

McDermott moved Striking Amendment S1.  
The motion carried.

S1

March 30, 2022

[W. Soo Hoo] Sponsor: McDermott  
Proposed No.: 2021-0275

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2021-0275, VERSION**

2 **1**

3 On page 1, beginning on line 4, strike everything through page 2, line 20, and insert:

4 "STATEMENT OF FACTS:

5 1. The White Center Community Development Association ("WCCDA")

6 is a nonprofit corporation that serves as a consortium of local service

7 providers. Through a competitive process, it was an early recipient of a

8 Communities of Opportunity grant. The project for which WCCDA

9 received its grant was the planning of what ultimately has evolved into the

10 White Center Community "HUB" (Hope, Unity, and Belonging) project,

11 consisting of affordable housing units for those earning sixty percent or

12 less of the area median income, together with commercial grade building

13 reserved for nonprofit, service provider and community facility uses.

14 2. To assist in making this plan a reality, the executive negotiated with

15 WCCDA for the transfer of property located at 10821 8th Ave SW,

16 Seattle, Washington ("the property"), located within council district eight,

17 and within the unincorporated area of White Center, on which the White

18 Center Community HUB can be built.

19 3. Before the county entered into a purchase and sale agreement with  
20 WCCDA in September 2020 ("the PSA"), the facilities management  
21 division completed the surplus property, affordable housing and public  
22 notice requirements.

23 4. On July 13, 2021, the executive transmitted to the council the PSA and  
24 the proposed ordinance authorizing the conveyance of the property.  
25 Subsequently, the county reached agreement with WCCDA on a  
26 Declaration of Covenant for Affordable Housing and a Declaration of  
27 Covenant for Community Use, setting forth requirements for construction  
28 of affordable housing and a community facility. These covenants will run  
29 with the land. The county also negotiated a Reserved Right of Entry and  
30 Power of Termination Agreement.

31 5. The Declaration of Covenant for Affordable Housing requires that not  
32 less than seventy rent-restricted housing units be constructed for  
33 occupancy by individuals whose income is sixty percent or less of area  
34 median income.

35 6. The Declaration of Covenant for Community Use requires that each  
36 space in the community facility be occupied by or held available for rental  
37 to nonprofit organizations providing cultural, educational, artistic,  
38 community, social service, medical or recreational use for the benefit of  
39 the community of White Center.

40 7. The Reserved Right of Entry and Power of Termination Agreement  
41 provides that construction of both the affordable housing and community

42 facility must begin within ten years of WCCDA owning the property or  
43 the county will have the right to rescind the sale and recover all or a  
44 portion of the property.

45 8. Under K.C.C. 4.56.100.A.2., the council may determine that unique  
46 circumstances make a negotiated direct sale in the best interests of the  
47 public.

48 9. Providing the opportunity for the creation of new affordable housing is  
49 a paramount focus of the county. Providing the opportunity for a local  
50 community to preserve and enhance the provision of health and human  
51 services is transformational change and a policy that the county has  
52 embraced.

53 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

54 SECTION 1. Findings: Unique circumstances exist, such that a negotiated,  
55 direct sale to the White Center Community Development Association of the real property  
56 located at 10821 8th Ave SW, Seattle, Washington ("the property") is authorized under  
57 K.C.C. 4.56.100.A.2. Those unique circumstances include that this direct sale will  
58 require not less than seventy rent restricted, income-based housing units to be built, in  
59 addition to a commercial building to house qualified entities that will serve the residents  
60 and the community at large. Those obligations are covenants that run with the land. An  
61 additional unique circumstance is the county's right of entry, whereby if the construction  
62 of these structures are not started within ten years of White Center Community  
63 Development Association taking ownership of the property, the county may recover all or

64 part of the property. Transferring that surplus property under these unique circumstances  
65 is in the best interests of the public.

66 SECTION 2. The executive is authorized to execute a purchase and sale  
67 agreement substantially in the form of Attachment A to this ordinance, and thereby to  
68 convey the real property located at the 10821 8th Ave SW, Seattle, to the White Center  
69 Community Development Association. The executive is then authorized to take all  
70 actions necessary to implement the terms of the purchase and sale agreement."

71

72 Strike Attachment A, Purchase and Sale Agreement, and insert Attachment A, Purchase  
73 and Sale Agreement, dated April 2022.

74

75 **EFFECT prepared by W. Soo Hoo/A. Sanders:**

- 76 • **Adds to and revises the statement of facts to provide additional context for**  
77 **the project**
- 78 • **Revises Findings section to specify the rationale for a determination of**  
79 **unique circumstances**
- 80 • **Replaces the Purchase and Sale Agreement with a revised Purchase and Sale**  
81 **Agreement that makes clarifications and corrections and adds the following**  
82 **exhibits:**
  - 83 • **1. Declaration of Covenant for Affordable Housing, which requires that not**  
84 **less than seventy rent-restricted housing units be constructed for occupancy**  
85 **by individuals whose income is sixty percent or less of area median income.**

86           **2. Declaration of Covenant for Community Use, which requires that**  
87           **each space in the community facility be occupied by or held available**  
88           **for rental to nonprofit organizations providing services for the benefit**  
89           **of the community of White Center.**

90           **3. Reserved Right of Entry and Power of Termination Agreement,**  
91           **which requires that construction of both the affordable housing and**  
92           **community facility shall commence by the tenth-year anniversary of**  
93           **the agreement or the county will have the right to rescind the sale**  
94           **recover all or a portion of the property.**

**AMENDED AND RESTATED  
REAL ESTATE PURCHASE AND SALE AGREEMENT**

**THIS AMENDED AND RESTATED REAL ESTATE PURCHASE AND SALE AGREEMENT** (“Agreement”) is made and entered by and between **KING COUNTY**, a political subdivision of the State of Washington (the “Seller”) and **WHITE CENTER COMMUNITY DEVELOPMENT ASSOCIATION**, a Washington nonprofit corporation (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”). For reference purposes only, the date of this Agreement shall be April 2022.

This Agreement amends and restates in its entirety that certain Real Estate Purchase and Sale Agreement between Seller and Buyer, dated September 1, 2020, as has been amended.

**RECITALS**

**A.** Seller is the owner of that certain real property located at 10821 8<sup>th</sup> Ave SW, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (the “Real Property”).

**B.** Buyer desires to purchase the Real Property and Seller desires to sell the Real Property, for two projects: (1) an affordable multi-family housing project (the “Residential Subproject”); and (2) a commercial building to be used by nonprofit organizations that serve the White Center community (the “Community Facility Subproject,” and together with the Residential Subproject, the “Project”).

**C.** Buyer is a community development organization and shall develop and operate the Project.

**D.** In order to develop the Project, Buyer shall apply for an allocation of low-income housing tax credits, new markets tax credits, and grants or loans from public funders (collectively, the “Financing”).

**E.** The Parties intend that the purchase and sale of the Real Property are contingent upon certain terms and conditions restricting the future use of the Real Property, and the Parties further intend that upon conveyance of the Real Property those terms and conditions shall further govern and restrict the use of the Real Property.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the promises and mutual covenants contained and incorporated herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

**ARTICLE 1.  
PURCHASE AND TRANSFER OF ASSETS**

**1.1. PROPERTY TO BE SOLD.** Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

**1.1.1.** all the Seller's right, title and interest in the Real Property as legally described in **EXHIBIT A**;

**1.1.2.** all of Seller's right, title and interest in improvements and structures located on the Real Property, if any;

**1.1.3.** all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Real Property ("Personal Property");

**1.1.4.** all of Seller's easements and other rights that are appurtenant to the Real Property including but not limited to, Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real Property.

Hereinafter, the items listed in Section 1.1 are collectively referred to as the "Property." Seller may reserve certain easement rights with respect to the Property, which will be contained in a separate easement agreement, to be mutually agreed upon prior to the Closing Date (the "Additional Easements").

**ARTICLE 2.  
PURCHASE PRICE**

**2.1. PURCHASE PRICE AND PAYMENT.** In consideration of the conveyance of the Property, subject to the restrictive covenants and right of entry described in Section 2.5, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price not to exceed **One Hundred Thousand Dollars and 00/100 (\$100,000.00)** (the "Purchase Price"), subject, at Closing, to the Purchase Price Adjustment, as defined and set forth herein.

**2.2. ALLOCATION OF PURCHASE PRICE.** Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, if any, is *de minimis*.

**2.3. DEPOSIT.** Within two (2) business days after the Effective Date, Buyer shall deliver to First American Title Insurance Company, 920 5th Avenue, Suite 1250, Seattle, Washington, 98104, (the "Escrow Agent"), in its capacity as the Parties' closing agent, immediately available cash funds in the amount of **Five Thousand Dollars (\$5,000.00)** (the "Deposit"). The Deposit shall be invested by the Escrow Agent in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. Accrued interest will be added to and become part of the Deposit. Upon deposit with Escrow Agent, the Deposit shall

be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing.

**2.4. PURCHASE PRICE ADJUSTMENT.** The Purchase Price shall be adjusted no later than thirty (30) days prior to Closing to reflect Seller's transaction and related costs as shall be determined by Seller in its sole discretion ("Seller's Transaction Costs"). At such time, Buyer and Seller shall enter into an amendment to this Agreement to amend the Purchase Price to reflect Seller's Transaction Costs (the "Purchase Price Adjustment").

