

Snohomish County Office of Recovery and Resilience
3000 Rockefeller Avenue, M/S 407 | Everett, WA 98201



CONTRACT SPECIFICS	Contract Number: CLFR-123 Maximum Contract Amount: \$500,000
	Title of Project / Service: Machinist Institute Child Care Facility DAC#: 130.57504506784101
	Start Date: January 1, 2024 End Date: September 30, 2026 Status: Subrecipient
CONTRACTING ORGANIZATION	Agency Name: Machinist Institute
	Address: 9125 15th Place South
	City, State & Zip: Seattle, WA 98108-5100 IRS Tax No. / EIN: 83-1938059
	Contact Person: Shana Peschek - Executive Director Unique Entity Identifier:
	Telephone: (425) 306-1846 Email Address: shana.peschek@machinistsinstitute.org
FUNDING SPECIFICS	Funding Authority: U.S. Department of the Treasury
	CFDA No. & Title: 21.027 Corona Virus State and Local Fiscal Recovery Funds
	Funding Specifics: American Rescue Plan Act 2021, PL-117-2 sec. 9901
	Federal Agency: U.S. Treasury Federal Award ID No: SLFRP0194 Federal Award Date: 05/11/2021
COUNTY	Program Division Contact Person Contact Email Contact Phone
	Office of Recovery & Resilience Jessica Ruhle jessica.ruhle@snoco.org 425-359-8978

Additional terms of this Contract are set out in and governed by the following, which are incorporated herein by reference:

Project Description	Attached as Exhibit A	ARPA Forms	Attached as Exhibit E-1 through E-4
Contract Budget	Attached as Exhibit B	Federal Funding Addendum	Attached as Exhibit F
Form of Use Restriction Covenant	Attached as Exhibit C	Promissory Note	Attached as Exhibit G
Specific Terms and Conditions	Attached as Exhibit D	Deed of Trust	Attached as Exhibit H


THE CONTRACTING ORGANIZATION IDENTIFIED ABOVE (HEREINAFTER REFERRED TO AS SUBRECIPIENT), AND SNOHOMISH COUNTY (HEREINAFTER REFERRED TO AS COUNTY), HEREBY ACKNOWLEDGE AND AGREE TO THE TERMS OF THIS CONTRACT. SIGNATURES FOR BOTH PARTIES ARE REQUIRED BELOW. BY SIGNING, THE AGENCY IS CERTIFYING THAT IT IS NOT DEBARRED, SUSPENDED, OR OTHERWISE EXCLUDED FROM PARTICIPATING IN FEDERALLY FUNDED PROGRAMS.

FOR THE CONTRACTING ORGANIZATION:

E-SIGNED by Shana Peschek
on 2024-04-24 21:05:42 GMT

(Signature) _____ (Date) _____
Shana Peschek - Executive Director
(Title)

FOR SNOHOMISH COUNTY:

Klein, Ken  Digitally signed by Klein, Ken
Date: 2024.07.10 14:46:15 -07'00'

(Signature) _____ (Date) _____
Executive Director
(Title)

CLFR CHILD CARE FACILITY AGREEMENT

by and between

SNOHOMISH COUNTY, WASHINGTON

and

MACHINISTS INSTITUTE

For

CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE

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EXHIBITS

Attachment 1 to Loan Agreement, Legal Description

- A. Project Description
- B. Contract Budget
- C. Form of Use Restriction Covenant Agreement
- D. Specific Terms and Conditions
- E. ARPA Forms
 - Exhibit E-1. Actual Expenditure Report & Cost Certification
 - Exhibit E-2. Certification Regarding Lobbying American Rescue Plan Act of 2021, Section 9901
 - Exhibit E-3. Lobbying Disclosure Form
 - Exhibit E-4. Civil Rights Certification, American Rescue Plan Act of 2021, Section 9901
- F. Federal Funding Addendum
- G. Promissory Note
- H. Deed of Trust

MACHINISTS INSTITUTE CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE CLFR CHILD CARE FACILITY AGREEMENT

This CLFR CHILD CARE FACILITY AGREEMENT (this “**Agreement**”) is made by and between **SNOHOMISH COUNTY**, a political subdivision of the State of Washington, (the “**County**”); and **MACHINISTS INSTITUTE**, a Washington non-profit corporation, (hereinafter the “**Agency**” or “**Subrecipient**”);

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the parties have entered into this Agreement on the Effective Date and agree as follows:

I. GENERAL AGREEMENT

The Agency hereby agrees, to undertake the Child Care Facility Renovations and Outdoor Child Care Space Child Care Project more fully described in **Exhibit A** (the “**Project**”), attached hereto and by this reference incorporated herein and to receive up to **Five Hundred Thousand Dollars (\$500,000)** (the “**Contract Maximum**”) on a cost reimbursement bases for eligible expenses, more fully described in **Exhibit B** (the “**Project Budget**”), attached hereto and by this reference incorporated herein. The Project shall be located at: **2407 106th St., Everett, WA 98204**, legally described in **Attachment 1** hereto (the “**Property**”).

A. Funding Source; Loan; Promissory Note; Deed of Trust

1. **Loan Term:** The Agency is hereby provided a forgivable loan (the “**Loan**”) in the amount of **Five Hundred Thousand Dollars (\$500,000)** for the undertaking and performance of the Project. The term of the Loan shall begin upon the Effective Date of this Agreement and shall be forgiven by **September 30, 2026**, so long as Agency fulfills its obligations under the Construction and Reimbursement Period of this Agreement. The Loan shall bear no interest. Principal and interest payments shall be deferred, Provided that the Agency has fully complied with the Construction and Reimbursement Period of this Agreement.
2. **Promissory Note; Deed of Trust.** The Loan shall be evidenced by a nonrecourse Promissory Note (the “**Note**”) executed by the Agency in the form of **Exhibit G**, attached hereto and incorporated herein by this reference. The Promissory Note shall be secured by a Deed of Trust (the “**Deed of Trust**”), which the Agency shall execute in the form of **Exhibit H**, attached hereto and incorporated herein. The Deed of Trust shall secure repayment of all funds provided under this Agreement and shall be recorded against the Property legally described in Attachment 1 hereto. Prior to execution of the Deed of Trust, the Agency shall submit to the County verification of ownership interest in the property and mortgage balances and recorded liens against the Property. Except as otherwise provided herein, the Agency shall cause any subsequent mortgagee or lienholder on the Project to be approved in writing by the County and shall require such mortgagee or lienholder to agree to subordinate the lien of its security instruments, if any, to the Deed of Trust.
3. As consideration for receiving the Loan, the Agency expressly agrees to undertake the Project. The undertaking of the Project shall be in compliance with Section 9901 of ARPA, and all rules and regulations promulgated by Department of Treasury at 31 CFR Part 35, as amended; Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions promulgated by the U.S. Department of the Treasury, as amended; and Compliance and Reporting Guidance – State and Local Fiscal Recovery Funds as promulgated by the U.S. Department of the Treasury, as amended. The Agency agrees to comply fully with all applicable federal, state, and local laws, ordinances, and regulations in undertaking the Project and in activities funded in whole or in part with funds provided through this Agreement.

B. Assignment of Obligations

The Agency shall not assign any of its obligations under this Agreement but shall remain obligated at all times to perform according to the terms of this Agreement.

C. Covenant Agreement

To ensure performance during the County Compliance Period of this Agreement, the Agency shall execute and record the Use Restriction Covenant Agreement (the “**Covenant Agreement**”) in the form **Exhibit C** upon execution of this Agreement and prior to the Agency receiving any funds under this Agreement.

Except as otherwise provided herein, the Agency shall cause any subsequent mortgagee or lienholder on the Project to be approved in writing by the County and shall require such mortgagee or lienholder to agree to subordinate the lien of its security instruments, if any, to the Covenant Agreement.

D. Term of Agreement

The Effective Date (“**Effective Date**”) of this Agreement shall be the date first written above. The Term of this Agreement begins on the Effective Date and expires on **December 31, 2034**, except that the provisions set forth in **Section I.G.** shall survive this Agreement. Notwithstanding the Effective Date, this Agreement shall govern the conduct of the parties from January 1, 2024, through December 31, 2034.

The Agency shall perform the requirements of this Agreement in two periods during the Term of this Agreement: 1) The **Construction and Reimbursement Period** and 2) the **County Compliance Period**. The Construction and Reimbursement Period shall begin on the Effective Date and continue until the County has made all payments for reimbursable costs under this Agreement. During the Construction and Reimbursement Period, Agency shall complete construction of the Project by **September 30, 2026**. The County Compliance Period shall commence immediately following the end of the Construction and Reimbursement Period and shall continue until **December 31, 2034**.

E. Agency Operations

The Agency shall provide or cause to be provided administrative, fiscal, and management services; employ staff; and purchase, rent, and use supplies and materials as needed to operate, maintain, and protect the Project in accordance with this Agreement.

F. Obligations Following Termination

Following expiration or termination of this Agreement subject to the applicable notice and cure periods, the Agency’s obligations to the County shall remain in full force and effect until all closeout requirements are completed. Closeout requirements comprise all actions required to demonstrate to the County’s satisfaction that all terms and conditions of the Agreement have been fulfilled, including, but not limited to, disposition of tangible property and provision of reports and data.

G. Survival

The following Sections will survive termination or expiration of this Agreement: Sections II. H. (Title Insurance), IV. F. (Insurance), VII. A. (Relationship of the Parties), VII. B. (Hold Harmless

and Indemnification), VII. D. (Rights in Data), and the disposition requirements of 2 CFR § 200.311, as set forth in **Exhibit A**.

H. Title Insurance

Within twenty (20) days after the execution of this Agreement, the Agency shall provide the County with an ALTA Extended Lender's title insurance policy on the Property in an amount not less than the Contract Maximum, as may be amended. In the event additional funds are advanced to the Agency under this Agreement, prior to the disbursement of those funds, the Agency shall provide the County with an endorsement to the foregoing title insurance policy that increases the amount of the insurance to include the amount of the additional funds.

Said title insurance policy shall show at the time of execution no liens, encumbrances, or financing instruments secured by or in any way associated with the Property except:

1. **Schedule B** general exceptions listed on the title insurance policy;
2. Any **Schedule B** special exceptions, if any, listed on the title insurance policy;
3. Those documents identified as having a lien prior and superior to the County's Covenant; and
4. Such other liens or encumbrances as may be approved by the County.

II. USE OF PROPERTY

The provisions in this Section II apply to the real property improved through, and as set forth in, this Agreement and **Exhibit A**. The Project shall be operated consistent with the terms of this Section, or such other similar program requirements as may be required by the County.

A. Beneficiaries

1. Populations Served. The Project shall serve the populations identified in **Exhibit A** of the Agreement, and the Property shall be used as provided in the Covenant Agreement.
2. The Agency will verify eligibility as specified in **Section 4** of the Covenant Agreement.

B. Period of Performance

During the **Construction and Reimbursement** period of this Agreement, the Agency shall construct the facility as set forth in this Agreement and **Exhibit A**, and seek reimbursement from the County for eligible expenses as set forth in this Agreement and **Exhibit B**.

During the **County Compliance Period**, the Agency shall operate a licensed facility according to this Agreement and **Exhibit A**. The Agency shall ensure the Project remains consistent with the provisions of 31 CFR § 35.6(b)(3)(ii)(A), or such other child care standard as the County may determine, throughout the County Compliance Period of this Agreement, without regard to any transfer of ownership.

C. Maintenance

The Agency shall maintain the facility in a safe and sanitary manner in accordance with all federal and state law, applicable local codes, rehabilitation standards, and zoning ordinances at the time of Project completion provided for in this Agreement.

The Agency agrees to keep the Property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon the Property in violation of law; and to do all other acts which from the character or use of the Property may be reasonably necessary to preserve and conserve its value. The Agency shall maintain the Property as decent, safe, and sanitary and in good repair in conformance with the Uniform Property Condition Standards, or such other on-going property standards as the County may require.

D. Taxes, Assessments, and Encumbrances

The Agency agrees to pay before delinquency all taxes, assessments, and any other charges affecting the Property when due, and all encumbrances, charges, and liens, with interest, on the Property or any part, subject to the Agency's right to contest such taxes, assessments, and other charges in good faith.

E. Eligibility for Admission

An applicant is eligible for admission to the Project if the following criteria are met:

1. The applicant meets the eligibility requirements as set forth in this Agreement or such other eligibility requirements as the County may designate.

