipient believes that its records are exempt from disclosure, Recipient may seek an injunction under RCW 42.56.540. Recipient acknowledges that the City will have no obligation or liability to Recipient if the records are disclosed.

Section 419: Dispute Resolution

Any dispute, grievance, or misunderstanding that may arise under this Agreement concerning performance shall first be resolved through negotiations, if possible, between the Recipient's Project

Manager and the Office's Project Manager identified in this Agreement. If resolution of disputes cannot be reached in a reasonable period of time, Recipient, City, or Office may decline or discontinue such discussions and may then pursue other means to resolve such disputes, including, but not limited to, alternative dispute resolution. Nothing in this dispute process shall mitigate the rights of the City to terminate this Agreement.

Section 420: Miscellaneous Provisions

A. Amendments

No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of each of the parties hereto.

B. Background Checks and Immigrant Status

The City may require background checks for some or all of the employees that may perform work under this Agreement. The City reserves the right to require such background checks at any time. The City has strict policies regarding the use of background checks, criminal checks, immigrant status, and/or religious affiliation for contract workers. The policies are incorporated into the Agreement and available for viewing on-line at <http://www.seattle.gov/purchasing-and-contracting/social-equity/background-checks>.

C. Notification Requirements for Federal Immigration Enforcement Activities

Prior to responding to any requests from an employee or agent of any federal immigration agency including the Immigration and Customs Enforcement (ICE), the U.S. Department of Homeland Security (DHS), Homeland Security Investigations (HSI), Enforcement Removal Operations (ERO), Customs and Border Protection (CBP), and U.S. Citizenship and Immigration Services (USCIS) regarding this Agreement, Recipient shall notify the Office Project Manager immediately.

Such requests include, but are not limited to:

- 1) Requests for access to non-public areas in City buildings and venues (i.e., areas not open to the public such as staff work areas that require card key access and other areas designated as "private" or "employee only"); or
- 2) Requests for data or information (written or oral) about workers engaged in the work of this Agreement or City employees.

No access or information shall be provided without prior review and consent of the City. The Recipient shall request the ICE authority to wait until the Office Project Manager is able to verify the credentials and authority of the ICE agent and will direct the Recipient on how to proceed.

D. Binding Agreement:

This Agreement shall not be binding until signed by both parties. The provisions, covenants and conditions in this Agreement shall bind the parties, their legal heirs, representatives, successors and assigns.

E. Federal, State, and Local Compliance

The Recipient, at no expense to the City, shall comply with all laws of the United States and State of Washington, the Charter and ordinances of the City of Seattle; and rules, regulations, orders

and directives of their administrative agencies and officers, including, but not limited to, Seattle Municipal Code Chapter 14.04 (Fair Employment Practices), Chapter 14.06 (Unfair Public Accommodations Practices), Chapter 14.10 (Fair Contracting Practices), and Chapter 20.45 (City Contracts – Non-Discrimination in Benefits). Without limiting the generality of this paragraph, the Recipient shall comply with the requirements of this Section.

F. Venue:

This Agreement shall be construed and interpreted under the laws of Washington. The venue of any action brought shall be in the Superior Court of King County.

G. Remedies Cumulative

Rights under this Agreement are cumulative and nonexclusive of any other remedy of law or in equity.

H. Captions

The titles of sections or subsections are for convenience only and do not define or limit the contents.

I. Severability

If any term or provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected, and each term and provision shall be valid and enforceable to the fullest extent permitted by law.

J. Waiver

No covenant, term or condition or the breach shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed a waiver of any preceding or succeeding breach of the same or any other covenant, term of condition. Neither the acceptance by the City of any performance by the Recipient after the time the same shall have become due nor payment to the Recipient for any portion of the work shall constitute a waiver by the City of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by the City in writing.

K. Entire Agreement

This document along with any exhibits and all attachments, and subsequently issued amendments and addenda, comprises the entire agreement between the City and the Recipient. If a conflict occurs between contract documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Agreement to afford the City the maximum benefits.