**2.5. COVENANTS AND RIGHT OF ENTRY RESTRICTING THE FURTHER USE OF THE PROPERTY.** In further consideration of the conveyance of the Property, Buyer shall, at Closing, deliver to the Escrow Agent for recording, the following executed covenants:

**2.5.1.** A covenant, running with the land attributable to the Residential Subproject substantially in the form attached hereto as **EXHIBIT F** (the "Affordable Housing Covenant");

**2.5.2.** A covenant, running with the land attributable to the Community Facility Subproject, that shall provide for community uses and restrictions related thereto, substantially in the form attached hereto as **EXHIBIT G** (the "Community Use Covenant"); and

**2.5.3.** A Reserved Right of Entry and Power of Termination Agreement (the "Right of Entry"), substantially in the form attached hereto as **EXHIBIT E**.

**2.6 CONDOMINIUM.** Buyer expects to establish a condominium on the Property (the "Condominium") consisting of two units: (1) one condominium unit for the Residential Subproject (the "Residential Condo Unit"); and (2) one condominium unit for the Community Facility Subproject (the "Community Condo Unit"). Upon the declaration of the Condominium, Seller acknowledges and agrees to record a release, amendment, or similar document as may be needed such that the Affordable Housing Covenant will only encumber the Residential Condo Unit, and the Community Use Covenant will only encumber the Community Condo Unit.

### **ARTICLE 3. REPRESENTATIONS OF THE PARTIES AND CONDITION OF PROPERTY**

**3.1. REPRESENTATIONS OF SELLER.** As of the date hereof and as of the Closing Date, Seller represents as follows:

**3.1.1. ORGANIZATION.** The Seller is a political subdivision of the State of Washington duly organized, validly existing under the laws of the State of Washington.

**3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY.** The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, and (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.



**3.1.3. NO BROKER.** No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Seller or any action taken by Seller.

**3.1.4. FUTURE AGREEMENTS.** From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

(a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or

(b) sell, dispose of or encumber any portion of the Property.

**3.1.5. FOREIGN PERSON.** Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986 ("Code"), as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT D**, evidencing such fact, and such other documents as may be required under the Code.

**3.2. REPRESENTATIONS OF BUYER.** As of the date hereof and as of the Closing Date, Buyer represents as follows:

**3.2.1. ORGANIZATION.** Buyer is a nonprofit corporation duly organized, validly existing and has an active status under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

**3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY.** The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a nonprofit corporation, and (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer's governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

**3.2.3. NO BROKER.** No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

### **3.3. CONDITION OF PROPERTY.**

**3.3.1. SELLER DISCLOSURE STATEMENT.** To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" if the answer to

any of the questions in that section would be “yes.” Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that any Seller Disclosure Statement delivered by Seller is not part of this Agreement, and Seller has no duties to Buyer other than those set forth in this Agreement.

**3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY.** Except to the extent of Seller’s representations in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively “Condition of the Property”), including, without limitation:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;
- (e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;
- (f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence or condition of utilities serving the Property;
- (g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term “Environmental Law” shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. (“RCRA”); the Washington State Model Toxics Control Act, RCW ch. 70.105D (“MTCA”); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal

Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term “Hazardous Substance” shall mean: any hazardous substance, hazardous or dangerous waste, pollutant, contaminant, deleterious substance or other material that now or in the future becomes regulated or defined under any Environmental Law or regulation; or

(h) Any other matter with respect to the Property.

### **3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.**

(a) Buyer acknowledges and accepts Seller’s disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that Buyer has conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Buyer acknowledges and agrees that it hereby approves and accepts the Condition of the Property and accordingly agrees to purchase the Property and accepts the Condition of the Property “AS IS, WHERE IS” with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller’s representations in Section 3.1. of this Agreement, Buyer, and any person or entity claiming by or through Buyer, shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys’ fees) of any and every kind or character, known or unknown (collectively, “Losses”), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape,

disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

**3.3.4. INDEMNIFICATION.** From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all Losses, liability, claim, agency order or requirement, damage, cost and/or expense relating to or arising out of, directly or indirectly, the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration or escape of Hazardous Substances at, from, into or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations.

**3.4. RISK OF LOSS.** Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an “Act of God,” including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

**3.5. FEDERAL FUNDING.** Buyer hereby informs Seller that Buyer may utilize federal funds with respect to the acquisition and development of the Property. Because federal funds may be used, Buyer may be subject to the Uniform Relocation Act and Real Property Acquisition Act, as well as certain regulations promulgated by the U.S. Department of Housing and Urban Development (“HUD”). Buyer hereby discloses to Seller as follows:

**3.5.1** The sale is voluntary. If Seller does not wish to sell, Buyer does not have the power to acquire the Property by condemnation or eminent domain and therefore will not acquire the Property if negotiations fail to result in amicable agreement.

**3.5.2** The use of such funds could result in the application of the Uniform Relocation Act and Real Property Acquisition Act to the acquisition of the Property.

**3.5.3** Seller acknowledges and agrees that Buyer and/or Buyer’s lender may be required to complete a federal environmental review of the Property pursuant to HUD regulations at 24 CFR Part 58 (the “Environmental Review”). Seller agrees to cooperate with Buyer and/or Buyer’s lender in the completion of the Environmental Review. Notwithstanding any other provision of this Agreement, Buyer shall have no obligation to purchase the Property, and no transfer of title to Buyer may occur, unless and until Buyer and/or Buyer’s lender has provided Buyer and/or Seller with a written notification that (1) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other contingencies in the Agreement, (i) the purchase may proceed, or (ii) the purchase may proceed only if certain conditions to address issued in the environmental review shall be satisfied before or after the purchase of the Property; or (2) it has determined that the purchase is exempt from the federal environmental review and a request for release of funds is not required. Buyer and/or Buyer’s lender shall use its best efforts to conclude the environmental review of the

Property expeditiously. Notwithstanding anything to the contrary in the Agreement, if neither clause (1) or (2) is completed prior to the scheduled Closing Date, Buyer may terminate the Agreement and Buyer shall receive a refund of the Deposit.

**3.5.4** Notwithstanding anything to the contrary in this Section 3.5, (i) in the event that the Environmental Review of the Property fails to satisfy the requirements of Buyer and/or Buyer's lender, prior to terminating this Agreement and receiving a refund of the Deposit, Buyer shall be required to provide to Seller written notice from the governmental agency that conducts the Environmental Review of such failure and setting forth in reasonable detail the reasons why the Environmental Review failed; and (ii) any applications, permits, licenses or other requirements that Buyer's acquisition of the Property is subject to, due to Buyer's use of federal funds or otherwise, must be able to be fully and unconditionally withdrawn, terminated and/or voided by the unilateral act of Seller without payment of any fee, penalty or other amount or any liability, in the event this Agreement is terminated prior to Closing.

#### **ARTICLE 4. TITLE MATTERS**

**4.1. CONVEYANCE.** Seller shall convey to Buyer the title to the Property by bargain and sale deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), the Covenants, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed general exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

**4.2. TITLE COMMITMENT.** Buyer has obtained a preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company (in such capacity, herein the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the adjusted Purchase Price for the Property.

**4.3. REVIEW OF TITLE COMMITMENT.** Buyer has agreed to the exceptions to the Title Commitment shown on the attached Exhibit H (the "Permitted Exceptions"). If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, Buyer will have seven (7) days in which to notify Seller in writing of any objections Buyer has to any new exception ("Buyer's Objections"). Seller shall have five (5) days to notify Buyer of any new exceptions to title which Seller will not remove or otherwise resolve. Buyer may, at Buyer's option, either proceed to Closing and thereby waive the Buyer's Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within ten (10) days after receipt of Seller's Response. The Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

**4.4. OWNER'S TITLE INSURANCE POLICY.** At the Closing, Buyer shall cause an owner's policy of title insurance to be issued by the Title Company for an insured amount as not less than the adjusted Purchase Price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the

Covenants, the Right of Entry, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation of Buyer to provide the title policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this Section. If requested in writing by Seller, Buyer shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

## **ARTICLE 5. CONTINGENCIES**

**5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY.** Buyer has satisfied itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer’s contemplated use meets with its approval.

**5.1.1. INSPECTIONS.** Buyer has (a) performed any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtained any and all tests, inspections and studies deemed necessary therewith; (c) examined all due diligence materials related to the Property that Buyer requested from Seller that were in Seller’s possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; (d) determined to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer’s proposed development of the property; and (e) determined Buyer’s proposed development of the Property is economically feasible.

**5.1.2. RIGHT OF ENTRY.** Buyer and Buyer’s designated representatives or agents entered the Property and conducted tests, investigations and studies set forth in this Article 5. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer (“Claims”) caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents and employees. This indemnification duty shall survive Closing.

**5.1.3 RIGHT OF ENTRY INSURANCE.** Prior to the entry of Buyer or its contractors for invasive testing of the Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor’s Pollution insurance in the amount of \$1,000,000 per claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

**5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY.** Seller's performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council ("Council Approval Contingency"). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property on or before July 1, 2022 ("Council Approval Period"). Seller may extend the Council Approval Period for up to an additional sixty (60) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder.