F. Management and Maintenance

The Agency is specifically responsible for all maintenance, repair, and management functions, including, without limitation, the following: occupancy standards, complaint and grievance proceedings, routine and extraordinary repairs, and replacement of capital items. The Agency shall maintain facility and common areas in a safe and sanitary manner in accordance with all applicable state and federal law, local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of Project completion.

The Agency may, with the prior written approval of the County, contract with a management agent for the performance of the services or duties required above. However, such an arrangement does not relieve the Agency of responsibility for the proper performance of these duties. Such a management contract shall be subject to prior written approval by the County and shall contain a provision allowing the Agency to terminate the management contract upon thirty (30) day's written notice, without penalty. Upon a determination by the County, and written notice to the Agency thereof, that the management agent performing the required functions has failed to operate the Project in accordance with this Agreement and the approved Management Plan the Agency shall make immediate arrangements, which shall be subject to County approval, for continuing performance of the required functions.

Upon a determination by the County, and written notice to the Agency thereof, that the Agency has failed to operate the Project in accordance with this Agreement, the County may require the Agency to contract with a qualified management agent to operate the Project, or to make such other arrangements as the County deems necessary to ensure performance of the required functions.

The Agency agrees to assume full financial and management responsibility for all operating and maintenance costs, including all repairs, corrections, and replacements necessary to maintain and preserve the Project in a safe and sanitary condition in accordance with standards prescribed by the County, all obligations of this Agreement, and all applicable state laws and local ordinances.

To the extent that a permanent lender or grantor imposes requirements that are substantially different than the County's, the County may agree to adopt those requirements or allow that entity to have primary responsibility for monitoring management and maintenance.

G. Project Restructuring, Transfer, Sale, Change of Use

1. County Review. In the event of a proposed restructuring of the Project, which may include sale, refinancing, change of use, transfer of ownership interests and/or the ownership, the Agency shall submit to the County for review and approval, such information as the County deems necessary to review and approve the proposed terms of the transaction, including the proposed ownership entity, and information sufficient to ensure the continued viability of the Project for which the funding was provided, or such alternate plan acceptable to the County that provides on-going viability of the Project.

Except as otherwise provided herein, the Agency may not change the use or planned use of the acquired or improved Property from that for which this Agreement was made unless the Agency receives prior written approval from the County and either:

- a. The new use of the acquired or improved Property qualifies as meeting one of the any eligible use of funds provided in 31 CFR 35.6(b)(3)(ii)(A).
 - b. The requirements of paragraph 2 of this Section are met.
2. If the Agency determines, after prior approval of the County to change the use of the acquired, constructed, or improved Property to a use that does not qualify under 1 (a) of this section, it may retain or dispose of the acquired or improved Property for the changed use if the Agency reimburses the County in the amount of the current fair market value of the acquired, constructed, or improved Property less any portion of the value attributable to expenditures of non-grant funds for the acquisition of or improvements, to the Property.
 3. If the change of use occurs after **December 31, 2034**, the Agency shall promptly notify the County to obtain appropriate disposition instructions pursuant to 2 CFR § 200.311.
 4. Any unpermitted transfer, restructuring, sale, or change of use shall be considered a material breach of this Agreement.

III. PROGRAM REQUIREMENTS

A. CLFR Terms and Conditions

CLFR Terms and Conditions applicable to the Project are attached as **Exhibit D** and by this reference incorporated herein.

B. Non-Discrimination

It is the policy of the County to reject discrimination which denies equal treatment to any individual because of his or her race, creed, color, national origin, families with children, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability as provided in Washington's Law against Discrimination, Chapter 49.60 RCW, and the Snohomish County Human Rights Ordinance, Chapter 2.460 SCC. These laws protect against specific forms of discrimination in employment, credit transactions, public accommodation, housing, county facilities and services, and county contracts.

The Agency shall comply with Chapter 2.460 SCC, which is incorporated herein by this reference. Execution of this Agreement constitutes a certification by the Agency of the Agency's compliance with the requirements of Chapter 2.460 SCC. If the Agency is found to have violated this provision, or to have furnished false or misleading information in an investigation or proceeding conducted pursuant to Chapter 2.460 SCC, this Agreement may be subject to a declaration of default and termination at the County's discretion. This provision shall not affect the Agency's obligations under other federal, state, or local laws against discrimination.

C. Environmental Review

1. **SEPA.** The Agency retains responsibility for fulfilling the requirements of the State Environmental Policy Act ("SEPA") and regulations and ordinances adopted thereunder, as may be applicable.
2. **Compliance as a Pre-Condition.** Performance by the Agency under this Agreement shall include satisfaction of all applicable environmental requirements.
3. **Contracting Requirements.** This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. § 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1351 et seq., and the regulations of the Environmental Protection Agency with respect thereto, as amended from time to time. In compliance with said regulations, the Agency shall enforce and cause or require to be inserted in full in all contracts and subcontracts, with respect to any nonexempt transaction thereunder funded with assistance provided under this Agreement, the following requirements:
 - a. A stipulation by the contractor or subcontractor that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities issued by the Environmental Protection Agency ("EPA") pursuant to 40 CFR § 15.20, as amended;

- b. Agreement by the contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. § 1857c-8), and Section 308 of the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1318), relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114, Section 308, and all regulations and guidelines issued thereunder;
 - c. A stipulation that, as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities; and
 - d. Agreement by the contractor that it will include or cause to be included the criteria and requirements referred to in this section in every non-exempt subcontract, and that it will take all appropriate actions to enforce these requirements.
4. In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility which has given rise to a conviction under Section 113(c)(1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

D. Displacement, Relocation, and Acquisition

Any displacement of persons, businesses, or non-profit organizations occurring as the result of demolition, conversion in use, rehabilitation or acquisition of real property for an activity assisted by this Agreement shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4201 et seq.) and its implementing regulations at 49 CFR Part 24. In the event any occupant is deemed by the County or by a higher authority to have been displaced due to assistance provided under this Agreement and thereby to be entitled to relocation assistance under these authorities, the Agency shall be solely responsible for providing the required assistance and paying all costs thereof, and the Agency shall hold the County harmless from any liability for such assistance. If there is displacement or relocation the Agency shall follow the temporary relocation plan for current residents of the Property that has been approved by the County prior to any displacement or relocation of residents.

E. Lead-Based Paint

The Project shall be conducted and administered in compliance with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851-4856), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, M, and R, and with any and all applicable laws, regulations or standards hereafter enacted or issued with regard to lead-based paint.

F. Architectural and Construction Standards

Any facility constructed or rehabilitated pursuant to this Agreement shall comply with applicable design requirements of the Federal Architectural Barriers Act of 1968; Chapter 70.92 RCW; the Model Energy Code published by the Council of American Building Officials; Cost Effective Energy Conservation Standards, 24 CFR Part 39; and the Uniform Federal Accessibility Requirements, as required by 24 CFR Part 8. The Agency shall condition any lower tier transactions made with assistance under this Agreement to compliance with those applicable standards.

G. Architectural and Engineering Services

With regard to the capital improvements specified in **Exhibit A** under this Agreement, the Agency shall administer the Project in such a way as to ensure completion of the Project satisfactory to the County. In the event the project includes substantial rehabilitation, the Agency shall use the services of a professional architect or engineer to perform Project design and contract administration. The Agency shall require that all architectural or engineering firms subcontracted for services certify that they are authorized to do business in the state of Washington and that they are in full compliance with the requirements of the Board of Professional Registration, and applicable requirements under Washington state law. The Agency shall require that all architectural or engineering firms be covered by Professional Liability Errors and Omissions Insurance in an amount not less than the \$1,000,000 Occurrence/\$1,000,000 Aggregate. The Agency shall cause the subcontractor to provide the County with a 45-day prior written notice of cancellation issued by the insurance company.

H. Procurement Contracts

1. The following provisions apply to procurements of supplies, equipment, construction, or other services financed in whole or part under this Agreement:
 - a. The Agency is a subrecipient subject to federal procurement requirements contained in the applicable uniform administrative requirements as set forth at Section III-A of this Agreement.
 - b. Bid procedures and bid documents must be reviewed by the County prior to award of any contracts for construction services for capital improvements financed in whole or in part under this Agreement, which approval will not be unreasonably withheld.
 - i. In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the Agency under the Federal award must contain provisions covering the following, as applicable, as referenced in Appendix II to 2 CFR Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.
 - ii. Records: The Contractor agrees to provide duly authorized representatives of the Agency, Snohomish County, and federal and state agencies access to any books, documents, papers, and records of the Agency which are pertinent to contract performance for the purpose of making audit examination, excerpts, and transcriptions.
2. The Agency shall procure all materials, property, supplies, or services in accordance with the requirements in the Snohomish County Environmentally Preferable Purchasing and Product Utilization Policies.

I. Labor Standards

1. Agency shall pay its laborers and mechanics at wage rates not less than those prevailing on similar construction in the locality in accordance with 39.12 RCW pertaining to payment of state prevailing wages on public works projects. For work financed under this Agreement, Agency shall require all contractors and subcontractors to comply with RCW 49.28.060 and 49.28.065. Agency shall file and ensure that any subcontractor file with Department of Labor and Industries a Statement of Intent to Pay Prevailing Wages and Affidavit of Wages Paid.

Compliance with this section is material to this Agreement, any breach of this Section is cause for County termination under Section VI. B. of this Agreement.

2. Agency will comply with applicable prevailing wage rules set forth in Chapter 39.12 RCW, including the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" by RCW 39.12.040, if required under Chapter 39.12 RCW. Agency shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, if applicable, and shall make such records available for the County's review upon request.

J. Debarred and Suspended Parties

No portion of the funds provided under this Agreement shall be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund, any contractor or subcontractor during any period of debarment, suspension, voluntary exclusion or placement in ineligibility status of such contractor or subrecipient. See other Debarment and Suspension Requirements in **Exhibit D**.

K. Personal Interest

The Agency agrees that it will incorporate into every lower tier contract required to be in writing and made pursuant to the Project assisted under this Agreement substantially the following provisions:

1. **Interest of Agency and Employees.** The Agency warrants that no person who presently exercises any functions or responsibilities in connection with the Project has any personal financial interest, direct or indirect, in the Agreement.

The Agency further represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Agency further covenants that in the performance of this contract no person having any conflicting interest shall be employed. Any interest on the part of the Agency or its employees must be disclosed in writing to the Agency or the County.

2. **Covenant Against Contingent Fees.** The Agency warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or a bona fide established commercial or selling agency maintained by the Agency for the purpose of securing business. In the event of breach of this clause by the Agency, the Agency shall be required to annul this contract, without liability, or, in its discretion, to deduct from the contract price or consideration or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

L. Certain Acts Prohibited

The Agency shall not make any sale, encumbrance, assignment, or conveyance, or transfer in any other form, of the Property or Project or any part thereof or of any of its interest therein other than in accordance with the terms of this Agreement. The Agency shall not, without the prior approval of the County:

1. Make any distribution not permitted by the terms of this Agreement;
2. Assign or transfer any right to operate or manage the Project, except pursuant to the terms of this Agreement;

3. After the construction of the Project, except with respect to replacements of personal property and fixtures for the normal operations of Project, remodel, remove, add to, reconstruct, or demolish any part of the Project, or impair any real or personal property of the Project, without prior written approval by the County;
4. Permit the use of the Project for any purpose except that which was approved by the County;
5. Incur any liability or obligation in connection with the Project, contingent or otherwise (other than liabilities and obligations in connection with the financing of the acquisition, payment of loans, development, construction of and operations of the Project);
6. Enter into any contract or contracts for supervisory or managerial services except as permitted by this Agreement; or
7. Invest any funds from the Project in any property, real or personal, for use on other properties of the Agency, except as authorized by this Agreement or by the County.

M. Religious or Faith-Based Organizations

Agency may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as a part of the programs or services funded this Agreement. If the Agency conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this Agreement, and participation must be voluntary for the beneficiaries of the funded programs or services.

IV. FISCAL MANAGEMENT

A. Eligible Costs

No payment shall be made by the County for any expenditure made or service rendered by the Agency except for expenditures made and services rendered within the scope of a category set forth in the Project Budget in **Exhibit B** of this Agreement, and all funds received must be used for expenditures and services as identified in this Agreement.

B. Payment and Disbursements

The Agency may not request disbursement of funds under this Agreement until the funds are needed for the payment of eligible Project costs. The amount of each request shall be limited to the amount needed.

