



City of Seattle
Department of Finance and Administrative Services

February 25, 2016

Phinney Neighborhood Association
Attn: Lee Harper, Executive Director
6532 Phinney Avenue North
Seattle, WA 98103

LETTER OF INTENT

RE: City of Seattle Greenwood Senior Center

On behalf of The City of Seattle ("Seller"), this Letter of Intent (LOI) sets forth the basic terms and conditions upon which Seller would be willing to enter into a Purchase and Sale Agreement with Phinney Neighborhood Association, ("Buyer") collectively referred to as "Parties" with regards to the Greenwood Senior Center further defined below as the property. The Parties agree to commence negotiations on a mutually acceptable Purchase and Sale Agreement ("Agreement"); the basic proposed terms and conditions are as follows:

Background Information: Greenwood Senior Center (GSC), a program of the Phinney Neighborhood Association (PNA), offers programs and services that provide opportunities for older adults to improve their health, well-being, and independence, and for people of all ages to actively engage in their community. The facility that houses GSC is owned by the City of Seattle and PNA has a "mutually offsetting benefit" (MOB) lease with the City for sole use of the facility.

Contact Information

Landowner/Seller:	City of Seattle, Finance and Administrative Services Department (FAS); Bill Craven, 206-733-9238 bill.craven@seattle.gov
Purchaser/Buyer:	Phinney Neighborhood Association (PNA) Lee Harper, 206-783-2244, leeh@phinneycenter.org

Property Description: To be verified and approved by a mutually acceptable Title Insurance Company; the City prefers using First American Title and Insurance Company (206-728-0400).

The North ½ of Lot 2 together with the East 60 feet of the North 102.8 feet of Lot 3, of Block 19 Osners 2nd Addition to the City of Seattle, according to the Plat thereof recorded in Volume 12 of Plats, page 3, King County, Washington.

King County Assessor's Parcel Numbers:
643050-0322
Approximately 21,987 square feet (King County Assessor's Office)

Fred Podesta, Director
700 Fifth Avenue, 52nd Floor
P.O. Box 94689
Seattle, Washington 98124-4689

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Fax (206) 684-7898
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fred.podesta@seattle.gov

**Purchase Price /
Compensation to Seller**

As an alternative for cash payment the City agrees to transfer the Property to PNA with the following covenants:

- A covenant that will run with the land, that any future development on the site should consider affordable housing, and be consistent with the City of Seattle's housing policy at the time of development.
- A covenant that runs with the land that will require the property be primarily used for social and or health services.

Environmental

To the extent allowed by law, the City agrees to indemnify the Phinney Neighborhood Association and its employees, officers, managers, and successors and assigns from and against any and all claims (including liabilities, loss, demands, agency orders requirements or enforcement actions, costs and expenses including reasonable attorney's fees, and damages) arising from, related to, or caused by (a) petroleum hydrocarbon contamination in soil caused by leakage or spillage from the Underground Storage Tank identified in GeoEngineers' Greenwood Senior Center Property Phase I Environmental Site Assessment dated September 11, 2013 or SoundEarth Strategies Limited Subsurface Investigation dated February 20, 2015; and (b) metals contamination in soil caused by the medical/dental facility that formerly operated on the Property.

Due Diligence

Within five (5) business days of execution of the Agreement, Seller will provide Buyer all relevant items in Seller's possession or control relating to the condition of the Property, including the following:

- Environmental Reports, soil tests, analyses, information, at or near the property;
- Any governmental permits or approvals for the Property;
- Surveys and or site plans;
- Existing title policy(ies);
- Any soil engineering reports on Property;
- Any physical property inspection reports related to the Property;
- Copies of any unrecorded easement, permit or other property rights; and
- Preliminary title report and copies of all exceptions document.

Buyer's due diligence period ("Due Diligence Period") will commence upon mutual signature of the Agreement and will end 180 days thereafter. Buyer may terminate the Agreement anytime during the 180 day Due Diligence Period. During the Due Diligence Period, Seller will provide Buyer, Buyer's representative, and Buyer's consultant reasonable access to the Property and the right to conduct such inspections of the Property as Buyer deems necessary with 24 hour notice. Inspections and access includes but not limited to geotechnical studies, environmental studies, surveys and the like. Buyer, at its sole cost, shall obtain an updated ALTA/ACSM land title survey of the Property and shall provide a copy of the survey to the Seller upon receipt.

Closing

Closing to occur 30 days after Mayor's signature on legislation authorizing the sale/transfer of the property.

Closing Costs

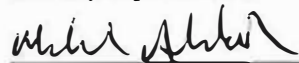
Buyer will pay for all costs associated with the sale of the Property, including but not limited to Title Policy and any endorsements thereto, the costs of recording all necessary and required documentation, any associated escrow fees, and real estate excise tax. Real Estate Taxes, if applicable, will be prorated as of the date of Closing. Additionally, Buyer will pay to the City a \$5,000 fee for staff time and other costs related associated with the transfer of the Property.

Representations and Warranties	Seller will make customary representations and warranties expected of a seller of real estate similar to the property, including accuracy of documents and other factual matters submitted or required by the Agreement to be submitted to Buyer, the absence of pending litigation and violations of applicable laws and ordinances, and authority to sell the Property and the like.
Brokers	Buyer and Seller represent and warrant that they have used no broker, finder, or other person or entity entitled to a commission on account of this transaction.
City Council Approval	Buyer acknowledges that the Agreement shall be subject to receipt by Seller of approval from Seattle City Council (the "City Council Approval"). Seller shall submit the Agreement for City Council Approval within 180 days following mutual acceptance of the Agreement, which will be subject to City Council approval
PNA Board Approval	Seller acknowledges that the Agreement shall be subject to approval from the Phinney Neighborhood Association Board of Directors within 180 days following mutual acceptance of the Agreement, which will be subject to the Board's approval
Exclusive Option	Until the earliest to occur of (a) 365 days following acceptance of this letter of intent by Seller or (b) the execution of the Agreement or (c) the written termination of this letter of intent by Buyer, Seller will not negotiate for nor make or accept any offers to purchase or sell the Property or any part thereof from any other person.

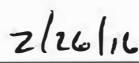
This Letter of Intent does not constitute a formal and binding agreement. This Letter of Intent merely reflects the basic terms and conditions upon which the parties would be willing to enter into a Purchase and Sale Agreement with regard to the Purchase of the Property, and is intended solely as the basis for the preparation of a Purchase and Sale agreement by the Buyer. Neither party shall have any obligation to consummate a final Purchase and Sale agreement or continue to negotiate in the future. Only a fully executed Purchase and Sale Agreement shall constitute a final and binding agreement between the parties.

SELLER:

**City of Seattle
Finance and Administrative Services
Facility Operations**



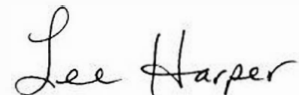
Michael Ashbrook, acting Director



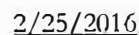
Date

Agreed to by buyer:

Phinney Neighborhood Association



Lee Harper, Executive Director



Date