**5.3. BUYER'S FINANCING CONTINGENCY.** Buyer shall have until December 31, 2023 (the "Financing Contingency Period") to arrange financing for either the Residential Subproject, the Community Facility Subproject or both as is satisfactory to Buyer, in its sole and absolute discretion.

**5.3.1** Seller acknowledges and agrees that Buyer intends to seek an allocation of low-income housing tax credits and new markets tax credits, as well as grants or loans from other public funding sources, which may require a longer time period to obtain in comparison to commercial funding commitments. Buyer shall notify Seller in writing when Buyer has obtained satisfactory financing for the Residential Subproject, the Community Facility Subproject, or both. Seller and Buyer acknowledge and agree that Buyer may close on the acquisition of the Property without obtaining financing for both the Residential Subproject and the Community Facility Subproject.

**5.3.2** Seller acknowledges and agrees that Buyer may acquire the Property prior to the closing of the financing for the Residential Subproject and/or the Community Facility Subproject.

**5.3.3** In the event Buyer is not able to arrange financing or is not satisfied with the financing available on or before the expiration of the Financing Contingency Period, Buyer shall provide written notice to Seller and the Escrow Agent that it is terminating this Agreement, and the Deposit shall be released to Buyer and neither Party shall have any further rights or obligations under this Agreement, except for those obligations that survive the termination of this Agreement as expressly provided herein. If, prior to the expiration of the Financing Contingency Period, Buyer fails to notify Seller either that (1) Buyer has obtained satisfactory Project financing, or (2) Buyer is terminating this Agreement in accordance with this Section 5, then Buyer shall be deemed to have not waived the financing contingency and Buyer shall further be deemed to have elected to terminate this Agreement and to receive a refund of the Deposit. Buyer shall have the option to extend the Financing Contingency Period for an additional six (6) months, provided that Buyer has shown written evidence to Seller of its reasonable efforts to obtain funding commitments.

**5.4. DELIVERY OF AFFORDABLE HOUSING COVENANT AND COMMUNITY USE COVENANT.** At or before Closing, Buyer shall deliver to Seller an executed Affordable Housing Covenant and Community Use Covenant.

**5.5. DELIVERY OF PURCHASE PRICE ADJUSTMENT .** At or before Closing, Buyer shall have delivered to Seller an executed amendment to this Agreement reflecting the Purchase Price Adjustment.

**5.6. DELIVERY OF RIGHT OF ENTRY.** At or before Closing, Buyer shall deliver to Seller an executed Right of Entry and Power of Termination Agreement .

**ARTICLE 6.  
COVENANTS OF SELLER PENDING CLOSING**

**6.1. CONDUCT, NOTICE OF CHANGE.** Seller covenants that between the Effective Date and the Closing, Seller shall take all such actions as may be necessary to assure that the representations set forth in Article 3 hereof will be true and complete as of the Closing (except such representations and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

**ARTICLE 7.  
COVENANTS OF BUYER PENDING CLOSING**

**7.1. CONDUCT, NOTICE OF CHANGE.** Buyer covenants that between the Effective Date and the Closing, Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

**ARTICLE 8.  
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

All obligations of Buyer to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and to the extent that any of these conditions are under Seller's control, Seller shall exert its best efforts to cause each such condition to be fulfilled:

**8.1. DELIVERY OF DOCUMENTS.** Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

**8.2. OBLIGATIONS.** All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.



**8.3. TITLE.** Seller shall have cured any new exceptions to title to which Buyer objected in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, unless Seller's obligation to remove or resolve has been waived by Buyer.

**8.4. CONDEMNATION.** No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

**8.5. FINANCING.** The Financing for the acquisition and development of the Property has been committed and is available to be used by Buyer for the Purchase Price.

**8.6. PROPERTY IS VACANT.** At or before Closing, the Property will be vacant, with no tenants or other occupants on the Property.

## **ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS**

All obligations of Seller to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Buyer shall exert its best efforts to cause each such condition to be so fulfilled:

**9.1. DELIVERY OF DOCUMENTS.** Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.

**9.2. OBLIGATIONS.** All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

**9.3. TITLE.** The Title Company shall be irrevocably committed to issue an owner's policy of title insurance for an insured amount as determined by Buyer, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

## **ARTICLE 10. CLOSING**

**10.1. CLOSING/CLOSING DATE.** The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement and satisfaction of all the conditions to close in Articles 8 and 9 of this Agreement, or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Seattle, Washington.

**10.2. PRORATIONS.** Real property taxes and assessments shall be prorated as of the Closing Date. Buyer shall pay the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for the deed and its own

attorneys' fees. Buyer shall pay for all title charges, any survey expenses and environmental assessment costs and all costs related to the Financing and Subdivision. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

**10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING.** At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

**10.3.1.** A bargain and sale deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

**10.3.2.** A bill of sale and assignment duly executed by the Seller in substantially the form of **EXHIBIT C**, attached hereto for the Personal Property, if any;

**10.3.3.** A seller's certificate of non-foreign status substantially in the form of **EXHIBIT D**, attached hereto.

**10.3.4.** The Affordable Housing Covenant substantially in the form of **EXHIBIT F**;

**10.3.5.** The Community Use Covenant substantially in the form of **EXHIBIT G**;

**10.3.6.** The Right of Entry, substantially in the form attached hereto as **EXHIBIT E**;  
and

**10.3.7.** Real Estate Excise Tax Affidavit.

**10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING.** At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price, less the Deposit made under Section 2.3. of this Agreement. Buyer shall also deliver the following properly executed documents:

**10.4.1.** The Affordable Housing Covenant substantially in the form of **EXHIBIT F**;

**10.4.2.** The Community Use Covenant substantially in the form of **EXHIBIT G**;

**10.4.3.** The Right of Entry substantially in the form of **EXHIBIT E**; and

**10.4.4.** Real Estate Excise Tax Affidavit.

**10.5. TERMINATION UPON FAILURE TO CLOSE.** Notwithstanding any uncured defaults by either Party as set forth herein, in the event Buyer shall be unable to Close on or before September 1, 2024, this Agreement shall automatically terminate and the Deposit shall be returned to the Buyer unless Closing is extended by mutual agreement between the Parties. Notwithstanding the preceding sentence, under no circumstances may the Closing be extended beyond 11:59 PM on December 31, 2024, and if Closing has not occurred by that date then this Agreement shall automatically terminate and the Deposit shall be returned to the Buyer.

**10.6. RECORDING.** The Parties acknowledge that the Affordable Housing Covenant and Community Use Covenant, as well as the Right of Entry, that the Buyer shall grant as owner of

the Property are a significant part of consideration for the County to sell the Property. The Parties agree, and as part of any closing instructions given to the Escrow Agent, to direct the Escrow Agent, that following the Closing and without delay, the Escrow Agent is to record the Bargain and Sale Deed, the Affordable Housing Covenant, the Community Use Covenant and the Right of Entry.

## **ARTICLE 11. MISCELLANEOUS PROVISIONS**

**11.1. NON-MERGER.** Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

### **11.2. DEFAULT AND ATTORNEYS' FEES.**

**11.2.1. DEFAULT BY BUYER.** In the event Closing does not occur due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages. Buyer expressly agrees that the retention of the Deposit by Seller represents a reasonable estimation of the damages in the event of Buyer's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty. Buyer and Seller acknowledge and agree that these damages have been specifically negotiated and are to compensate Seller for taking the Property off the market and for its costs and expenses associated with this Agreement.

**11.2.2. DEFAULT BY SELLER.** In the event Closing does not occur due to default of Seller, Buyer's sole and exclusive remedy shall be to terminate this Agreement and receive a refund of the Deposit.

**11.2.3. ATTORNEY'S FEES.** In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

### **11.3. TIME.**

**11.3.1. TIME IS OF THE ESSENCE.** Time is of the essence in the performance of this Agreement.

**11.3.2. COMPUTATION OF TIME.** Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

**11.4. NOTICES.** Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

**If to Buyer:** White Center Community Development Association  
605 SW 108th St  
Seattle, WA 98146  
Attn: Aaron D. Garcia  
Email: aaron@wccda.org

With a copy to: Stoel Rives LLP  
600 University Street, Suite 3600  
Seattle, WA 98101  
Attn: Sallie Lin  
Email: sallie.lin@stoel.com

**If to Seller:** King County  
King County Facility Management Division  
Real Estate Services Section  
500 Fourth Avenue, Room 830  
Seattle, WA 98104  
Attn: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office  
Civil Division  
King County Courthouse  
516 3<sup>rd</sup> Avenue, Suite W400  
Seattle, WA 98104  
Attn: Ryan Ridings

**11.5. ENTIRE AGREEMENT AND AMENDMENT.** This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

**11.6. SEVERABILITY.** In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

**11.7. WAIVER.** No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

**11.8. BINDING EFFECT.** Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

**11.9. LEGAL RELATIONSHIP.** The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

**11.10. CAPTIONS.** The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

**11.11. COOPERATION.** Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

**11.12. GOVERNING LAW AND VENUE.** This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

**11.13. NO THIRD PARTY BENEFICIARIES.** This Agreement is made only to and for the benefit of the Parties and shall not create any rights in any other person or entity.

**11.14. ASSIGNMENT.** Buyer may not assign this Agreement or any rights hereunder without Seller's prior written consent; provided, however, Buyer may assign this Agreement to a wholly owned subsidiary of Buyer with prior written notice to Seller.