Disbursements by the County pursuant to this Agreement shall be on a reimbursement basis, covering Project obligations incurred but not paid by the Agency.

1. The Agency's Project staff will prepare the Cost Certification (attached hereto as **Exhibit E-1** and incorporated herein by this reference) for eligible Project costs as set forth in the Project Budget. The Agency shall submit them to the County with adequate notice to allow processing by the County. Prior to receiving any reimbursement by the County, the Agency shall provide the County with executed versions of **Exhibits E-2** through **E-4**.

C. Budget Revisions and Other Adjustments

1. The County reserves the right to reduce the amount of the Project Budget established by this Agreement if the Agency is not undertaking the Project activity at a level consistent with the terms and conditions of this Agreement. In addition, the County reserves the right to withhold payments pending delivery of Project reports or documents as may be required under this Agreement. All disbursements under this Agreement shall be subject to audit and recovery of disallowed costs.
2. The Agency acknowledges that the County will not provide additional financial assistance to the Agency in the form of operational or capital subsidies for the Project under this Agreement. The Agency agrees to assume full financial responsibility for the operating and maintenance of the Project throughout the Term of this Agreement.

D. Budget Surplus

All County funds and authorization of funds remaining in the Project Budget upon closeout of the Project, subject to applicable notice and cure periods, shall, unless otherwise agreed to by the County revert to the County. The Agency shall, upon closeout of the Project subject to applicable notice and cure periods, expiration or termination of this Agreement, transfer to the County:

1. Any County CLFR funds on hand; and
2. Its rights in any accounts receivable attributable to the use of County CLFR funds.

E. Intentionally Deleted

F. Insurance

INSURANCE REQUIREMENTS – GENERAL

1. Insurance Required

By the date of execution of this Agreement, the Agency shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to Property which may arise from, or in connection with, the performance of work hereunder by the Agency, its agents, representatives, employees and/or contractor/subcontractors, and successors and assigns. The Agency or contractor/subcontractor shall pay the costs of such insurance. The Agency shall furnish separate certificates of insurance and policy endorsements from each contractor/subcontractor as evidence of compliance with the insurance requirements of this Agreement.

The Agency is responsible for ensuring compliance with all of the insurance requirements stated herein. Failure by the Agency, its agents, employees, officers, contractor/subcontractors, providers and/or provider subcontractors to comply with the insurance requirements stated herein shall constitute a material breach of this Agreement.

Each insurance policy shall be written on an “occurrence” form; except that insurance on a “claims made” form may be acceptable with prior County approval. If coverage is approved and purchased on a “claims made” basis, the Agency warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such

extended coverage is available, for not less than three years from the date of Agreement termination, and/or conversion from a “claims made” form to an “occurrence” coverage form.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded by said policies, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained in this provision shall affect and/or alter the application of any other provision contained within this Agreement.

1. Risk Assessment by Agency

By requiring such minimum insurance, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Agency under this Agreement, nor shall such minimum limits be construed to limit the limits available under any insurance coverage obtained by the Agency. The Agency shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

2. Minimum Scope of Insurance

Coverage shall be at least as broad as the following:

- a. General Liability: Insurance Services Office form number (CG 00 01) covering COMMERCIAL GENERAL LIABILITY.
- b. Professional Liability, Errors and Omissions Coverage: In the event that services delivered pursuant to this Agreement either directly or indirectly involve or require professional services, Professional Liability, Errors and Omissions coverage shall be provided. “Professional Services”, for the purpose of this Agreement section, shall mean any services provided by a licensed professional or those services that require a professional standard of care.
- c. Automobile Liability: Insurance Services Office form number (CA 00 01) covering BUSINESS AUTO COVERAGE, symbol 1 “any auto”; or the appropriate coverage provided by symbols 2, 7, 8, or 9.
- d. Sexual Abuse or Molestation (SAM) Liability: If the work will include contact with minors, and the GL policy referenced above is not endorsed to include affirmative coverage for sexual abuse or molestation.
- e. Workers’ Compensation: Workers’ Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, as well as any similar coverage required for this work by applicable federal or “Other States” state law.
- f. Stop Gap/Employers Liability: Coverage shall be at least as broad as the protection provided by the Workers’ Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the “Stop Gap” endorsement to the general liability policy.
- g. Property Insurance: Insurance Services Office form number (CP 00 10) covering BUILDING AND PERSONAL PROPERTY COVERAGE and Insurance Services Office form number (CP 10 30) CAUSES OF LOSS – SPECIAL FORM or project appropriate equivalent. Property insurance shall become effective immediately upon expiration of the Builders Risk/Installation Floater.

- h. National Flood Insurance: The use of funds for acquisition or construction purposes in identified special flood hazard areas shall be subject to Agency mandatory purchase of flood insurance as required by Section 102(a) of the Flood Disaster Protection Act of 1973 (Pub L. 93-237).
- i. Builder's Risk/Installation Floater: Prior to commencement of building construction and until construction is complete, including any period for the correction of the work, if applicable, and approved by the County, the Agency or Contractor shall procure and maintain "All Risk" Builders Risk Insurance at least as broad as ISO form number CP0020 (Builders Risk Coverage Form) with ISO form number CP0030 (Causes of Loss—Special Form) including coverage for collapse, theft and property in transit. The coverage shall insure for direct physical loss to Property of the entire construction project, for one hundred percent of the replacement value thereof. The policy shall be endorsed to cover the interests, as they may appear, of Snohomish County, Owner, Contractor and subcontractors of all tiers with Snohomish County listed as a loss payee.

3. Minimum Limits of Insurance – Building Construction and Reimbursement Period

Prior to commencement of building construction and until construction is complete, including any period for the correction of the work, if applicable, and approved by the Agency, the Agency shall cause the construction contractor and related professionals to procure and maintain insurance against claims for injuries to persons or damages to Property which may arise from, or in connection with the activities related to this Agreement. The Agency and County shall be named as additional insureds on liability policies except Workers Compensation and Professional Liability, and as insureds on Builders Risk policies. The cost of such insurance shall be paid by the Agency and/or any of the Agency's contractors/subcontractors. The Agency shall maintain limits no less than the following:

- a. Commercial General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage and \$2,000,000 in the aggregate.
- b. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- c. Professional Liability, Errors & Omissions: \$1,000,000, Per Claim and in the Aggregate.
- d. Builder's Risk Insurance: One hundred percent replacement cost value.
- e. Workers Compensation: Statutory requirements of the State of residency.
- f. Stop Gap or Employers Liability Coverage: \$1,000,000.

4. Minimum Limits of Insurance – Compliance Period

The Agency shall maintain limits no less than the following:

- a. Commercial General Liability: \$1,000,000 per occurrence by bodily injury, personal injury, and property damage; and for those policies with aggregate limits, a \$2,000,000 aggregate limit.
- b. Professional Liability, if professional services are provided, Errors, and Omissions: \$1,000,000, Per Claim and in the Aggregate.

- c. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage if the use of motor vehicles is contemplated.
- d. Sexual Abuse and Molestation: \$1,000,000 per occurrence or claim for covering Sexual Abuse and Molestation.
- e. Builder's Risk or Installation Floater Insurance, as applicable: One hundred percent replacement cost value.
- f. Workers' Compensation: Statutory requirements of the state of residency.
- g. Stop Gap /Employers Liability: \$1,000,000.
- h. Property Insurance: One hundred percent replacement value of funded structure.

5. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to the County. The deductible and/or self-insured retention of the policies shall not apply to the Agency's liability to the County and shall be the sole responsibility of the Agency.

6. Other Insurance Provisions

The insurance policies required in this Agreement are to contain, or be endorsed to contain, the following provisions:

a. All Liability Policies except Professional and Workers Compensation

- i. The County, its officers, officials, employees, and agents are to be covered as Additional Insureds as respects liability arising out of activities performed by or on behalf of the Agency/Contractor in connection with this Agreement. Such coverage shall include Products-Completed Operations.
- ii. To the extent of the Agency's/Contractor's negligence, the Agency's Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Agency's insurance or benefit the Agency in any way.
- iii. The Agency's insurance shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

b. Property Coverage Policies

- i. The County shall be added to all Property Coverage Policies as a loss payee as its interests may appear.
- ii. The County shall be added as an Additional Insured as their interests may appear to all Builders Risk policies.

c. All Policies

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after 45 days prior written notice has been given to the County.

7. Acceptability of Insurers

Unless otherwise approved by the County, insurance is to be placed with insurers with a Bests' rating of no less than A: VIII, or, if not rated with Bests, with minimum surpluses the equivalent of Bests' surplus size VIII.

Professional Liability, Errors, and Omissions insurance may be placed with insurers with a Bests' rating of B+VII. Any exception must be approved by the County.

If, at any time, the foregoing policies shall fail to meet the above requirements, the Agency shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with appropriate certificates and endorsements, for approval.

8. Verification of Coverage

The Agency shall furnish the County with certificates of insurance and endorsements required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the County prior to the commencement of activities associated with the Agreement. The County reserves the right to require complete, certified copies of all required insurance policies at any time.

9. Subcontractors

The Agency shall include all subcontractors as insureds under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. If the Agency is relying on the insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this Agreement, then such requirements and documentation shall be subject to all of the requirements stated herein.

10. Municipal or State Agency Provisions

If the Agency is a municipal corporation or an agency of the state of Washington and is self-insured for any of the above insurance requirements, a certification of self-insurance shall be provided for the self-insured requirements and attached hereto and be incorporated by reference and shall constitute compliance with this Section. If the certificate of self-insurance does not cover all mandatory requirements, the Agency shall provide separate certificates and endorsements that document coverage.

11. Casualty & Condemnation.

In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, the Agency shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefor, provided that:

- a. such proceeds are sufficient to rebuild the Property in a manner that provides adequate security to the County to maintain the purpose of the Project, or, if such proceeds are insufficient, then the Agency shall have funded any deficiency;

- b. the County shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement; and
- c. no material default then exists under the Agreement or the Covenant Agreement.

If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding in a manner that provides adequate security to the to maintain the purpose of the Project.

V. RECORDS AND REPORTS

The Agency agrees to maintain the following records and submit the following reports to assist the County in meeting its recordkeeping and reporting requirements.

A. Records

The Agency agrees to generate and maintain sufficient records to enable the County to determine whether the Agency has met the requirements of this Agreement, which records shall include the following:

1. Financial management records in the form of separate accounts, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature and all services performed under this Agreement;
2. Records that demonstrate compliance with **Exhibit A**;
3. Equal Opportunity records containing:
 - a. Data on the extent to which each racial and ethnic group and single-headed families (by gender of family head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with County CLFR funds;
 - b. Records that demonstrate compliance with environmental review requirements;
4. Records demonstrating that each project meets the lead-based paint requirements of Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851-4856), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, M and R;
5. Records demonstrating compliance with the requirements of this Agreement
6. Retention. The above records and all other financial records, supporting documents, statistical records and all other records pertinent to this Agreement shall be retained for a period of seven (7) years after closeout or termination of this Agreement, except as follows:
 - a. Records that are the subject of audit, litigation, claims, negotiations or other actions shall be retained until the completion of the actions and resolution of all issues or for seven (7) years, whichever occurs later; and
 - b. Records for non-expendable property shall be retained for seven (7) years after its final disposition; and

- c. Records for any displaced person shall be retained for seven (7) years after the person has received final payment.

B. Reports

The Agency agrees to submit to the County such reports as the County requests pursuant to the requirements of state or federal law. At a minimum, the Agency shall submit, in a format prescribed by the County, the following:

1. Project Close Out Reports/Submittals

The Agency shall provide close out documentation required by this Agreement and as may be required by the County, which may include, but is not limited to the following: evidence of required insurance coverages; copies of occupancy permits; architect's certificate of final completion; final lien releases from contractors in the full amount of the construction contract; affidavits that state prevailing wage have been paid; copies of the general contractor's 1 year warranty; Capital Needs Assessment; copies of final executed property management agreements and final management plan, electronic copies of all final executed financing documents (including any senior or subordinate loan documents that have been revised or amended after the recording of the Covenant Agreement); a final accounting of total project costs, including final sources and uses; and if available, cost certification audits.

2. Quarterly Reports

Quarterly reports shall be provided to the County as set forth in **Exhibit A**.