L. Negotiated Agreement:

The parties acknowledge this is a negotiated agreement, that they have had this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship.

M. No personal liability

No officer, agent or authorized employee of the City shall be personally responsible for any liability arising under this Agreement, whether expressed or implied, nor for any statement or representation made or in any connection with this Agreement.

IN WITNESS WHEREOF, the two parties hereto have affixed their signatures below:

CENTRAL AREA YOUTH ASSOCIATION

Chettie McAfee 03/03/2025
Chettie McAfee (Mar 3, 2025 19:50 PST)

Chettie McAfee, Director
Central Area Youth Association
119 23rd Ave, Seattle, WA 98122

**OFFICE OF PLANNING AND COMMUNITY
DEVELOPMENT**

Rico Quirindongo 03/04/2025
Rico Quirindongo (Mar 4, 2025 07:18 PST)

Rico Quirindongo, Director
Office of Planning and
Community Development
P.O. Box 94788
Seattle, WA 98124-7088

EXHIBIT A: PUBLIC BENEFIT AND SCOPE OF WORK

Recipient to acquire, develop, and make operable an enhanced community center to provide critical after school and summer programs that include but are not limited to; STEM Academics; Tutoring; Behavioral Modification & Mentoring; Nutrition & Cooking; Etiquette; and Physical Education consistent with the City of Seattle's Equitable Development Initiative goals and Recipient application and funding award.

- I. In addition to direct provision of Services to the community, Recipient shall provide the following to support delivery of public benefits:
 - a. Executing contracts with vendors, service providers to provide materials and services to accomplish the Project goals.
 - b. Maintaining the Property and Development Property throughout their useful life.
 - c. Maintaining records, particularly as relates to compensation, matching funds, reports and insurance.
 - d. Committing to making a good faith effort to comply with the City's hiring requirements for the life of the Project, as identified in Section 401.
 - e. If required, maintaining a third-party liability insurance policy, including other applicable insurance policies, for the Project.
 - f. Providing documentation demonstrating the public benefit results from the Project for which support is awarded.
- II. If Recipient provides agreed public benefits at the value expected by the parties, the accrued value will be credited against the EDI funds paid. Only the value of Services actually provided by Recipient will be credited. The simplified amortization schedule, condensed basis, appears as follows:

Year	Value of Services	Balance	Year	Value of Services	Balance
Year 1	\$ 48,109.09	\$ 2,597,891	Year 29	\$ 48,109.09	\$ 1,250,836.36
Year 2	\$ 48,109.09	\$ 2,549,781.82	Year 30	\$ 48,109.09	\$ 1,202,727.27
Year 3	\$ 48,109.09	\$ 2,501,672.73	Year 31	\$ 48,109.09	\$ 1,154,618.18
Year 4	\$ 48,109.09	\$ 2,453,563.64	Year 32	\$ 48,109.09	\$ 1,106,509.09
Year 5	\$ 48,109.09	\$ 2,405,454.55	Year 33	\$ 48,109.09	\$ 1,058,400.00
Year 6	\$ 48,109.09	\$ 2,357,345.45	Year 34	\$ 48,109.09	\$ 1,010,290.91
Year 7	\$ 48,109.09	\$ 2,309,236.36	Year 35	\$ 48,109.09	\$ 962,181.82
Year 8	\$ 48,109.09	\$ 2,261,127.27	Year 36	\$ 48,109.09	\$ 914,072.73
Year 9	\$ 48,109.09	\$ 2,213,018.18	Year 37	\$ 48,109.09	\$ 865,963.64
Year 10	\$ 48,109.09	\$ 2,164,909.09	Year 38	\$ 48,109.09	\$ 817,854.55
Year 11	\$ 48,109.09	\$ 2,116,800.00	Year 39	\$ 48,109.09	\$ 769,745.45
Year 12	\$ 48,109.09	\$ 2,068,690.91	Year 40	\$ 48,109.09	\$ 721,636.36
Year 13	\$ 48,109.09	\$ 2,020,581.82	Year 41	\$ 48,109.09	\$ 673,527.27
Year 14	\$ 48,109.09	\$ 1,972,472.73	Year 42	\$ 48,109.09	\$ 625,418.18
Year 15	\$ 48,109.09	\$ 1,924,363.64	Year 43	\$ 48,109.09	\$ 577,309.09
Year 16	\$ 48,109.09	\$ 1,876,254.55	Year 44	\$ 48,109.09	\$ 529,200.00
Year 17	\$ 48,109.09	\$ 1,828,145.45	Year 45	\$ 48,109.09	\$ 481,090.91
Year 18	\$ 48,109.09	\$ 1,780,036.36	Year 46	\$ 48,109.09	\$ 432,981.82
Year 19	\$ 48,109.09	\$ 1,731,927.27	Year 47	\$ 48,109.09	\$ 384,872.73
Year 20	\$ 48,109.09	\$ 1,683,818.18	Year 48	\$ 48,109.09	\$ 336,763.64
Year 21	\$ 48,109.09	\$ 1,635,709.09	Year 49	\$ 48,109.09	\$ 288,654.55
Year 22	\$ 48,109.09	\$ 1,587,600.00	Year 50	\$ 48,109.09	\$ 240,545.45
Year 23	\$ 48,109.09	\$ 1,539,490.91	Year 51	\$ 48,109.09	\$ 192,436.36
Year 24	\$ 48,109.09	\$ 1,491,381.82	Year 52	\$ 48,109.09	\$ 144,327.27
Year 25	\$ 48,109.09	\$ 1,443,272.73	Year 53	\$ 48,109.09	\$ 96,218.18
Year 26	\$ 48,109.09	\$ 1,395,163.64	Year 54	\$ 48,109.09	\$ 48,109.09
Year 27	\$ 48,109.09	\$ 1,347,054.55	Year 55	\$ 48,109.09	\$0
Year 28	\$ 48,109.09	\$ 1,298,945.45			

- III. Within one year of the Effective Date of this Agreement, Recipient shall provide the City with a plan demonstrating that there will be sufficient resources in the Facility building reserves to cover major infrastructure needs during the required compliance period.
- IV. During the Term of this Agreement, Recipient agrees to make available, on request of the City, up to five free uses of the new Facility for the City of Seattle to use for an event, meeting, or workshop. Arrangements for this complimentary admission will be handled through the Office Project Manager, with any access intended to further the goals of the EDI program. Such use by the City shall be arranged so as not to interfere with or delay Recipient's ordinary course provision of services under this Agreement. The City's use of the Facility shall count as a public benefit provided for purposes of calculating Recipient's repayment obligations under this Agreement.
- V. By July 1st of each year during the Term of this Agreement, Recipient shall provide City a report

of public benefits provided with either Recipient's good faith valuation of Services provided during the previous calendar year or enough information to allow City to determine the value of Services provided.

- VI. If, after reviewing Recipient's annual report of Public Benefits, City determines in its sole and reasonable discretion that Recipient did not provide Services with a value of \$150,000 during the prior year, City will confer with Recipient to discuss options for Recipient to provide the shortfall in consideration. After consulting with Recipient, City may in its reasonable discretion require Recipient to (a) provide additional Public Benefits during the current year; (b) provide additional Public Benefits during multiple years during the Term of the Agreement; or (c) repay the value of Public Benefits not provided. City and Recipient may alternatively agree to extend the Term of the Agreement to allow Recipient additional time to provide Public Benefits with the understanding that such an extension will also extend the terms of the Restrictive Covenant and Deed of Trust and Additional Security.

EXHIBIT F: Checklist (Project Documents)

Documents for finance closing (precedent to Mortgage Payment):

- ☐ Final PSA
- ☐ Final EDI Agreement
- ☐ Deed of Trust
- ☐ Restrictive Covenant
- ☐ Subordination Agreement (as necessary)
- ☐ Pro forma Extended Loan Policy
- ☐ Wiring Instructions
- ☐ Settlement Statement