**11.15. NEGOTIATION AND CONSTRUCTION.** This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

**11.16. SELLER'S KNOWLEDGE.** Any and all representations or other provisions in this Agreement that are conditioned on terms such as "to Seller's knowledge" or "about which Seller has knowledge" are made to and limited by the present, actual knowledge of Bryan Hague, who is an employee of King County, and is the Manager of the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Bryan Hague has made no inquiries or investigations with respect to Seller's representations or other provisions prior to the making thereof and has no duty to undertake the same.

**11.17. INDEMNIFICATION TITLE 51 WAIVER.** The indemnification provisions in Sections 3.3.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

**11.18. COUNTERPARTS.** This Agreement may be executed by counterpart signature pages, deliverable in PDF or electronic signature format, and it shall not be necessary that the original signatures of all Parties be contained on any one instrument. Each such counterpart shall be deemed an original, but all of them together shall constitute one and the same instrument.

**11.19. EXHIBITS.** The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status
EXHIBIT E	Right of Entry
EXHIBIT F	Affordable Housing Covenant
EXHIBIT G	Community Use Covenant
EXHIBIT H	Permitted Exceptions

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the dates set forth below.

**SELLER: KING COUNTY  
COMMUNITY**

**ASSOCIATION**

**BUYER: WHITE CENTER**

**DEVELOPMENT**

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

Name: Anthony Wright

Title: Director, Facilities Management Division

Date: \_\_\_\_\_

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

Name: Sili Savusa

Title: Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

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

Deputy Prosecuting Attorney

**EXHIBIT A.**

**LEGAL DESCRIPTION**

LOT 2 OF EXEMPT SEGREGATION NO. EMSC15-0026, RECORDED ON JANUARY 08, 2016 AS RECORDING NUMBER 20160108900001, IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.



**EXHIBIT B.**

**BARGAIN AND SALE DEED**

**AFTER RECORDING RETURN TO:**

\_\_\_\_\_  
\_\_\_\_\_

ATTN: \_\_\_\_\_

**BARGAIN AND SALE DEED**

**Grantor -- King County, Washington**

**Grantee -- White Center Community Development Association**

**Legal ---- LOT 2, EXEMPT SEGREGATION NO. EMSC15-0026, REC. 20160108900001,  
KING COUNTY**

**Tax Acct. -- 0623049405-05**

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of \$10.00 and other consideration, the receipt and adequacy of which is hereby acknowledged, and pursuant to King County Ordinance No. \_\_\_\_\_, does hereby bargain, sell and convey unto the Grantee, White Center Community Development Association, a Washington nonprofit corporation, the following the real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT B.

**GRANTOR  
KING COUNTY**

BY: \_\_\_\_\_

TITLE: Director, Facilities Management Division\_

DATE: \_\_\_\_\_

Approved as to Form:

By \_\_\_\_\_

Deputy Prosecuting Attorney

**NOTARY BLOCKAPPEAR ON NEXT PAGE**

Exhibit B - Page 1 of 3

Real Estate PSA  
White Center Community Development Association

April 2022

**KING COUNTY COUNCIL GREEN FOLDER**

**APRIL 5, 2022**

**26**



**EXHIBIT A**  
**TO BARGAIN AND SALE DEED**

**LEGAL DESCRIPTION**

LOT 2 OF EXEMPT SEGREGATION NO. EMSC15-0026, RECORDED ON JANUARY 08, 2016 AS RECORDING NUMBER 20160108900001, IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.

**EXCEPTIONS TO TITLE**

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

**EXHIBIT C.**

**BILL OF SALE AND ASSIGNMENT**

---

THIS BILL OF SALE is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 202\_, by KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), in favor of White Center Community Development Association, a Washington nonprofit corporation (“**Buyer**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Exhibit A.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

**King County**

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

Name: Anthony Wright

Title: Director, Facilities Management Division

**EXHIBIT A**  
**TO BILL OF SALE**

**LEGAL DESCRIPTION**

LOT 2 OF EXEMPT SEGREGATION NO. EMSC15-0026, RECORDED ON JANUARY 08, 2016 AS RECORDING NUMBER 20160108900001, IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.

**EXHIBIT D.**

**Seller's Certification of Non-Foreign Status under  
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 800 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this \_\_\_\_ day of \_\_\_\_\_, 202\_.

King County, Transferor:

By: \_\_\_\_\_  
Name: Anthony Wright  
Title: Director, Facilities Management Division

**EXHIBIT E.**

**Right of Entry**

[see attached]

---

Exhibit E - cover page

When Recorded Return To:

King County

Facility Management Division  
Real Estate Services Section  
500 Fourth Avenue, Room 830  
Seattle, WA 98104  
Attn: Steve Rizika

Document Title: **Reserved Right of Entry and Power of Termination Agreement**

Grantor: **White Center Community Development Association**

Grantee: **King County**

Abbreviated Legal Description: **LOT 2 KC EXEMPT SEGREGATION # EMSC15-0026 REC #20160108900001**

**Full legal description on Exhibit A**

Tax Parcel Number: **062304-9405**

Related Documents: **Deed**

### **RESERVED RIGHT OF ENTRY AND POWER OF TERMINATION AGREEMENT**

THIS RESERVED RIGHT OF ENTRY AND POWER OF TERMINATION AGREEMENT (this “**Agreement**”) is made as of \_\_\_\_\_, 20\_\_ by **White Center Community Development Association**, a Washington nonprofit corporation (“**WCCDA**”), for the benefit of **King County** (the “**County**”), a political subdivision of the State of Washington. The County and WCCDA are each referred to in this Agreement generically as a “Party” and collectively as the “Parties”. This Agreement encumbers, and serves as record notice of such encumbrance, that certain real property legally described on Exhibit A, attached hereto and incorporated herein (the “**Real Property**”).



## RECITALS

WHEREAS, the County desires to promote and further the development of housing affordable to individuals and families of low income;

WHEREAS, WCCDA desires to construct and operate on the Real Property a multifamily residential development for individuals and families of low income (“**Residential Subproject**”) and a commercial community facility development (“**Community Facility Subproject**”). The Community Facility Subproject together with the Residential Subproject comprise the “**Project**”;

WHEREAS, the County has, contemporaneous with the execution and recording of this Agreement, conveyed the Real Property to WCCDA pursuant to that certain deed from the County to WCCDA recorded on or about the date hereof (the “**Deed**”) for the express purposes of developing and operating the Project;

WHEREAS, in fulfillment of the Project, WCCDA intends to subject the Real Property to a condominium regime (the “**Condominium**”) consisting of two condominium units: one containing the Residential Subproject and its appurtenant elements (the “**Residential Condo Unit**”), and one containing the Community Facility Subproject and its appurtenant elements (the “**Community Condo Unit**”);

WHEREAS, WCCDA intends to convey, either in fee or pursuant to a long-term ground lease, the Community Condo Unit to a “Qualified Low-Income Community Business”, as defined under Section 45D of the Internal Revenue Code (the “**Community Facility Subproject Owner**”), that shall construct and develop the Community Facility Subproject and thereafter master lease the completed Community Facility Subproject to WCCDA;

WHEREAS, it is the Parties’ understanding that the Project will be developed by WCCDA or one or more affiliates of WCCDA, with respect to the Residential Subproject and by WCCDA or one or more affiliates of WCCDA or the Community Facility Subproject Owner, with respect to the Community Facility Subproject (collectively, the “**Project Developers**”);

WHEREAS, it is the Parties’ intent that if the Project Developers fail to construct the Project, the County shall have the right to rescind the transfer of WCCDA’s fee interest in the Real Property and WCCDA or its successors in interest will reconvey the Real Property to the County, subject to the terms and conditions contained herein; and

NOW THEREFORE, the Parties hereto covenant and agree as follows:

## AGREEMENT

1. The foregoing recitals are true and correct and are hereby incorporated herein.
2. Reservation by the County of the Right of Entry and Power of Termination: The Project Developers shall have until the tenth (10th) year anniversary of the date of recording of this Agreement (the “**Project Requirement Date**”) to commence construction of both the Residential

Subproject and Community Facility Subproject (the “**Project Requirement**”). In the event that the Project Developers have not commenced construction of both the Residential Subproject and Community Facility Subproject by the Project Requirement Date, as evidenced by notices to proceed issued by the Project Developers to the general construction contractor(s) for both the Residential Subproject and Community Facility Subproject, the County shall thereafter have the right, but not the obligation, to rescind the sale, re-enter and terminate the estate granted by the County unto WCCDA under the Deed (the “**Right of Termination**”) as to that portion of the Real Property (either the Residential Subproject, the Community Facility Subproject or both) for which the required construction has not been initiated. In the event of the County’s exercise of the Right of Termination, WCCDA or its successors in interest shall immediately reconvey that portion or portions of the Real Property to the County.

3. Purpose of Agreement: This Agreement contemplates and is a condition of the Deed. WCCDA, in executing and recording this Agreement as part of the consideration for the conveyance of the Real Property, acknowledges, as a condition of the Deed, the reservation by the County of the Right of Termination in the event that WCCDA shall fail to construct the Project as set forth herein. Upon completion of the Project, title to and enjoyment of the Real Property shall thereafter remain in WCCDA or its successors.