3. Annual Reports

In addition to the annual reports required by **Exhibit A**, the Agency shall file with the County, each year annually, an annual report as the County may require, covering the preceding fiscal year, the first such report to be due on **March 31, 2025**, and the last such report to be due ninety (90) days after the end of the fiscal year following the expiration or termination of this Agreement. The report shall contain such information as the County may then require, including, but not limited to, the following:

- a. A financial accounting of the fiscal condition of the Project, required whenever financial assistance is provided by the County. This financial accounting, which may include an audit, if so required by the County, shall include financial statements indicating surplus or deficits in operating accounts, a detailed itemized listing of income and expenses, and the amounts of any fiscal reserves, and others such information as may be required by the County to determine the financial condition and financial viability of the project. Such financial report shall be prepared in accordance with the requirements of the County and if an audit is required, the audit shall be certified by an independent certified public accountant licensed in the State of Washington or other accountant acceptable to the County;
- b. A description of any substantial physical defects in the Project, including a description of any major repair or maintenance work undertaken in the reporting year; and
- c. A description of any fiscal or Program difficulties related to the operation of the Project consistent with the Program requirements;

4. Other Reporting Requirements

- a. Any reports as may be required by the CLFR program requirements, or as set forth in this Agreement. Each such report shall be subject to the approval of the County.
- b. The County may perform or cause to be performed audits of any and all phases of the Agency's activities related to the Project. At the County's request, the Agency shall provide, at its own expense, an audit of the Project certified by an independent certified public accountant.
- c. The County may request any other information that it deems necessary to monitor compliance with requirements set forth in this Agreement. Such information shall be provided promptly by the Agency.

5. Other Information

The County may request any other information that it deems necessary to monitor compliance with the requirements set forth in this Agreement. Such information shall be provided promptly by the Agency.

6. Inspections

At any time during the term of this Agreement, upon reasonable prior notice to the Agency and during normal business hours and subject to the legal rights of individuals receiving services at the Property, the County or its designee may enter and inspect the physical premises of the Agency's office and inspect all accounting and other records pertaining to the CLFR assistance activities and operation of the Project. Upon request by the County, the Agency shall notify individuals receiving services at the Property of upcoming inspections to ensure compliance with CLFR funding rules and requirements of this Agreement.

The County may inspect the Project periodically for compliance with certain property standards to ensure the Property is maintained as decent, safe, sanitary, and in good condition.

VI. ENFORCEMENT OF THE AGREEMENT

A. Disputes

Any dispute concerning questions of fact in connection with the obligations covered by this Agreement and not disposed of by the terms herein shall be referred for determination to the Director of the Human Services Department, or his/her designee, whose decision in the matter shall be final and binding upon the parties, PROVIDED, that if an action is brought challenging the decision, the matter shall be subject to *de novo* judicial determination. Nothing contained herein shall excuse either party from otherwise complying with the terms of this Agreement to the extent reasonably possible pending final resolution of the dispute.

B. Breach by Agency; Termination by County

1. **Curing of Default of Construction and Reimbursement Period.** In the event of a default of requirements of this Agreement under the Construction and Reimbursement Period, before exercising any remedies, County shall give Agency written notice of such default at the notice address determined pursuant to this Agreement. Agency shall have a period of ten (10) days after such notice is given within which to cure the default before exercise of remedies by

County, or such longer period of time as may be specified in the written notice. If Agency fails to cure, the County may exercise any remedies as allowed by this Agreement or the Deed of Trust.

2. **Curing of Default of County Compliance Period.** In the event of a default of the requirements of this Agreement under the County Compliance Period or the Covenant Agreement, prior to exercising any remedies thereunder, County shall give Agency written notice of such default at the notice address determined pursuant to this Agreement. If the default is reasonably capable of being cured within thirty (30) days, Agency shall have such period to effect a cure prior to exercise of remedies by County under this Agreement or the Covenant Agreement, or such longer period of time as may be specified in this Agreement or the Covenant Agreement. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Agency in the reasonable determination of County (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Agency shall have such additional time as County determines is reasonably necessary to cure the default prior to exercise of any remedies by County. In no event shall County be precluded from exercising remedies if its Covenant Agreement becomes or is about to become materially jeopardized by any failure to cure a default or if the default is not cured within sixty (60) days after the first notice of default is given, or such longer period of time as may be specified in the Agreement or Covenant Agreement.

If an event of default is not corrected to the satisfaction of the County within the applicable time period set forth above, the County may, without further prior notice, terminate or suspend this Agreement. The County also may, if it deems it appropriate, apply to any court, state or federal, for remedy for breach of contract; for specific performance of this Agreement; for an injunction against any violation by the Agency of this Agreement; for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement; or for such other relief as may be appropriate, it being agreed by the Agency that the injury to the County arising from a default under and of the terms of this Agreement would be irreparable and that it would be extremely difficult to ascertain the amount of compensation to the County which would afford adequate relief.

As an alternative to any remedy set forth in this Section VI, B, the County may, in its sole discretion, submit the matter to arbitration.

C. Non-Waiver of Breach

The County's failure to insist upon strict performance of any provision of this Agreement, or to exercise any rights or remedies herein, or its acceptance of any defective performance, shall not be construed to be a waiver or relinquishment of any rights, and shall not prevent the County from pursuing that or any other right at any future time, unless stated in a writing signed by an authorized representative of the County and attached to the original Agreement.

D. Governing Law and Venue Stipulation

This Agreement has been and shall be construed as having been entered into and delivered within the State of Washington, and it is mutually understood and agreed by each party hereto that this Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance, and applicable federal laws and regulations.

Any action at law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provision hereof, shall be instituted and maintained only in any of the courts of competent jurisdiction at Everett in Snohomish County, unless the County determines a federal forum is appropriate to the issue raised.

VII. MISCELLANEOUS PROVISIONS

A. Relationship of the Parties

The parties intend that an independent contractor/county relationship will be created by this Agreement. Except to the extent specific Agency performance is required by this Agreement or by applicable provisions of law, the County is interested only in the results to be achieved and the implementation of services will lie solely with the Agency. No agent, officer, employee, servant or representative of the Agency shall be deemed to be an agent, officer, employee, servant or representative of the County for any purpose, and none of the Agency's employees shall be entitled to any benefits or rights enjoyed by employees of the County. The Agency will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, contractors and subcontractors during the performance of this Agreement. Nothing in this Agreement shall be construed to render the parties partners or joint venturers.

B. Hold Harmless and Indemnification

The Agency agrees that it is subject to audit and recovery for any audit exception which occurs due to its negligence or failure to comply with the terms of this Agreement. The Agency further agrees to protect, save harmless, indemnify, and defend, all at its own expense, the County, its elected and appointed officials, officers, employees, and agents, from any loss or claim for damages of any nature whatsoever, arising out of the performance of this Agreement by the Agency, its officers, employees, agents or subcontractors, including claims by the Agency's employees or third parties and including litigation costs and reasonable attorneys' fees, except for those damages solely caused by the negligence or willful misconduct of the County, its elected or appointed officials, officers, employees, or agents.

C. Recording of Documents

The Deed of Trust (**Exhibit H**) and the Covenant Agreement (**Exhibit C**) in a form acceptable to the County, shall be acknowledged by the parties thereto and shall be recorded by Agency, at the expense of the Agency and in the name of the Agency, in the official records of the county in which the Project is situated upon execution of this Agreement and prior to Agency receiving any funds under this Agreement.

D. Rights in Data

The County may duplicate, use, and disclose in any manner and for any purposes whatsoever, and have others so do, all data delivered under this Agreement. The Agency hereby grants to the County a royalty-free, nonexclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so, all data now or hereafter covered by copyright, PROVIDED, that with respect to data not originated in the performance of this Agreement, such license shall be only to the extent that the Agency has the right to grant such license without becoming liable to pay compensation to others because of such grant. The Agency shall exert all reasonable effort to advise the County, at the time of delivery of data furnished under this Agreement, of all invasions of right of privacy contained therein and of all portions of such data copied from work not composed or produced in the performance of this Agreement and not licensed under this clause. The Agency shall report to the County promptly, and in written

detail, each notice of claim of copyright infringement received by the Agency with respect to all data delivered under this Agreement. The Agency shall not affix any restrictive markings upon any data, and if such markings are affixed, the County shall have the right at any time to modify, remove, obliterate, or ignore such markings.

E. Evaluation

The Agency agrees to participate with the County in any evaluation or audit of the Project conducted by the County, the State, or the Department of Treasury, and to make available all information in its possession relevant to such evaluation or audit.

F. Severability

It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held by a court to be invalid or void, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall remain in full force and effect and shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

If it should appear that any provision hereof is in conflict with any statute or ordinance of the United States, the State of Washington, or Snohomish County, said provision which may conflict therewith shall be deemed modified to conform to such statutory provision.

G. Entire Agreement – Modification

This Agreement constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Agreement may not be amended or modified in any manner except by an instrument in writing signed by a duly authorized officer or representative of each of the parties hereto.

H. Notices

Written notices and other written communications by and between the parties hereto shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, and shall be deemed given when so delivered or received.

All notices shall be addressed as follows:

COUNTY:

Snohomish County Office of Recovery
& Resilience
Kara Main-Hester
3000 Rockefeller Avenue, M/S 407
Everett, WA 98201

AGENCY:

Machinists Institute
Shana Peschek
2407 106th Street SW
Everett, WA 98204

Either party may change the address to which notices shall be sent by notice to the other party in the manner and with the effect set forth in this Section VII-H.

I. Gender

The use of the plural in this Agreement shall include the singular and the singular shall include the plural; and the use of one gender shall be deemed to include either gender.

J. Captions

The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of the intent of this Agreement.

K. Time of the Essence

Time is of the essence in the performance of each party's obligations under this Agreement. Each party will carry out its obligations under this Agreement diligently and in good faith.

L. Oral Agreements

Oral agreements or oral commitments to loan money, to extend credit or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

(Signature Page to Follow)

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Agreement as of the day and year written above.

SNOHOMISH COUNTY:

Klein, Ken Digitally signed by Klein, Ken
Date: 2024.07.10 14:46:47
-07'00'

County Executive Ken Klein Date
Executive Director

MACHINIST INSTITUTE:

E-SIGNED by Shana Peschek
on 2024-04-24 21:05:50 GMT

Name: Shana Peschek Date
Title: Executive Director

**Approved as to Insurance
and Indemnification provisions:**

Barker, Sheila Digitally signed by Barker, Sheila
Date: 2024.07.02 15:46:02 -07'00'

Risk Management Date

Approved as to form only:

Legal Counsel to the Contractor Date

Approved as to form only:

Wendling,
Rebecca Digitally signed by
Wendling, Rebecca
Date: 2024.04.23 11:51:24
-07'00'

Deputy Prosecuting Attorney

ATTACHMENT 1

Property Legal Description

Real property in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

SEC 23 TWP 28 RGE 04RT-7D) E1/5 OF NE1/4 SW1/4 NW1/4 EXC S 20FT THOF CONVYD TO SNO CO FOR RD BY DEED REC UNDER AUDES FILE NO 453318

TAX PARCEL NO(S): 28042300201500

Situs Address: 2407 106TH ST SW, EVERETT, WA 98204-3628

EXHIBIT A

PROJECT DESCRIPTION

MACHINISTS INSTITUTE CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE

I. PROJECT SUMMARY

Project Name: Machinists Institute Child Care Facility Renovations And Outdoor Child Care Space

Identification Number: CLFR-123

Project Expenditure Category (EC): 2.11 Healthy Childhood Environments: Child Care

Project Demographics:

X	Impacted	X	Disproportionately Impacted
X	Low- or moderate-income households ¹		Low-income households and populations
	Households that experienced unemployment		Households and populations residing in Qualified Census Tract(s) Number(s) Specify:
	Households that experienced food or housing insecurity		Households that qualify for certain federal programs ² Specify:
	Households that qualify for certain federal programs ³ Specify:		Households receiving services provided by Tribal governments
	For services to address lost instructional time in K-12 schools: any students that lost access to in-person instruction for a significant period of time		Households residing in U.S. territories or receiving services from these governments Specify:
	Other households or populations that experienced a negative economic impact other than those listed above Specify:		For services to address education disparities, Title I eligible schools
			Other households or populations that experienced a disproportionate negative impact other than those listed above Specify:

¹ Low- or moderate-income households and Qualified Census Tracts are those with (i) income at or below 300 percent of the Federal Poverty Guidelines for the size of the household or (ii) income at or below 65 percent of the Area Median Income for the county and the size of household.