4. Release and Extinguishment:

(A) Upon commencement of construction of the Residential Subproject in accordance with Section 2 of this Agreement, and as evidenced by the issuance of a notice to proceed for the Residential Subproject and the delivery of copies of such to the County pursuant to the notice provisions herein, this Agreement shall extinguish and be of no further force and effect with respect to the Residential Condo Unit (the “**Residential Release and Extinguishment**”).

(B) Upon commencement of construction of the Community Facility Subproject in accordance with Section 2 of this Agreement, and as evidenced by the issuance of a notice to proceed for the Community Facility Subproject and the delivery of copies of such to the County pursuant to the notice provisions herein, this Agreement shall extinguish and be of no further force and effect with respect to the Community Condo Unit (the “**Community Release and Extinguishment**”).

(C) The Parties may record against the Real Property a release and extinguishment in the form attached hereto as Exhibit B to provide record notice thereof (“**Release Agreement**”) for either the Residential Release and Extinguishment or the Community Release and Extinguishment or both.

5. Covenants Running with the Land: The terms and conditions contained herein shall be, as of the date of recording and until the Residential Release and Extinguishment and/or the Community Release and Extinguishment, taken and construed as covenants running with the land, binding upon WCCDA and its successors and assigns, any purchaser, owner or lessee of any portion of the Real Property and any other person or entity having any right title or interest therein

and upon the respective heirs, administrators, devisees, successors or assigns of any purchaser, owner or lessee of any portion of the Real Property and any other person or entity that shall have an interest in any portion therein. Each and every contract, deed, mortgage or other instrument covering or conveying the Real Property, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to this Agreement, regardless of whether such covenants are set forth in such contract, deed, mortgage or other instruments. The covenants contained herein are separate from and in addition to any covenants, agreements, restrictions or other declarations made by WCCDA for the benefit of the County, any State or local government, or any lender or investor that may touch or concern the Real Property.

6. Recordation: This Agreement shall be indexed and recorded against the Real Property in the official public land records of King County.

7. Assignment: Any transfer or assignment of the Real Property or any portion thereof or interest therein to any successor or assignee shall be subject to the terms and conditions set forth herein.

8. County's Right to Enforce: No delay in enforcing any of its Right of Termination shall impair, damage or waive the right of County to enforce any provisions hereof or to exercise the Right of Termination at any later time if WCCDA shall have failed to satisfy the provisions of Section 2 of this Agreement.

9. No Third Parties: This Agreement creates no right, privilege, duty, claim, or cause of action in any person or entity not a party to it.

10. Non-Discrimination: WCCDA shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. WCCDA shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964.

11. Amendments: This Agreement shall not be amended or revised except by a written instrument duly executed by WCCDA and King County and recorded against the Real Property.

12. Notices: Unless otherwise provided herein, notices required to be in writing under this Agreement shall be given as follows:

If to King County: King County  
500 Fourth Avenue, Suite 830  
Seattle, WA 98104  
Attention: Steve Rizika

With a copy to: King County Prosecuting Attorney's Office  
516 Third Avenue, W400  
Seattle, WA 98104  
Attention: Ryan Ridings

If to WCCDA: White Center Community Development Association  
605 SW 108th Street  
Seattle, WA 98146  
Attention: Sili Savusa

With a copy to: Stoel Rives LLP  
600 University Street, Suite 3600  
Seattle, WA 98101  
Attention: Sallie Lin

Nelson & Nelson PLLC  
605 First Avenue, Suite 100  
Seattle, WA 98104  
Attn: Dan Budihardjo (danb@nelsonpllc.com)

13. Governing Law; Venue for Litigation: This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Washington, without reference to its choice of law rules or conflicts of law provisions. The Superior Court of King County, Washington, shall be the sole venue for any litigation that arises under or relates to this Agreement.

14. Attorneys' Fees: If any suit or action arising out of or related to this Agreement is brought by either party, the prevailing party shall be entitled to recover the costs and fees including without limitation reasonable attorney's fees, the fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery incurred by such party in such suit or action, including without limitation any post-trial or appellate proceeding, or in the collection or enforcement of any judgment or award entered or made in such suit or action. The term "prevailing party" shall mean the party determined to be the prevailing party by an arbitrator or a court of law.

15. Severability: In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

16. Construction: The headings contained in this Agreement are for convenience of reference purposes only and shall not in any way affect the meaning or interpretation hereof, nor serve as evidence of the intention of the parties hereto. Whenever the context hereof shall so require the singular shall include the plural.

17. Nothing in this Agreement shall be considered or interpreted to diminish the governmental or police powers of King County.

IN WITNESS WHEREOF, this Reserved Right of Entry and Power of Termination Agreement was executed as of the date first written above.

**KING COUNTY**

**King County**, a political subdivision of the State of Washington

\_\_\_\_\_

BY: Anthony Wright

TITLE: Director, Facilities Management Division

DATE: \_\_\_\_\_

Approved as to Form:

By \_\_\_\_\_  
Deputy Prosecuting Attorney

**WCCDA**

**White Center Community Development Association**, a Washington nonprofit corporation

By: \_\_\_\_\_  
Name: Sili Savusa  
Title: Executive Director

[NOTARY BLOCKS APPEAR ON FOLLOWING PAGES]

**NOTARY BLOCK FOR KING COUNTY**

STATE OF WASHINGTON )

) SS

COUNTY OF KING )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ANTHONY WRIGHT, to me known to be the Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that HE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

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

\_\_\_\_\_

Notary Public in and for the  
State of Washington, residing

at \_\_\_\_\_

City and State

My appointment expires \_\_\_\_\_

**NOTARY BLOCK FOR WCCDA**

STATE OF WASHINGTON )  
 ) SS  
 COUNTY OF KING )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Sili Savusa, to me known to be the Executive Director of White Center Community Development Association, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the White Center Community Development Association for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
 Notary Public in and for the  
 State of Washington, residing  
 at \_\_\_\_\_  
 City and State  
 My appointment expires \_\_\_\_\_

**EXHIBIT A**

LOT 2 OF EXEMPT SEGREGATION NO. EMSC15-0026, RECORDED ON JANUARY 08, 2016 AS RECORDING NUMBER 20160108900001, IN THE OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.



**EXHIBIT B**

When Recorded Return To:

White Center Community  
Development Association  
[605 SW 108<sup>th</sup> Street  
Seattle, WA 98146]

Document Title:           **Partial Release and Partial Extinguishment of Reserved Right of Entry and Power of Termination Agreement**

Grantor:                   **King County**

Grantee:                   **White Center Community Development Association**

Abbreviated Legal Description:   **[LOT 2 KC EXEMPT SEGREGATION # EMSC15-0026 REC #20160108900001]**

**Full legal description on Exhibit A**

Tax Parcel Number:       **[Portion of 062304-9405]**

Related Documents:       **[Deed; Reserved Right of Entry and Power of Termination Agreement]**

---

**PARTIAL RELEASE AND PARTIAL EXTINGUISHMENT OF RESERVED RIGHT OF ENTRY AND POWER OF TERMINATION AGREEMENT**

THIS PARTIAL RELEASE AND PARTIAL EXTINGUISHMENT OF RESERVED RIGHT OF ENTRY AND POWER OF TERMINATION AGREEMENT (this “**Release**”) is made

---

P. 10 of 17

Reserved Right of Entry and Power of Termination  
WCCD Project

April 2022

as of \_\_\_\_\_, 20\_\_ by **King County** (the “**County**”), a political subdivision of the State of Washington, for the benefit of **White Center Community Development Association**, a Washington nonprofit corporation (“**WCCDA**”). The County and WCCDA are each referred to in this Release generically as a “**Party**” and collectively as the “**Parties**”. This Release concerns that certain real property legally described on Exhibit A, attached hereto and incorporated herein (the “**Real Property**”).

## RECITALS

WHEREAS, the County conveyed the Real Property to WCCDA pursuant to that certain deed from the County to WCCDA recorded under King County Rec. No. \_\_\_\_\_ (the “**Deed**”) for the express purposes of developing and operating a multifamily residential development for individuals and families of low income (the “**Residential Subproject**”) and a commercial community facility development (the “**Community Facility Subproject**” and together with the Residential Subproject, the “**Project**”);

WHEREAS, contemporaneous with the execution and recording of the Deed, the Parties recorded that certain Reserved Right of Entry and Power of Termination Agreement under King County Rec. No. \_\_\_\_\_ (the “**Agreement**”), reserving for the County, as a condition to the Deed, a right of entry upon the Real Property and termination of the Deed in the event that WCCDA shall fail to construct the Project on the terms and conditions set forth in the Agreement;

WHEREAS, the Agreement further sets forth that upon the commencement of both the Residential Subproject or the Community Facility Subproject, as evidenced by the issuance of notices to proceed issued for the construction of the Residential Subproject and the Community Facility Subproject and delivery of such notices to the County within ten (10) years of the recording of the Agreement, the Agreement shall extinguish and be of no further force and effect as to the Residential Subproject or the Community Facility Subproject (as applicable), and that the Parties may record a partial release and extinguishment to provide record notice thereof;

WHEREAS, subsequent to the execution and recording of the Deed, WCCDA established a Condominium on the Real property, as evidenced by the recordation in the land records of King County of a declaration and map establishing the Condominium and the allocation of ownership interest in the Real Property between the Residential Condo Unit and the Community Condo Unit in accordance with the provisions of Ch. 64.90 RCW, under King County Rec. No. \_\_\_\_\_;

WHEREAS, WCCDA has commenced the construction of [Residential Subproject][Community Facility Subproject] as evidenced by the issuance of a notice to proceed and delivery of such to the County; and

WHEREAS, the Parties desire to record a partial release and extinguishment of the Agreement as set forth further herein.

NOW THEREFORE, the Parties hereto covenant and agree as follows:

## **AGREEMENT**

1. The foregoing recitals are true and correct and are hereby incorporated herein.
2. Partial Release and Partial Extinguishment by the County of the Reserved Right of Entry and Power of Termination: The County hereby partially releases, extinguishes and terminates its reserved right of entry and power of termination as provided under the Agreement, and all such provisions of the Agreement are of no further force or effect, with respect to the [Residential Condo Unit] [Community Condo Unit] legally described in the attached Exhibit A.
3. Record Notice: This Release shall serve as record notice that the [Residential Condo Unit] [Community Condo Unit] is no longer subject to the right, of the County, to enter and rescind the Deed or to cause any reconveyance of the Real Property.
4. Recordation: This Release shall be indexed and recorded against the Real Property in the official public land records of King County.
5. No Third Parties: This Release creates no right, privilege, duty, claim, or cause of action in any person or entity not a party to it.
6. Construction: The headings contained in this Release are for convenience of reference purposes only and shall not in any way affect the meaning or interpretation hereof, nor serve as evidence of the intention of the parties hereto. Whenever the context hereof shall so require the singular shall include the plural.
7. Rights Reserved: Nothing in this Release shall be considered or interpreted to diminish the governmental or police powers of King County.

*[No further text. Signature pages follow.]*

IN WITNESS WHEREOF, this Partial Release and Partial Extinguishment of Reserved Right of Entry and Power of Termination Agreement was executed as of the date first written above.

**KING COUNTY**

\_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

Approved as to Form:

By \_\_\_\_\_  
Deputy Prosecuting Attorney

**White Center Community Development Association**

\_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

[NOTARY BLOCKS APPEAR ON FOLLOWING PAGES]



**NOTARY BLOCK FOR WCCDA**

STATE OF WASHINGTON )

) SS

COUNTY OF KING )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_ of White Center Community Development Association, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the nonprofit corporation for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Notary Public in and for the  
State of Washington, residing  
at \_\_\_\_\_  
City and State  
My appointment expires \_\_\_\_\_

**EXHIBIT A TO RELEASE**

[Insert either the legal description of the Residential Condo Unit or the Community Condo Unit.]

**EXHIBIT F.**

**Affordable Housing Covenant**

[see attached]

---

Exhibit F - cover page

Real Estate PSA  
White Center Community Development Association

April 2022



AFTER RECORDING RETURN TO:

King County  
Facility Management Division  
Real Estate Services Section  
500 Fourth Avenue, Room 830  
Seattle, WA 98104

**Document Title:** DECLARATION OF COVENANT  
FOR AFFORDABLE HOUSING

**Grantor:** White Center Community Development Association

**Grantee:** King County

**Abbreviated Legal Description:** LOT 2 KC EXEMPT SEGREGATION # EMSC15-0026  
REC#20160108900001  
(Full Legal on Exhibit A)

**Assessor's Tax Parcel Number:** 062304-9405

**Related Documents:** Deed

**DECLARATION OF COVENANT FOR LOW-INCOME HOUSING**

*(White Center CDA Residential Subproject)*

THIS DECLARATION OF COVENANT FOR AFFORDABLE HOUSING ("**Covenant**") is made as of \_\_\_\_\_, 20\_\_\_\_, by White Center Community Development Association, a Washington nonprofit corporation ("**WCCDA**"), and in favor of King County, a political subdivision of the State of Washington ("**King County**").

This Covenant applies to the real property located in White Center, an unincorporated area of King County, Washington, and legally described on the attached Exhibit A (the "**Real Property**").

## RECITALS

A. King County is the Seller under that certain Real Estate Purchase and Sale Agreement with WCCDA, as Buyer (the “*PSA*”).

B. The PSA sets forth WCCDA’s intention to develop on the Real Property (1) a multifamily residential project for individuals and families of low income (the “*Residential Subproject*”) and (2) a community facility project comprising a commercial building intended for use by nonprofit and community organizations (the “*Community Facility Subproject*” and together with the Residential Subproject, the “*Project*”).

C. In fulfillment of the Project, WCCDA intends to subject the Real Property to a condominium regime (the “*Condominium*”, further described herein) comprising one condominium unit for the Residential Subproject and its appurtenant elements (the “*Residential Condo Unit*”) and one condominium unit for the Community Facility Subproject and its appurtenant elements (the “*Community Condo Unit*”).

D. Upon the declaration of the Condominium, King County intends to partially release this Covenant with respect to the Commercial Condo Unit.

E. As set forth in the PSA, King County intends to ensure the long-term use of the Residential Subproject for low-income housing.

F. In furtherance of such purpose, and in consideration of the sale of the Real Property, WCCDA intends to insure and maintain the Residential Subproject and to limit the rents charged and impose maximum income restrictions for the residents of the individual dwelling units within the Residential Subproject.

## AGREEMENT

NOW THEREFORE, WCCDA hereby covenants and agrees as follows:

1. **Definitions.** Capitalized terms not otherwise defined in this Covenant (including the recitals hereto) shall have the following meanings:

(a) “*Area Median Income*” or “*AMI*” means the area median income determined in a manner consistent with determination of area median gross income under section 8 of the United States Housing Act of 1937 (as amended from time to time), including adjustments for family size, for the Primary Metropolitan Statistical Area (“*PMSA*”) for King County, Washington, which includes the community of White Center.

(b) “*Gross Rent*” has the meaning ascribed such phrase in Section 42(g)(2) of the Internal Revenue Code, as the same may be amended and re-enacted from time to time; *provided*, if Section 42(g)(2) of the Internal Revenue Code is repealed, “Gross Rent” shall have the meaning

ascribed such phrase in Section 42(g)(2) of the Internal Revenue Code as in effect immediately before such repeal; and provided further, “Gross Rent” shall only include that portion of rent that is payable by the tenant (and shall not include rent paid by others pursuant to one or more rental subsidy programs).

(c) “*Housing Unit*” means a residential dwelling unit available for rent by or rented to a tenant.

(d) “*HUD*” means the United States Department of Housing and Urban Development, or any successor governmental agency.

## 2. Covenants.

2.1 Except as provided in subsection (c) of this Section 2.1, all Housing Units constructed on the Residential Condo Unit shall be both rent-restricted and occupied by (or held available for rental to) individuals whose income at the time of initial occupancy is sixty percent (60%) or less of Area Median Income.

(a) For purposes of this Section 2, a Housing Unit is rent-restricted if the Gross Rent with respect to such Housing Unit does not exceed thirty percent (30%) of the Imputed Income Limitation applicable to such Housing Unit.

(i) For purposes of Section 2(a), the “*Imputed Income Limitation*” applicable to a Housing Unit is the income limitation which would apply under the first sentence of this Section 2.1 to individuals occupying the Housing Unit if the number of individuals occupying the Housing Unit were as follows: (A) in the case of a Housing Unit which does not have a separate bedroom, one (1) individual and (B) in the case of a Housing Unit which has one (1) or more separate bedrooms, one and one-half (1.5) individuals for each separate bedroom.

(ii) The amount of the Imputed Income Limitation applicable for any calendar year (other than the calendar year in which the first Housing Unit in the Residential Subproject is occupied) shall not be less than the Imputed Income Limitation applicable for the immediately preceding calendar year.

(b) For purposes of this Section 2, an individual’s income shall be determined in a manner consistent with determination of lower income families under section 8 of the United States Housing Act of 1937 (as amended from time to time).

(c) The restrictions set forth in this Section 2 do not apply with respect to the Housing Units within the Residential Subproject that are occupied by (or held available for use by) on-site property managers and/or providers of services to tenants, provided, however, that no more than three Housing Units within the Residential Subproject will be used for such purposes.

(d) WCCDA expects to subject the Residential Subproject to one or more regulatory agreements or extended use agreements in favor of the Washington State Housing Finance Commission (or its successor agency) (the “**Commission Covenant**”). During any period during which the Residential Subproject is subject to the Commission Covenant, compliance with the Commission Covenant shall be deemed to be compliance with this Covenant, so long as the Commission Covenant restricts the incomes of tenants and the allowable rents in a manner that is substantially the same as set forth in Section 42(g) of the Internal Revenue Code, as in effect as of the date of this Covenant.

2.2 In accordance with King County Code 4.56.100.C.1. and 2., WCCDA (and its successors and assigns) shall pay residential prevailing wages for initial construction of the Residential Subproject and shall have an apprentice utilization goal of fifteen percent (15%).

2.3 WCCDA shall maintain the Residential Subproject in a good and tenantable condition and shall not commit or suffer to be committed any waste or nuisance or other similar act thereon for the term of this Covenant.

2.4 The Residential Subproject constructed on the Residential Condo Unit shall consist of not less than seventy (70) Housing Units.

3. **Term.** The covenants contained herein shall remain in place until the seventy-fifth (75<sup>th</sup>) anniversary of the date this Covenant is initially recorded in the land records of King County, Washington. This Covenant shall automatically terminate and be of no further force or effect upon the expiration of its term.