² These program are: Temporary Assistance for Needy Families; Supplemental Nutrition Assistance Program; Free- and Reduced-Price Lunch Program, School Breakfast Program; Medicare Part D Low-Income Subsidies; Supplemental Security Income; Head Start and Early Head Start; Special Supplemental Nutrition Program for Women, Infants, and Children; Section 8 and PHA Project Based Vouchers; Low-Income Home Energy Assistance Program; and Pell Grants.

³ Low-income households and Qualified Census Tracts are those with (i) income at or below 185 percent of the Federal Poverty Guidelines for the size of the household or (ii) income at or below 40 percent of the Area Median Income for the county and the size of household.

Project Overview:

This project partially funds (1) the renovation of an existing building to meet licensing requirements as a child care center and (2) the development of dedicated outdoor space for nature-based child care programming. Both child care programs will be managed by the Machinist Institute.

The child care programs will be located at: 2407 106th Street SW Everett, WA 98204. The programs will provide child care opportunities to individuals enrolled in Machinist Institute training programs as well as individuals and households employed as machinists throughout Snohomish County and other households in Snohomish County.

Evidence Base/Evaluation:

The impacts of access to high-quality early childhood education programs are well-documented through multiple evaluations.

Early childhood, particularly the first 5 years of life, impacts long-term social, cognitive, emotional, and physical development. (Karoly, L. A., Kilburn, M. R., & Cannon, J. S. (2006). Early childhood interventions: Proven results, future promise. Rand Corporation.; Anderson, L. M., Shinn, C., Fullilove, M. T., Scrimshaw, S. C., Fielding, J. E., Normand, J., ... & Task Force on Community Preventive Services. (2003). The effectiveness of early childhood development programs: A systematic review. American Journal of Preventive Medicine, 24(3), 32–46.)

Early childhood programs are a critical outlet for fostering the mental and physical development of young children. High-quality early childhood programs can increase earning potential and encourage and support educational attainment. (Campbell, F., Conti, G., Heckman, J. J., Moon, S. H., Pinto, R., Pungello, E., & Pan, Y. (2014). Early childhood investments substantially boost adult health. Science, 343(6178), 1478–1485.)

Furthermore, access to outdoor space is demonstrated to support child development in every major way – intellectually, emotionally, socially, and physically. Outdoor play is linked to improved outcomes in children’s social-emotional, cognitive, and physical development as well as academic gains. (New America. Rethinking Outdoor Space for High-Quality Early Learning.(2022). <https://www.newamerica.org/education-policy/briefs/rethinking-outdoor-space-for-high-quality-early-learning>.)

Data Elements to Be Collected:

Project Data Elements:

Data elements to be collected include:

Information about the participants in the child care program:

- Unduplicated number of students enrolled in the program;
- Unduplicated number of households enrolled in the program;
- Student race (American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, White, Other, Mixed Race);
- Student ethnicity (Hispanic or Latinx, Not Hispanic or Latinx);
- Zip code of student household residence or current living situation;
- Student household income amount (0-30% AMI, 31-65% AMI, above 65% AMI)

Data elements provided are to be deidentified and disaggregated by number of participants, race, ethnicity, gender, zip code, council district, participant income amount, and target population.

II. STATUTORY ELIGIBLE USE

The Project complies with the following Statutory Eligible Use: to respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households.

III. REPORTING

The Subrecipient shall submit to the County such reports as the County requests pursuant to the requirements of federal, state, and local law, regulations, and guidance as applicable. At a minimum, the Subrecipient shall submit reports in a format prescribed by the County, the following reports:

Report Title	Description	Due Date
Quarterly Performance Report	Report on the above project data elements for each quarter as well as cumulatively.	Jan 10 th , April 10 th , July 10 th , Oct 10 th each year through January 2027.
Annual Program Report	Report on the above project data elements annually. Narrative that highlights work-to-date, best practices, obstacles, lessons learned and how lessons learned are being integrated into program implementation.	June 30 th , 2025 and annually June 30 th for the December 31 st , 2034.

IV. PROJECT DESCRIPTION

The funds provided will be used to create dedicated child care space (the “**Project**”) on a parcel of land (the “**Property**”) in the City of Everett, Snohomish County, Washington, the legal description of which is attached to this **Exhibit A** as Attachment 1, incorporated herein.

Subrecipient shall use funds to (1) renovate an existing building to meet licensing requirements as a child care center, serving households at or below 65% AMI and (2) develop an outdoor space for a nature-based child care program. The building renovation shall have space to serve up to 108 children per day and have a licensed capacity of 54. The outdoor project shall establish play areas for three (3) groups of twenty (20) children, construct one (1) utility building, and construct one (1) covered play structure.

All children enrolled in either program shall have access to the outdoor space.

For the building renovation, subrecipient shall substantially renovate 6,872 square feet of the existing 11,400 square foot building on the site. The building footprint shall remain the same, construction shall not include any additions. New site construction shall include filling and paving a concrete loading ramp (same impervious area), replacing surface detention pond south of the building with underground detention in order to add play area for infants/toddlers (fencing and gate surrounding the area), adding new sewer line to service main in the road in front of the property, and frontage improvements.

For the outdoor project, subrecipient shall establish three (3) clearly delineated outdoor zones for each group of children at 1,500 square feet each for a total of 4,500 square feet. Subrecipient shall also construct a utility building at 540 square feet that shall include shared storage for each group of children, custodial space, and house plumbing, mechanical, and electrical needs for the project. Subrecipient shall construct one (1) covered play structure at 1,600 square feet.

Both projects shall be located at **2407 106th Street SW Everett, WA 98204.**

Upon completion of the Construction and Reimbursement Period and necessary Washington State licensing, Subrecipient shall operate a child care program with licensed capacity to serve fifty four (54) children until the conclusion of the County Compliance Period.

Target Population shall be low- and moderate-income households, with low- and moderate-income households defined as those with Area Median Incomes (AMI) at or below 65% for the Seattle-Bellevue, WA HUD Metro FMR area. If at any time HUD no longer estimates median income, the income standard shall be based on a program selected by the County.

The Subrecipient shall complete construction on outdoor child care project by **September 30, 2026.**

The Subrecipient shall submit all requests for reimbursement by **October 10, 2026.**

The Property:

is not located in a Qualified Census Tract.

is located in a 2022 Qualified Census Tract: 53061041905.

In consideration of the funds provided for construction, Subrecipient shall operate the child care facility for the Target Population until **December 31, 2034**. After **December 31, 2034**, Subrecipient shall still be bound by 2 CFR § 200.311 concerning disposition standards, as set forth in this Agreement.

V. PERFORMANCE REQUIREMENTS AND LICENSING

Subrecipient shall:

1. Collect and report Key Performance Indicators: Performance Data Elements, Outputs, and Outcomes. Data elements provided are to be deidentified and disaggregated by number of participants, race, ethnicity, gender, zip code, participant income amount, and focus population.

a. Project Data Elements are described above.

b. Project Output Measure(s) are as follows:

Measure	Description	Output
Enrollment	Unduplicated number of children from households at or below 65% AMI enrolled in the child care program	10% of students enrolled per calendar year

c. Project output measures are to be deidentified and disaggregated by participant race, participant gender, participant ethnicity, participant zip code, and participant income level.

2. The Subrecipient shall meet the requirements of WAC, applicable local and state rules, and state and federal statutes. In addition, the Subrecipient shall meet the applicable specific program requirements for licensure and certification to perform child care services on the Property and any other license or permit required to complete the Project. A copy of the certification shall be submitted to the County upon request.

3. The Subrecipient shall maintain relevant and appropriate licensure by the State of Washington to provide child care services and any other license or permit required to complete the Project. The Subrecipient shall notify the County in writing within five (5) business days of any change in licensure status.

4. All services provided under this Contract shall meet all standards set forth in federal, state, and local law as amended, and WACs and RCWs, as amended.

5. The Subrecipient shall meet all applicable standards for program operations set forth in WAC and RCW. The Subrecipient shall ensure that WAC and RCW requirements are followed and are adjusted as the WAC and RCW are amended.

6. Staff and volunteers who have access to children or vulnerable adults are required to have a background check per RCW and WAC. A background check is required at the time of employment or commencement of volunteer duties. A Subrecipient shall conduct additional background checks if circumstances arise that cause the Subrecipient concern. The Subrecipient shall ensure that all persons convicted of crimes preventing contact with vulnerable populations are prohibited from having access to those populations.

VI. DOCUMENTATION

The Subrecipient shall:

1. Ensure all ARPA requirements for documentation are met;
2. Confirm that participants receiving services reside or work in Snohomish County;
3. Submit all required reports documenting performance in a timely manner. All reports shall be completed on approved forms and in accordance with procedures issued by the County. In the event the Subrecipient fails to maintain its reporting obligations, the County reserves the right to withhold reimbursements to the Subrecipient or order payment stopped to the Subrecipient in an amount proportional to the data estimated to be outstanding until such time that the data is current;
4. Provide additional data or records as requested by the County; and
5. Assure that accurate and appropriate documentation is maintained to support the provision of each incurred expense.

ATTACHMENT 1

Property Legal Description

**Real property in the City of Everett, County of Snohomish, State of Washington,
described as follows:**

LEGAL DESCRIPTION:

SEC 23 TWP 28 RGE 04RT-7D) E1/5 OF NE1/4 SW1/4 NW1/4 EXC S 20FT THOF CONVYD
TO SNO CO FOR RD BY DEED REC UNDER AUDS FILE NO 453318

TAX PARCEL NO(S): 28042300201500

SITUS ADDRESS: 2407 106TH ST SW, EVERETT, WA 98204-3628

EXHIBIT B

**CONTRACT BUDGET – COST REIMBURSEMENT
CLFR-123**

AGENCY NAME: Machinists Institute

CONTRACT PERIOD: 01/01/2024 to 09/30/2026

FUNDS AWARDED UNDER CONTRACT:

REVENUE SOURCE	FUNDING PERIOD	AMOUNT	AMENDMENT	TOTAL AMOUNT
American Rescue Plan Act	1/01/2024 – 09/30/2026	\$ 500,000		\$ 500,000
Coronavirus State and Local Fiscal				-
Recovery Funds				-
				-
				-
				-
TOTAL FUNDS AWARDED:		\$ 500,000	\$ -	\$ 500,000

MATCHING RESOURCES:

_____	_____
_____	_____
_____	_____
	TOTAL MATCHING RESOURCES: _____

MATCH REQUIREMENTS FOR CONTRACT:	%	_____	AMOUNT:	_____
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OTHER PROGRAM RESOURCES (Identify):

SOURCE	FUNDING PERIOD	AMOUNT

TOTAL OTHER RESOURCES: \$ _____

EXHIBIT B (cont)

CATEGORY	FUND SOURCE	FUND SOURCE	FUND SOURCE	FUND SOURCE	TOTAL	MATCHING RESOURCES	OTHER RESOURCES
	CLFR-123						
Salaries/Wages					-		
Benefits							
Supplies/Minor Equip.	\$465,742				\$465,742		
Prof. Services	\$34,258				\$34,258		
Postage							
Telephone							
Mileage/Fares							
Meals							
Lodging							
Advertising							
Leases/Rentals							
Insurance							
Utilities							
Repairs/Maint.							
Client Flex Funds							
Client Rent							
Printing							
Dues/Subscrip.							
Regis./Tuition							
Machinery/Equip.							
Administration							
Indirect							
Occupancy							
Miscellaneous							
Misc. Construction							
Acquisition							
Relocation							
Closing/Title/Recording							
Legal							
Consultant Reports							
Construction/Rehabilitation							
Appraisal							
Cash Advance							
Other							
TOTAL	\$500,000	\$ -	\$ -	\$ -	\$500,000	\$ -	\$ -

EXHIBIT B (cont.)

EXPENDITURE NARRATIVE

AMOUNT	CATEGORY	NARRATIVE (provide justification describing each category supported with funds awarded under this contract)
\$465,742	Supplies/Minor Equip.	Supplies and minor equipment for outdoor child care space
\$34,258	Prof. Services	Landscaping services to clear pathways and gathering space, temporary toilet rental
\$ 500,000	TOTAL	<p>The Subrecipient may shift funds within line items set forth in Exhibit B the Project Budget; subject to the following conditions: Funds may be shifted among the line items set forth in Exhibit B the Project Budget so long as the Subrecipient has received prior written consent from the County.</p>

EXHIBIT B (cont)

DETAIL SALARIES / WAGES

POSITION	FUND SOURCE	% OF TIME TO FUND SOURCE	TOTAL MONTHLY	MONTHLY CHARGE TO FUND SOURCE	# OF MONTHS	TOTAL CHARGE TO FUND SOURCE

TOTAL: \$0

NOTE: Above figures may reflect rounding

EXHIBIT C

Form of
USE RESTRICTION COVENANT AGREEMENT

WHEN RECORDED RETURN TO:

Snohomish County
3000 Rockefeller Ave., M/S 407
Everett, WA 98201
Attention: Jessica Ruhle

USE RESTRICTION COVENANT AGREEMENT

**MACHINISTS INSTITUTE
CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE
(CLFR-123)**

GRANTOR: **MACHINISTS INSTITUTE**, a non-profit corporation of the State of Washington

GRANTEE: **SNOHOMISH COUNTY**, a political subdivision of the State of Washington

LEGAL DESCRIPTION: SEC 23 TWP 28 RGE 04RT-7D) E1/5 OF NE1/4 SW1/4 NW1/4 EXC S 20FT THOF CONVYD TO SNO CO FOR RD BY DEED REC UNDER AUDS FILE NO 453318

(Additional Legal Description on page)

TAX PARCEL NUMBERS: 28042300201500

USE RESTRICTION COVENANT AGREEMENT

MACHINISTS INSTITUTE CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE (CLFR-123)

This Use Restriction Covenant Agreement (this “Covenant Agreement”), made this day of _____, by and between **MACHINISTS INSTITUTE**, a Washington non-profit corporation, (the “Grantor” or the “Owner”) and **SNOHOMISH COUNTY** (the “Grantee” or the “County”), a political subdivision of the State of Washington, is part of the consideration for the financial assistance provided by County pursuant to the CLFR Child Care Facility Agreement (the “Agreement”) entered into by the County and the Owner, dated _____, **2024**, and as may be amended, for the development and construction of a portion of certain real property legally described on Attachment 1 attached hereto (“the “Property”), together with all tenements, privileges, reversions, remainders, irrigation and water rights, and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances belonging or in any way pertaining to the Property, and the rents, issues, and profits thereof.

This Covenant Agreement will be filed and recorded in the official public land records of Snohomish County, Washington, and shall constitute a restriction upon the use of the Property described herein, subject to and in accordance with the terms of this Covenant Agreement, throughout the Compliance Period of the Agreement (“County Compliance Period”), ending on **December 31, 2034**.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Owner, its successors and assigns, heirs, grantees, or lessees of the Property, beginning on the date of this Covenant Agreement. Each and every contract, deed, or other instrument covering or conveying the Property, or any portion thereof, shall be conclusively held to have been executed, delivered, and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, or other instrument.

The covenants herein are independent of and in addition to the covenants in the Agreement. No transfer of the Property shall operate to relieve Grantor or any successor of its obligations hereunder unless expressly so agreed in writing by the County.

NOW, THEREFORE, it is hereby covenanted as follows:

1. **Target Population.** The Owner shall operate the Property for licensed child care services for households with parents who live or work in Snohomish County. At least ten percent (10%) of children enrolled must be from low- and moderate-income households, with low- and moderate-income households defined as those with Area Median Incomes (AMI) at or below 65% for the Seattle-Bellevue, WA HUD Metro FMR area.

2. Income Restrictions.

Income limits are those set and revised periodically by the U.S. Department of Housing and Urban Development and are based upon median incomes in the Seattle-Bellevue, WA HUD Metro Fair Market Rent (“FMR”) area and adjusted to household size. The Owner shall be responsible for utilizing the current annually adjusted income limits. The County shall make the current year’s income limits available to the Owner upon written request. The HUD Income Limits are found on the HUD website: <https://www.huduser.gov/portal/datasets/il.html>

Owner shall ensure that at least ten percent (10%) of enrolled children for child care services shall be from households with Area Median Incomes (AMI) at or below 65% for the Seattle-Bellevue, WA HUD Metro FMR area. If at any time HUD no longer estimates median income, the income standard shall be based on a program selected by the County. The Owner shall verify Property residents’ income only in accordance with methods prescribed by or agreed to by the County.

3. The Owner shall operate the Project on the Property as a licensed child care program during the County Compliance Period pursuant to the provisions of the Agreement.

4. Income Eligibility.

The determination of households with incomes at or below 65% AMI, as identified in **Exhibit A** of the Agreement, shall be made by application of the income limits set and revised periodically by the U.S. Department of Housing and Urban Development (“HUD”) based upon median incomes in the Seattle-Bellevue, WA HUD Metro Fair Market Rents (“FMR”) area and adjusted for household size. If at any time HUD no longer estimates median income, the income standard shall be based on a program selected by the County. The Owner shall verify income only in accordance with methods prescribed by or agreed to by the County.

5. County Compliance Period.

The Owners shall serve the Target Population at the Property for the term of the County Compliance Period until **December 31, 2034**.

6. The Owner shall provide a safe and sanitary facility and will comply with all state and local codes, nondiscrimination, licensing requirements, and other requirements regarding the condition of the structure and the operation of a licensed child care program in the jurisdiction in which the facility is located.

7. The Owner shall keep any records and make any reports relating to compliance with this Covenant Agreement that the County may reasonably require. The Owner will make annual reports and certifications to the County in such form and with such accompanying documentation, and on such dates as the County may require.

8. Upon providing reasonable notice to the Owner, the County and its agents and employees, for the duration of this Covenant Agreement, may enter the Property during business hours on reasonable notice, subject to the rights of individuals receiving services, to inspect the condition of the Property, to interview verify income information and any other matters relevant to this Covenant Agreement, and to inspect and copy any documents maintained by Owner or its agents relevant to this Covenant Agreement.

9. If the Owner violates any of the foregoing covenants, and upon providing notice and the opportunity to cure, fails to correct the violation for a period of thirty (30) calendar days, or such additional time as may be reasonably necessary to cure the violation, after Owner's receipt of written notice of such violation from the County, the County may institute and prosecute any proceeding at law or equity to abate, prevent, or enjoin any such violation or to compel specific performance by the Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Covenant Agreement as of the day and year written above.

OWNER: **MACHINISTS INSTITUTE**, a non-profit corporation of the State of Washington

E-SIGNED by Shana Peschek
on 2024-04-24 21:05:57 GMT

By: _____
Shana Peschek, Executive Director

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF _____)

On this _____ day of _____, **2024**, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Shana Peschek** and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **Executive Director** of **MACHINISTS INSTITUTE**, a non-profit corporation of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said company, on behalf of said company, for the uses and purposes therein mentioned.

By: _____

(Print Name)

My appointment expires: _____

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Covenant Agreement as of the day and year written above.

COUNTY:

SNOHOMISH COUNTY, a political subdivision of the State of Washington

By: _____
County Executive

Date: _____

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF _____)

On this _____ day of _____, **2024**, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, , and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the, **SNOHOMISH COUNTY**, a political subdivision of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said jurisdiction on behalf of said jurisdiction for the uses and purposes therein mentioned.

By _____

(Print Name)

My appointment expires: _____

ATTACHMENT 1

Property Legal Description

**Real property in the City of Everett, County of Snohomish, State of Washington,
described as follows:**

LEGAL DESCRIPTION:

SEC 23 TWP 28 RGE 04RT-7D) E1/5 OF NE1/4 SW1/4 NW1/4 EXC S 20FT THOF
CONVYD TO SNO CO FOR RD BY DEED REC UNDER AUDS FILE NO 453318

TAX PARCEL NO(S): 28042300201500

Situs Address: 2407 106TH ST SW, EVERETT, WA 98204-3628

EXHIBIT D
SPECIFIC TERMS AND CONDITIONS
CLFR TERMS AND CONDITIONS

The County has appropriated funds from its portion of Coronavirus Local Fiscal Recovery Funds (“CLFR”) pursuant to the American Rescue Plan Act (ARPA), PL 117-2, section 9901, codified at 42 U.S.C. Section 802 *et seq.* to be used to pay for Machinists Institute Child Care Facility Renovations and Outdoor Child Care Space as set forth in **Exhibit A** of the Agreement. These CLFR Terms and Conditions apply to the Machinists Institute’s (the “Subrecipient”) Project, for which the County has agreed to pay an amount not to exceed \$500,000. In case of conflict between these CLFR Terms and Conditions and the Agreement, the following order of priority shall be used: (1) CLFR Terms and Conditions and (2) the Agreement.

Prior to receiving payment under this Agreement, the Subrecipient shall provide the County the following documents completed to the County’s satisfaction:

- Cost Certification, in the form attached hereto as **Exhibit E-1**, to be submitted with each invoice in which the Subrecipient seeks payment.
- Lobbying Certification, in the form attached hereto as **Exhibit E-2**
- If activity occurs, Lobbying Disclosure Form, in the form attached hereto as **Exhibit E-3**
- Civil Rights Certification, in the form attached hereto as **Exhibit E-4**

I. TERMS AND CONDITIONS

Subrecipient agrees to comply with Section 603(c) of the Social Security Act, regulations as promulgated by the Department of Treasury (31 CFR Part 35) as amended; Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions promulgated by the U.S. Department of the Treasury, as amended; and Compliance and Reporting Guidance – State and Local Fiscal Recovery Funds as promulgated by the U.S. Department of the Treasury, as amended. The Subrecipient shall also comply with regulatory requirements under the Uniform Guidance at 2 CFR Part 200.

A. Compliance with Specific Laws, Regulations, and Agreements.

The Subrecipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and the Subrecipient shall require compliance of the same in any contract it enters into with other parties relating to this Agreement. Federal regulations applicable to the funding provided in this Agreement include, without limitation, the following:

1. 2 CFR Part 200, including any future amendments to 2 CFR Part 200, and any successor or replacement Office of Management and Budget (OMB) Circular or regulation, including, Subpart A (Acronyms and Definitions), Subpart B (General Provisions), Subpart C (Pre-Federal Award Requirements and Contents of Federal Awards) [excluding 204 (Notices of Funding Opportunities), 205 (Federal awarding agency review of merit of proposal), 210 (Pre-Award Costs), 213 (Reporting a determination of a non-federal entity is not qualified for a federal award)], Subpart D (Post Federal Award Requirements) [excluding 305(b)(8) and (9) regarding Federal Payment, 308 (Revision of budget or program plan), 309 (modification to period of performance)], Subpart E (Cost Principles), and F (Audit Requirements).
2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25 and pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
3. Reporting Subaward and Executive Compensation Information, 2 C.F.R., Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a requirement in all lower tier covered transactions that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulations at 31 C.F.R. Part 19.
5. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
6. Governmentwide Requirement for Drug-Free Workplace, 31 CFR Part 20.
7. New Restrictions on Lobbying, 31 CFR Part 21.
8. [Intentionally Deleted.]
9. [Intentionally Deleted.]
10. Hatch Act. Subrecipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. 1501 and 7324-7328), which limits certain political activities of federal employees as well as certain other employees who work with federal funding programs.
11. The Subrecipient shall include the clauses 1 through 10 in this Section I.A., adapted for the proper parties, in any subcontract.

B. Protections for Whistleblowers.

1. In accordance with 41 U.S.C. § 4712, Subrecipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal agreement or grant, a gross waste of federal funds, an abuse of authority relating to a federal agreement or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal Agreement (including the competition for or negotiation of an agreement) or grant.
2. The list of persons and entities referenced in the paragraph above includes the following:
 - a. A member of Congress or a representative of a committee of Congress;
 - b. An Inspector General;
 - c. The Government Accountability Office;
 - d. A Treasury employee responsible for agreement or grant oversight or management;
 - e. An authorized official of the Department of Justice or other law enforcement agency;
 - f. A court or grand jury; or
 - g. A management official or other employee of Contractor or its subcontractors who has the responsibility to investigate, discover, or address misconduct.
3. Subrecipient shall inform its employees in writing of the rights and remedies provided under this subsection, in the predominant native language of the workforce.
4. The Subrecipient shall include the above clauses 1-3, adapted for the proper parties, in any subcontract.

C. Increasing Seat Belt Use in the United States.

Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Subrecipient is encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

The Subrecipient shall include the above clause, adapted for the proper parties, in any subcontract.

D. Reducing Text Messaging While Driving.

Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Subrecipient is encouraged to adopt and enforce policies that ban text messaging while driving, and to establish workplace safety policies to decrease accidents caused by distracted drivers.