4. **Enforcement Actions.** If a violation of any of the covenants set forth herein shall occur, King County may, after thirty days’ written notice to WCCDA (or its successors and assigns), institute and prosecute any proceeding at law or in equity to abate, prevent, or enjoin any such violation or to compel specific performance of the obligations hereunder; provided, King County shall not have the right to cause any tenant of a Housing Unit to be evicted from a Housing Unit. No delay in enforcing the provisions hereof as to any breach or violation, shall impair, damage or waive the right of King County to enforce the provisions hereof during the continuation or repetition of such breach, or upon a violation or any similar breach or violation hereof at any later time. In the event that legal proceedings are commenced to enforce any provision of this Covenant, the prevailing party in such action shall be entitled to an award of costs and reasonable legal and attorneys’ fees in addition to any other relief. Nothing contained herein shall be deemed to limit or restrict the rights of King County under any other agreement or contract. No third parties have any rights to enforce this Covenant.

5. **Reservation of Certain Rights by King County.** WCCDA recognizes that the Real Property was previously part of a larger parcel, the remainder of which remains under the ownership and operation King County. WCCDA shall comply with all reasonable requests from

King County to accommodate the installation, maintenance, repair, replacement and operation of all manner of easements over, under and across the Real Property or the Residential Condo Unit (as applicable) for the benefit of King County and the public, including but not limited to access, utilities, drainage and preservation thereof. This reservation is subject to (i) any improvements (as they may exist at the time of King County’s exercise of its rights under this Section 5) on the Real Property or the Residential Condo Unit (as applicable), (ii) King County’s obligation to restore any paving or landscaping to an equal or better condition upon any disturbance thereof, and (iii) all applicable laws, orders, rules and regulations. King County shall not exercise its rights under this Section 5 during the construction of the Residential Subproject or the Community Facility Subproject.

6. **Indemnification.** WCCDA shall indemnify, defend and hold harmless King County, its elected officials, staff, officers, agents and employees, from and against any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, including costs and attorneys’ fees in defense and costs on appeal thereof, relating to or arising out of, directly or indirectly, this Covenant, including but not limited to injuries, sickness or death of persons or damage to property, which is caused by or arises out of acts or omissions of WCCDA or its permittees, invitees, agents or employees in connection with the Real Property or any obligation set forth in this Covenant.

7. **Amendment.** This Covenant shall not be amended or revised except by a written instrument duly executed by WCCDA and King County and recorded against the Real Property or the Residential Condo Unit (as applicable). Upon the establishment of the Condominium, as evidenced by the recordation in the land records of King County of a declaration and map establishing the Condominium and the allocation of ownership interest in the Real Property between the Residential Condo Unit and the Community Condo Unit in accordance with the provisions of Ch. 64.90 RCW, WCCDA and King County shall execute an amendment to or partial release of this Covenant solely to amend the legal description set forth in Exhibit A to this Covenant with the condominium unit name or number of the Residential Condo Unit established by the Condominium declaration and recorded in the records of King County therewith (the “*Condominium Amendment*”). The Condominium Amendment may not contemplate any other changes to the Covenant except as set forth in this Section 7.

8. **Subordination.** After completion of the Residential Subproject, as evidenced by a final certificate of occupancy, upon request of WCCDA, King County may agree to subordinate this Covenant for future financing using the Residential Condo Unit as security if such financing is in furtherance of the Residential Subproject; and such agreement will not be unreasonably withheld.

9. **Miscellaneous.**

(a) This Covenant shall run with the land and in favor of King County and be binding on all successors and assigns of WCCDA and shall be recorded by King County in the real property records of King County.

(b) If any provision of this Covenant shall be held by a court of proper jurisdiction to be invalid, illegal or unenforceable, the remaining provisions shall survive and their validity, legality or unenforceability shall not in any way be affected or impaired thereby.

(c) This Covenant shall be governed by and construed and enforced in accordance with the laws of the State of Washington, without reference to its choice of law rules or conflicts of law provisions. The Superior Court of King County, Washington, shall be the sole venue for any litigation that arises under or relates to this Covenant.

(d) This Covenant shall not be amended or revised except by a written instrument duly executed by WCCDA and King County and recorded against the Real Property.

[Remainder of page intentionally blank.]



IN WITNESS WHEREOF, WCCDA has executed this Covenant as of the date first written above.

**WHITE CENTER COMMUNITY DEVELOPMENT ASSOCIATION,**  
a Washington nonprofit corporation

By: \_\_\_\_\_  
Sili Savusa, Executive Director

**NOTARY BLOCK FOR WCCDA**

STATE OF WASHINGTON     )  
  ) SS  
COUNTY OF KING         )

This record was acknowledged before me on \_\_\_\_\_, 202\_, by Sili Savusa, Executive Director of White Center Community Development Association, a Washington nonprofit corporation.

\_\_\_\_\_  
Notary Public for the State of Washington  
My commission expires: \_\_\_\_\_



**EXHIBIT A**  
**Legal Description**

LOT 2 OF EXEMPT SEGREGATION NO. EMSC15-0026, RECORDED ON  
JANUARY 08, 2016 AS RECORDING NUMBER 20160108900001, IN THE  
OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.

**EXHIBIT G.**

**Community Facility Covenant**

[see attached]

AFTER RECORDING RETURN TO:

King County  
Facility Management Division  
Real Estate Services Section  
500 Fourth Avenue, Room 830  
Seattle, WA 98104

**Document Title:** DECLARATION OF COVENANT FOR  
COMMUNITY USE

**Grantor:** White Center Community Development Association

**Grantee:** King County

**Abbreviated Legal Description:** LOT 2 KC EXEMPT SEGREGATION # EMSC15-0026  
REC#20160108900001  
(Full Legal on Exhibit A)

**Assessor's Tax Parcel Number:** 062304-9405

**Related Documents:** Deed

**DECLARATION OF COVENANT FOR COMMUNITY USE**  
(*White Center CDA Community Facility Subproject*)

THIS DECLARATION OF COVENANT FOR COMMUNITY USE ("**Covenant**") is made as of \_\_\_\_\_, 2022, by White Center Community Development Association, a Washington nonprofit corporation ("**WCCDA**"), and in favor of King County, a political subdivision of the State of Washington ("**King County**").

This Covenant applies to the real property located in White Center, an unincorporated area of King County, Washington, and legally described on the attached Exhibit A (the "**Real Property**").

**RECITALS**

A. King County is the Seller under that certain Real Estate Purchase and Sale Agreement with WCCDA, as Buyer (the "**PSA**").

B. The PSA set forth WCCDA's intention to develop on the Real Property (1) a multifamily residential project for individuals and families of low income (the "**Residential**").

*Subproject*”) and (2) a community facility project comprising a commercial building intended for use by nonprofit and community organizations (the “*Community Facility Subproject*” and together with the Residential Subproject, the “*Project*”).

C. In fulfillment of the Project, WCCDA intends to subject the Real Property to a condominium regime (the “*Condominium*”, further described herein) comprising one condominium unit for the Residential Subproject and its appurtenant elements (the “*Residential Condo Unit*”) and one condominium unit for the Community Facility Subproject and its appurtenant elements (the “*Community Condo Unit*”).

D. Upon the declaration of the Condominium, King County intends to partially release this Covenant with respect to the Residential Condo Unit.

E. WCCDA intends to convey, either in fee or pursuant to a long-term ground lease, the Community Condo Unit to a “Qualified Low-Income Community Business”, as defined under Section 45D of the Internal Revenue Code (the “*Subproject Borrower*”), that shall construct and develop the Community Facility Subproject and thereafter master lease the completed Community Facility Subproject to WCCDA. As set forth in the PSA, King County intends to ensure the long-term use of the Community Condo Unit for spaces serving Community Facility Uses, as defined herein.

F. In furtherance of such purpose, and in consideration of the sale of the Real Property, WCCDA intends to insure and maintain the Community Facility Subproject and to limit the use of such spaces to organizations serving the White Center community, including but not limited to organizations providing services for families, youth, community development, and healthcare.

## AGREEMENT

NOW THEREFORE, WCCDA hereby covenants and agrees as follows:

1. **Definitions.** Capitalized terms not otherwise defined in this Covenant (including the recitals hereto) shall have the following meanings:

(a) “*Community Facility Subproject Financing*” means one or more acquisition and construction loans, including, without limitation, loans supported with new markets tax credits from one or more community development entities available pursuant to Section 45D of the Internal Revenue Code (“*New Markets Tax Credits*”), in order to finance the construction and development costs of the Community Facility Subproject.

(b) “*Community Facility Space*” means a demised portion of the Community Facility Subproject subject to lease or other similar agreement setting forth the terms of use(s), payment, maintenance and repair and other reasonable and ordinary obligations of such parties thereto.

(c) “*Community Facility Use(s)*” means (i) those uses provided by nonprofit organizations dedicated to cultural, educational, artistic, community, social service, medical or recreational use for the benefit of the community of White Center and provided in a Community Facility Space and (ii) such uses ancillary and incidental to such uses in subsection 1(c)(i) provided that such ancillary and incidental purposes relate to, promote, and do not derogate from the uses set forth in subsection 1(c)(i).

(d) **“Condominium”** means the common interest ownership structure for the Real Property to be established in accordance with Ch. 64.90 RCW in which the Residential Condo Unit and the Community Condo Unit are designated for separate ownership and any remainder of the Real Property may be designated for common ownership solely by the owners of Residential Condo Unit and the Community Condo Unit.