The Subrecipient shall include the above clause, adapted for the proper parties, in any subcontract.

E. Nondiscrimination

The Subrecipient shall comply with the following statutes and regulations prohibiting discrimination:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the grounds of race, color, or national origin under program or activities receiving federal financial assistance.

By execution of this Agreement, Subrecipient certifies:

Subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

2. The Fair Housing Act, Title VII-IX of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, national origin, sex, familial status, or disability;
3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicap under any program or activity receiving or benefitting from federal assistance;
4. The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis or age in programs or activities receiving federal financial assistance; and

5. The American with Disabilities Act of 1990, as amended (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities and services provided or made available by state and local governments or instrumentalities or agencies thereto.

F. Conflicts

The Subrecipient's employees, subcontractors and board or committee members shall not use, or give the appearance of using, their positions for the personal gain of themselves or those with whom they have family, business or other ties. The Subrecipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. 200.318(c). The Subrecipient shall disclose to the County any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. 200.112.

The Subrecipient shall include the above clause, adapted for the proper parties, in any subcontract.

G. Public Records

This Agreement and all public records associated with this Agreement shall be available from the County for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that public records then in the custody of the Subrecipient are needed for the County to respond to a request under the Act, as determined by the County, the Subrecipient agrees to make them promptly available to the County. If the Subrecipient considers any portion of any record provided to the County under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under law, the Subrecipient shall clearly identify any specific information that it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy the information so identified by the Subrecipient and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify the Subrecipient (a) of the request and (b) of the date that such information will be released to the requester unless the Subrecipient obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Subrecipient fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified.

The County has, and by this section assumes, no obligation on behalf of the Subrecipient to claim any exemption from disclosure under the Act. The County shall not be liable to the Subrecipient for releasing records not clearly identified by the Subrecipient as confidential or proprietary. The County shall not be liable to the Subrecipient for any records that the County releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

H. Capacity

The Subrecipient, by signing this Agreement, acknowledges that it has the institutional, managerial, and financial capability to ensure proper planning, management, and provision of the services funded. If at any time, the Subrecipient believes its capacity is compromised or Subrecipient needs technical assistance, it shall immediately notify the County. The County will make best efforts to provide timely technical assistance to the Contractor to bring the Agreement into compliance.

The Subrecipient shall include the above clause, adapted for the proper parties, in any subcontract.

I. Remedial Action

In the event of the Subrecipient's noncompliance with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of the federal award funding this Agreement, Treasury or the County may take remedial action as set forth in 2. C.F.R. 200.339.

J. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment; Compliance with 2 C.F.R. 283

The Subrecipient shall comply with 2 C.F.R. 200.216 and shall require compliance with 2 C.F.R. 200.216 in any subcontract.

Subrecipient shall exercise due diligence to ensure that none of the funds, including supplies and services, received under this Agreement are provided directly or indirectly (including through subcontracts) to a person or entity who is actively opposing the United States or coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities. The Subrecipient must terminate or void in whole or part any subcontract with a person or entity listed in the System Award Management Exclusions (SAM) as a prohibited or restricted source pursuant to subtitle E of Title VIII of the NDAA for FY 2015, unless the Federal awarding agency provides written approval to continue the subcontract.

K. Preferences for Procurements

As appropriate and to the extent consistent with law, the Subrecipient should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subcontracting agreements and purchase orders for work or products under this Agreement.

For purposes of this Subsection:

1. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting state through the application of coatings, occurred in the United States.
2. "Manufactured products" means items and construction material composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

II. FISCAL MANAGEMENT

Every subcontract approved by the County and entered into by the Subrecipient under this Agreement shall be in writing and shall incorporate all of the clauses in this Section II, with word changes where appropriate to properly identify the parties to the subcontract. If the Subrecipient is a non-federal entity as defined in 2 CFR Part 200.69 and expends \$750,000.00 or more in Federal awards during its fiscal year, the Subrecipient shall comply with the audit requirements of 2 CFR Part 200 Subpart F.

A. Accounting Standards

The Subrecipient agrees to comply with OMB Uniform Guidance and 2CFR part 200 and to adhere to the accounting principles and procedures required therein, to use adequate internal controls, and to maintain necessary source documentation for all costs incurred.

B. Audit and Recovery

All disbursements of funds to the Contractor under this Agreement shall be subject to audit and recovery of disallowed costs from the Contractor. In the event of Contractor's noncompliance with Section 603 of the Social Security Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, the County may impose additional conditions or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of Section 603(c) of the Social Security Act regarding the use of funds, funds shall be subject to recoupment.

1. The Subrecipient shall maintain its records and accounts so as to facilitate the County's audit requirement and shall ensure that subcontractors also maintain auditable records.
2. The Subrecipient is responsible for any audit exception incurred by its own organization or that of its subcontractors.
3. The County reserves the right to recover from the Subrecipient all disallowed costs resulting from the audit.

4. The Subrecipient shall follow-up on and develop corrective action plans for all audit findings.

C. Accounting for Funds

In the event of an audit, the Subrecipient shall account for all funds provided under this Agreement and demonstrate that the funds have only be used as provided for in this Agreement.

D. Repayment of Funds to County/Recoupment

The Subrecipient shall return funds disbursed to it by the County under this Agreement for return by the County to the U.S. Department of the Treasury, upon the occurrence of any of the following events:

1. If Subrecipient has any unspent funds on hand as of the earlier of the end date of this Agreement or the termination of this Agreement, Subrecipient shall return all unspent funds to the County within ten (10) calendar days of end date or termination.
2. If overpayments are made; or
3. If an audit of the Project by the U.S. Department of the Treasury, the State, or the County determines that the funds have been expended for purposes not permitted by the Section 603 of the Social Security Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, the U.S. Department of the Treasury, the County, or this Agreement.

To exercise recoupment or repayment, the County shall make a written demand upon the Subrecipient for repayment, the Contractor shall be obligated to repay to the County the funds demanded within sixty (60) calendar days of the demand. No exercise of the County of the right to demand repayment of funds by the Subrecipient shall foreclose the County from making an additional demand for repayment if a return of additional funds is required by the U.S. Department of the Treasury; the County's right to demand repayment from the Subrecipient may be exercised as often as necessary to recoup from the Subrecipient all funds required to be returned by the County to the U.S. Department of the Treasury.

The Subrecipient is solely responsible for seeking repayment from any subcontractor in conformance with its debt collection policy.

E. Debts Owed the Federal Government.

1. Any funds paid to Subrecipient in excess of the amount to which Subrecipient is finally determined to be authorized to retain under the terms of this Agreement, that are determined by the Treasury Office of Inspector General to have been misused or that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Subrecipient shall constitute a debt to the federal government.
2. Any debts determined to be owed the federal government must be paid promptly by Subrecipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Subrecipient knowingly or improperly retains funds that are a debt as defined in paragraph 1 of this subsection, Treasury will take any actions available to it to collect such a debt.
3. Any debts determined to be owed to the County must be promptly paid by Subrecipient. A debt is delinquent if it has not been paid by the date specified in County's initial written demand for payment, unless other satisfactory arrangements have been made or if the Subrecipient knowingly or improperly retains funds that are a debt. The County will take any actions available to it to collect such a debt.

F. Cost Principles

The Subrecipient shall administer its provision of services in conformance with OMB Uniform Guidance and 2 CFR part 200. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding under this Agreement. The Subrecipient is not required to provide cost sharing or matching funds under this Agreement.

G. Advance Payment

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by the County.

H. Debarment and Suspension Certification

1. The Subrecipient is required to comply with the provisions of Executive Order 12549, Executive Order 12689, 2 CFR 180. The Subrecipient, by signing the Agreement, certifies that to the best of its knowledge and belief that:
2. The Subrecipient is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transaction by any Federal department or agency;

3. That the Subrecipient has not within a three-year period preceding this Agreement, been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offenses in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or state antitrust statutes or commission or embezzlement, theft, forgery, bribery, falsification or destruction or records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
4. The Subrecipient is not presently indicted for or otherwise criminal or civilly charged by a governmental entity (Federal, state, or local) with commission of any of the offenses enumerated in paragraph 2 of this subsection; and
5. The Subrecipient has not within a three (3) year period preceding the signing of this Agreement had one or more public transaction (Federal, state, or local) terminated for cause of default.

The Subrecipient agrees to include the following required language in all subcontracts into which it enters resulting directly from the Subrecipient's duty to provide services under this Agreement:

The lower tier subcontractor certified, by signing this Agreement, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

When the lower tier subcontractor is unable to certify to any of the statements in the contract, such subcontractor shall attach an explanation to the Agreement.

III. ADDITIONAL REQUIREMENTS

A. Procurement

Unless specified otherwise in this Agreement, the Subrecipient shall procure all materials, property, supplies, or services in accordance with the requirements of 2 C.F.R. § 200.318; Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act; 24 C.F.R. § 135; and 24 C.F.R. § 576.404. The Subrecipient, in subcontracting, shall comply with 2 C.F.R. § 321(b)(1-5).

B. Public Information

1. The Subrecipient shall ensure recognition of the role of the County in providing services through this Agreement. All activities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source.

2. Any publication produced with funds from this award must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number SLFRP0194 awarded to Snohomish County by the U.S. Department of Treasury.”

3. The Subrecipient shall include clause 2 of this subsection in any subcontract.

C. COVID Guidelines

A program or service that imposes conditions on participation in or acceptance of the service that would undermine efforts to stop the spread of COVID-19 or discourage compliance with practices in line with CDC guidance for stopping the spread of COVID-19 shall not be reimbursed by the County.

IV. PERFORMANCE EVALUATION, RISK ASSESSMENT, AND MONITORING

The Subrecipient agrees to participate with the County in any monitoring (on-site and/or desk) or evaluation conducted by the County of the program/project set forth in **Exhibit A** to determine compliance with the terms of the Agreement. The Subrecipient agrees to make available all information in its possession relevant to such evaluation and monitoring. Specific monitoring requirements for this Agreement as follows:

For all Agreements, monthly desktop monitoring of all invoices and performance reports as outlined in **Exhibit A** submitted by the Subrecipient shall be performed by the County.

At a minimum, on-site fiscal and performance monitoring shall be conducted annually. Depending on the results of the Subrecipient’s Fiscal Risk Assessment completed by County staff prior to Agreement execution, fiscal and/or performance monitoring may be conducted on a more frequent basis.

Remedies for substandard performance that is not corrected to the County’s satisfaction may include suspension or termination of the Agreement.

The Subrecipient shall include the above clause, adapted for the proper parties, in any subcontract.

V. CORRECTIVE ACTION

The Subrecipient shall follow up on and develop corrective action plans for all audit findings in accordance with OMB Uniform Guidance.

VI. RECORDS

In addition to the Records requirements set forth in the elsewhere in this Agreement, Subrecipient shall comply with the following:

- A. The Subrecipient shall maintain records and financial documents sufficient to evidence compliance with Section 603(c) of the Social Security Act, Treasury's implementing regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- B. The Treasury Office of the Inspector General and the Government Accountability Office, or their authorized representatives, and the County shall have the right of access to records required under the Agreement (electronic and otherwise) of the Subrecipient in order to conduct audits.

C. Records to Be Maintained

The Subrecipient shall maintain all records required by the Agreement pertaining to the activities funded under this Agreement and as further described in **Exhibit B**. The Subrecipient shall furnish such records to the County or other authorized officials, as requested. The Contractor shall maintain records including, but not limited to:

1. Records providing a full description of each activity undertaken;
2. Records used for data collection for reports as required;
3. Records of compliance with conflict of interest requirements;
4. Records of compliance with the nondiscrimination requirements;
5. Financial Records, including supporting documentation for all costs submitted via invoice;
6. Any other reporting obligations established by the U.S. Department of the Treasury as they relate to this award.

D. Individual Information and Confidentiality

The Subrecipient understands that if any personally identifiable information is ("PII") collected under this Agreement, said PII is confidential and the use or disclosure of such information when not directly connected with the administration of the County's or the Subrecipient's responsibilities with respect to services under this Agreement, may be prohibited by federal, state, and local laws regarding privacy and obligations of confidentiality, unless written consent is obtained from such person, and, in the case of a minor, that or a responsible parent or guardian. The Subrecipient shall inform the County immediately upon discovery of any unauthorized disclosure of PII.

The Subrecipient shall include the clauses A through D above, adapted for the proper parties, in any subcontract.