**2. Covenants.**

(a) Each Community Facility Space in the Community Facility Subproject shall be occupied by (or held available for rental to) community organizations providing one or more Community Facility Uses.

(b) During any period during which the Community Facility Subproject is subject to the Subproject Mortgage (hereinafter defined) , including any refinancing thereof, WCCDA shall comply with all terms of the Subproject Mortgage.

(c) WCCDA shall maintain the Community Facility Subproject in a commercially reasonable condition and shall not commit or suffer to be committed any waste or nuisance or other similar act thereon for the term of this Covenant.

(d) All obligations of WCCDA hereunder shall be the obligations of the Subproject Borrower and all obligations of the Subproject Borrower shall be the obligations of WCCDA for so long as the Subproject Borrower shall have an interest in the Community Facility Subproject. Upon the sale or transfer of all Subproject Borrower’s interest in the Community Facility Subproject, or upon dissolution of the Subproject Borrower, the obligations of this Covenant shall be that solely of WCCDA, its successors and assigns.

3. **Term.** The covenants contained herein shall remain in place until the seventy-fifth (75<sup>th</sup>) anniversary of the date this Covenant initially is recorded in the land records of King County, Washington. This Covenant shall automatically terminate and be of no further force or effect upon the expiration of its term.

4. **Enforcement Actions.** WCCDA shall exercise reasonable diligence to comply with the requirements of this Covenant and shall correct any noncompliance within one hundred eighty (180) days after such noncompliance is first discovered by WCCDA , or within one hundred eighty (180) days after WCCDA receives notice of noncompliance from King County. If WCCDA shall fail to observe or perform any covenant, condition or agreement contained in this Covenant on its part to be observed or performed, and if such noncompliance is not corrected as provided for in this Section, then such noncompliance shall be considered an event of default and King County shall be entitled to take whatever action at law or in equity appears necessary or desirable to enforce performance and observance of any obligation or agreement in respect of which the default has occurred, including, without limitation, bringing an action at law or in equity to abate, prevent or enjoin any such violation or attempted violation, to recover monetary damages caused by such violation or attempted violation, or to compel specific performance by WCCDA of its obligations under this Covenant, it being recognized that King County may not be adequately compensated by monetary damages in the event of WCCDA’s default; provided, however, that King County shall seek to recover monetary damages solely from WCCDA. Notwithstanding the foregoing, in the

event it becomes necessary for King County to seek an injunction or otherwise take action to enforce its rights under this Covenant due to a violation by WCCDA or its successors and assigns, WCCDA shall be responsible for all reasonable costs (including attorneys' fees) incurred by King County in connection with such enforcement. No delay in enforcing the provisions of this Covenant as to any breach or violation shall impair, damage or waive King County's right to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation of this Covenant at any later time or times. In the event that legal proceedings are commenced to enforce any provision of this Covenant, the prevailing party in such action shall be entitled to an award of costs and reasonable legal and attorneys' fees in addition to any other relief. Nothing contained herein shall be deemed to limit or restrict the rights of King County under any other agreement or contract. No third parties have any rights to enforce this Covenant.

5. **Reservation of Certain Rights by King County.** WCCDA recognizes that the Real Property was previously part of a larger parcel, the remainder of which remains under the ownership and operation of King County. WCCDA shall comply with all reasonable requests from King County to accommodate the installation, maintenance, repair, replacement and operation of all manner of easements over, under and across the Real Property or the Community Condo Unit (as applicable) for the benefit of King County and the public, including but not limited to access, utilities, drainage and preservation thereof. This reservation is subject to (i) any improvements (as they may exist at the time of King County's exercise of its rights under this Section 5) on the Real Property or Community Condo Unit (as applicable), (ii) King County's obligation to restore any paving or landscaping to an equal or better condition upon any disturbance thereof, and (iii) all applicable laws, orders, rules and regulations. King County shall not exercise its rights under this Section 5 during the construction of the Residential Subproject or the Community Facility Subproject.

6. **Indemnification.** WCCDA shall indemnify, defend and hold harmless King County, its elected officials, staff, officers, agents and employees, from and against any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, including costs and attorneys' fees in defense and costs on appeal thereof, relating to or arising out of, directly or indirectly this Covenant, including but not limited to injuries, sickness or death of persons or damage to property, which is caused by or arises out of acts or omissions of WCCDA or its permittees, invitees, agents or employees in connection with the Real Property or any obligation set forth in this Covenant.

7. **Priority.** Except for the subordination provision set forth in Section 8 herein, this Covenant shall be first in priority with respect to the Community Condo Unit and shall survive foreclosure of any lien on the Community Condo Unit with a lesser priority. WCCDA represents and warrants that, with respect to the Community Condo Unit, there are no other liens, rights or interests of any other party senior in priority to the rights of King County under this Covenant. WCCDA shall ensure the Community Condo Unit remains free and clear of all liens, encumbrances or other interests affecting the rights of King County under this Covenant, except for the Subproject Mortgage (as hereinafter defined) and as otherwise expressly accepted by King County.

8. **Subordination; Required Notice.**

(a) Anything to the contrary herein notwithstanding, and subject to the requirements set forth in subsection (b) below, this Covenant shall be subordinate to the lien or liens of any mortgage or deed of trust securing the Community Facility Subproject Financing (collectively, “*Subproject Mortgage*”); *provided, however* that: (i) the subordination of this Covenant shall be limited to the Subproject Mortgage, and any future modification of the Subproject Mortgage, or future financing using the Community Condo Unit as collateral must receive prior written permission of King County, and (ii) the subordination of this Covenant shall automatically terminate (without further action on the part of WCCDA or King County) upon release or reconveyance of such Subproject Mortgage.

(b) In the event of a default under the Subproject Mortgage, a mortgagee must first notify King County at least one hundred and eighty (180) days before initiating foreclosure action and provide King County the option of assuming the role of the mortgagor (or designating a replacement entity to assume such role) and continue to make payments on Community Facility Subproject Financing secured by the Subproject Mortgage, subject to the applicable New Markets Tax Credit requirements as reasonably determined by the mortgagee of any Subproject Mortgage utilizing New Markets Tax Credits.

(c) Upon request of WCCDA or its successors in interest, King County may agree to subordinate this Covenant for any future modification of the Subproject Mortgage, or future financing using the Community Condo Unit as security if such financing is the furtherance of the Community Facility Uses; and such agreement will not be unreasonably withheld.

9. **Amendment.** This Covenant shall not be amended or revised except by a written instrument duly executed by WCCDA and King County and recorded against the Real Property or the Community Condo Unit (as applicable). Upon the establishment of the Condominium, as evidenced by the recordation in the land records of King County of a declaration and map establishing the Condominium and the allocation of ownership interest in the Real Property between the Residential Condo Unit and the Community Condo Unit in accordance with the provisions of Ch. 64.90 RCW, WCCDA and King County shall execute an amendment to or partial release of this Covenant solely to amend the legal description set forth in Exhibit A to this Covenant with the condominium unit name or number of the Community Condo Unit established by the Condominium declaration and recorded in the records of King County therewith (the “*Condominium Amendment*”). The Condominium Amendment may not contemplate any other changes to the Covenant except as set forth in this Section 9.

10. **Miscellaneous.**

(a) This Covenant shall run with the land and in favor of King County and be binding on all successors and assigns of WCCDA and the Subproject Borrower and shall be recorded by King County in the real property records of King County.

(b) If any provision of this Covenant shall be held by a court of proper jurisdiction to be invalid, illegal or unenforceable, the remaining provisions shall survive and their validity, legality or unenforceability shall not in any way be affected or impaired thereby.

(c) This Covenant shall be governed by and construed and enforced in accordance with the laws of the State of Washington, without reference to its choice of law rules or conflicts of law provisions. The Superior Court of King County, Washington, shall be the sole venue for any litigation that arises under or relates to this Covenant.

[Remainder of page intentionally blank. Signature pages follow.]







**EXHIBIT A**  
**Legal Description**

LOT 2 OF EXEMPT SEGREGATION NO. EMSC15-0026, RECORDED ON  
JANUARY 08, 2016 AS RECORDING NUMBER 20160108900001, IN THE  
OFFICIAL RECORDS OF KING COUNTY, WASHINGTON.

## **EXHIBIT H.**

### **Permitted Exceptions**

Numbers based upon the numbers in the Title Commitment:

16. Easement, including terms and provisions contained therein:  
Recording Information: 4704076  
For: A road
20. Right to make necessary slopes for cuts or fills upon said premises as granted by deed recorded July 08, 1971 under recording no. 7107080424.
26. Terms, conditions, unrecorded restrictions, easements, as such easements are set out herein as Exceptions 16 and 20 only, and are applicable to Lot 2 boundary discrepancies and encroachments as contained in recorded King County Exempt Segregation No. EMSC15-0026:  
Recorded: January 08, 2016  
Recording Information: 20160108900001
27. 2. The terms and provisions contained in the document entitled "Custodial Transfer Agreement"  
Recorded: April 29, 2016  
Recording No.: 20160429001204
33. The terms and provisions contained in the document entitled "Custodial Transfer Agreement" recorded November 9, 2020 as Instrument No. 20201109003411 of Official Records.