VII. AFTER-THE-AGREEMENT/CLOSE-OUT REQUIREMENTS

The Subrecipient's obligation to the County shall not end until all close-out requirements are completed. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over American Rescue Plan Section 9901 Coronavirus State and Local Fiscal Recovery Funds dollars. The County will close-out the award when it determines, in its sole discretion, that all applicable administrative actions and all required work has been completed.

VIII. FALSE STATEMENTS

Subrecipient understands that making false statements or claims with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or Agreement, and/or any other remedy available by law.

The Subrecipient shall include the above clause, adapted for the proper parties, in any subcontract.

IX. DISCLAIMER

The United States has expressly disclaimed any and all responsibility or liability to the County or third persons for the actions of the County or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of the award of Federal funds to the County under section 603(c) of the Act, or any Agreement or subcontract under such award.

The County expressly disclaims any and all responsibility or liability to the Subrecipient or third persons for the actions of the Subrecipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this Agreement or any other losses resulting in any way from the performance of the Agreement, or any subcontract thereto.

The Agreement does not in any way establish an agency relationship between or among the United States, the County, and Subrecipient.

The Subrecipient shall include the above Disclaimer clauses, adapted for the proper parties, in any subcontract.

Exhibit E-1
COST CERTIFICATION

1. I have the authority and approval from the governing body of the Subrecipient to request reimbursement from Snohomish County from the County's allocation of the CLFR as created in Section 9901 of the American Rescue Plan Act of 2021 ("ARPA") for eligible expenditures included on the corresponding invoice for the reporting period from **March 3, 2021** through **December 31, 2026**.
2. I understand Snohomish County will rely on this certification as a material representation in processing this reimbursement.
3. I certify the use of funds submitted for reimbursement from CLFR funds under this Agreement were used only to cover those costs in accordance Section 9901 of the American Rescue Plan Act of 2021, regulations promulgated by Department of Treasury at 31 CFR Part 35, and Department of Treasury FAQs and guidance.
4. I understand the use of funds pursuant to this certification must adhere to official federal guidance issued. I have reviewed the Section 9901 of the American Rescue Plan Act of 2021, the regulations at 31 CFR Part 35, and Department of Treasury (Treasury) FAQs and guidance and certify costs meet the parameters set forth therein. Any funds expended by the Subrecipient or its subcontractor(s) in any manner that does not adhere to the Section 9901 of the American Rescue Plan Act of 2021, the regulations at 31 CFR Part 35 and Treasury FAQs and guidance shall be returned to the County for return to the Treasury.
5. I understand the Subrecipient receiving funds pursuant to this certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with §200.333 Retention requirements for records of 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Such documentation shall be produced for the County upon request and may be subject to audit by state and/or federal representatives.
6. I understand any funds provided pursuant to this certification cannot be used as a revenue replacement for lower than expected tax or other revenue collections.
7. I understand funds received pursuant to this certification cannot be used for expenditures for which the Subrecipient has received any other funding (whether state, federal or private in nature) for the same expense.

(Signature Page follows)

By signing this document, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, or otherwise (U.S. Code Title 18, Section 1001 and Title 31, Section 3729-3730 and 3801-3812).

MACHINISTS INSTITUTE

E-SIGNED by Shana Peschek

By: on 2024-04-24 21:06:02 GMT

Name and Title: **Shana Peschek – Executive Director**

Date: _____

REPORT OF ACTUAL EXPENDITURES

(To accompany Request for reimbursement)

Project Name: **MACHINISTS INSTITUTE CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE** Project Number: **CLFR-123**

Agency: **MACHINISTS INSTITUTE**

Report Period: _____ to _____

CATEGORY	County Budget (CLFR-123)	County CLFR Expenditure (This Draw)	Total County CLFR Drawn (incl. this Draw)	Total Disbursed to Date (all Sources incl. this Draw)
Salaries/Wages				
Benefits				
Supplies/Minor Equip.	465,742.40			
Prof. Services	34,257.60			
Postage				
Telephone				
Mileage/Fares				
Meals				
Lodging				
Advertising				
Leases/Rentals				
Insurance				
Utilities				
Repairs/Maint.				
Client Flex Funds				
Client Rent				
Printing				
Dues/Subscrip.				
Regis./Tuition				
Machinery/Equip.				
Administration				
Indirect				
Occupancy				
Miscellaneous				
Misc. Construction				
Acquisition				
Relocation				
Closing/Title/Recording				
Legal				
Consultant Reports				
Construction/Rehabilitation				
Appraisal				
Cash Advance				
Other				
TOTAL	\$ 500,000		\$	\$

Exhibit E-2
CERTIFICATION REGARDING LOBBYING
AMERICAN RESCUE PLAN ACT OF 2021, SECTION 9901

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that I have read and understood the obligations described above, that the Subrecipient is in compliance with the above-described requirements, and by my signature on this document, acknowledge my understanding that any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document could subject me to punishment under federal, civil liability and/or in criminal penalties, including but not limited to fine or imprisonment or both under Title 18, United States Code, Sec. 1001, et seq. and punishment under federal law.

MACHINISTS INSTITUTE

Signature & E-SIGNED by Shana Peschek
Date: on 2024-04-24 21:06:06 GMT

Title: **Shana Peschek – Executive Director**

EXHIBIT E-3, LOBBYING DISCLOSURE FORM

52323

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

0348-0046

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change</p> <p>For Material Change Only: year _____ quarter _____ date of last report ____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:</p> <p>Congressional District, if known: _____</p>		<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, if known: _____</p>
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, if applicable: _____</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known:</p> <p>\$ _____</p>	
<p>10. a. Name and Address of Lobbying Entity <i>(if individual, last name, first name, MI):</i></p> <p align="right"><small>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</small></p>		<p>b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i></p> <p align="right"><small>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</small></p>
<p>11. Amount of Payment (check all that apply):</p> <p>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned</p>		<p>13. Type of Payment (check all that apply):</p> <p><input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other; specify: _____</p>
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ value _____</p>		
<p>14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for payment indicated in item 11:</p> <p align="right"><small>(attach Continuation Sheet(s) SF-LLL-A if necessary)</small></p>		
<p>15. Continuation Sheet(s) SF-LLL-A attached: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>16. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>		<p>Signature: _____ Print Name: _____ Title: _____ Tele. No.: _____ Date: _____</p>
<p><small>Federal Use Only:</small></p>		<p align="right"><small>Authorized for Local Reproduction Standard Form - LLL</small></p>

Exhibit E-3
INSTRUCTION FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the report entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the service that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington D.C. 20503.

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET

Approved by OMB
0348-0046

Reporting Entity: _____ Page _____ of _____

Exhibit E-4
CIVIL RIGHTS CERTIFICATION
AMERICAN RESCUE PLAN ACT OF 2021, SECTION 9901

The funds provided to Subrecipient are available under section 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act.

The Subrecipient understands and acknowledges that:

As a condition of receipt of federal financial assistance from the Department of the Treasury, with monies distributed through Snohomish County, the Subrecipient named below provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the Subrecipient's beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits.

The assurances apply to all federal financial assistance from or funds made available through the Department of Treasury.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all of the operations of the Subrecipient's program(s) and activity(ies), so long as any portion of the Subrecipient's program(s) or activity(ies) is federally assisted in the manner prescribed above

The Subrecipient certifies the following:

1. Subrecipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.

2. Subrecipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Subrecipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Subrecipient shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Subrecipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient’s programs, services, and activities.
3. Subrecipient agrees to consider the need for language services for LEP persons when Subrecipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Subrecipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Subrecipient and Subrecipient’s successors, transferees, and assignees for the period in which such assistance is provided.
5. Subrecipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between Subrecipient and Subrecipient’s subgrantees, contractors, subcontractor, successor, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury’s Title VI regulations, 31

CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Subrecipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Subrecipient for the period during which it retains ownership or possession of the property.
7. Subrecipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Subrecipient shall comply with information requests, on-site compliance reviews and reporting requirements.
8. Subrecipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Subrecipient also must inform the Department of the Treasury if Subrecipient has received no complaints under Title VI.
9. Subrecipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Subrecipient and the administrative agency that made the finding. If the Subrecipient settles a case or matter alleging such discrimination, the Subrecipient must provide documentation of the settlement. If Subrecipient has not been the subject of any court or administrative agency finding of discrimination, please so state.
10. The United States of America has the right to seek judicial enforcement of the terms of this assurance document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

I hereby certify that I have read and understood the obligations described above, that the Subrecipient is in compliance with the above-described nondiscrimination requirements, and by my signature on this document, acknowledge my understanding that any intentional or negligent misrepresentation or falsification of any information submitted in

conjunction with this document could subject me to punishment under federal, civil liability and/or in criminal penalties, including but not limited to fine or imprisonment or both under Title 18, United States Code, Sec. 1001, et seq. and punishment under federal law.

Agency: MACHINISTS INSTITUTE

Signature & Date: E-SIGNED by Shana Peschek
on 2024-04-24 21:06:11 GMT

Title: **Shana Peschek** – Executive Director

**EXHIBIT F
FEDERAL FUNDING ADDENDUM**

ACKNOWLEDGEMENT OF FEDERAL FUNDING:

Federal Funding #1: Coronavirus State and Local Fiscal Recovery Funds

Federal Agency:	U.S. Treasury
Federal Award Identification Number (FAIN):	SLFRP0194
Federal Award Date:	5/11/2021
Total Amount of Federal Award:	\$159,679,985

Federal Funding #2: n/a

Federal Agency:	n/a
Federal Award Identification Number (FAIN):	n/a
Federal Award Date:	n/a
Total Amount of Federal Award:	n/a

Federal Funding #3: n/a

Federal Agency:	n/a
Federal Award Identification Number (FAIN):	n/a
Federal Award Date:	n/a
Total Amount of Federal Award:	n/a

The Agency agrees that any publications (written, visual, or sound) but excluding press releases, newsletters, and issue analyses, issued by the Agency, describing programs or projects funded in whole or in part with federal funds under this Contract, shall contain the following statements:

This project was supported, in whole or in part, by federal award number SLFRP0194 awarded to Snohomish County by the U.S. Department of Treasury. Points of view in this document are those of the author and do not necessarily represent the official position or policies of the above. Grant funds are administered by the U.S. Treasury.

EXHIBIT G
FORM OF PROMISSORY NOTE
MACHINISTS INSTITUTE

\$500,000; Everett, Washington

1. Promise to Pay. This Promissory Note, (this “NOTE”), made this _____ day of _____, 2024, in consideration for the financial assistance provided by Snohomish County (“Holder”) pursuant to the CLFR Child Care Facility Agreement entered into between Maker and Holder on the 10th day of July, 2024 (“Agreement”), **MACHINISTS INSTITUTE**, a Washington non-profit corporation, (“Maker”), hereby promises to pay to the order of Holder, at such place as Holder may designate in writing, in lawful money of the United States of America, the principal sum of **Five Hundred Thousand (\$500,000)**, on the terms and conditions set forth herein and in the Loan Agreement (the “Grant”).

2. Term. This Note shall be due on **September 30, 2026**.

3. Payment of Principal; Forgiveness. The principal shall be deferred and shall become due under this Note upon **September 30, 2026**. The principal is forgivable. The Holder shall forgive the amount due under this Note, on **September 30, 2026**, provided the Maker has fully complied with the provisions of this Construction and Reimbursement Period of the Agreement.

4. Interest. No interest shall accrue, pursuant to and during the term of the Loan, as defined in the Agreement, on the unpaid principal balance, unless penalty interest is imposed pursuant to Section 6 of this Promissory Note.

5. Prepayment. Maker shall have the right to prepay this Note in full or in part at any time and from time to time without payment of a prepayment fee or penalty.

6. Default. This Note shall be in default (a) if payment is not made when due, and such default shall continue for a period of ten (10) days after any written notice to the Maker from Holder hereof specifying such default and requiring the same to be remedied; or (b) if Maker fails to fully comply with any covenants, terms, or provisions of the Construction and Reimbursement Period of the Agreement or any instruments relating to or securing this Note executed by Maker (collectively, the “Loan Documents”), and such default continues after notice to Maker and the expiration of any period granted to Maker for curing such default as set forth below.

Upon such a default the whole sum of principal hereunder shall become immediately due and payable according to the terms herein. As long as this Note is in default, then, at the option of the Holder, without prior notice, this Note shall bear interest at the rate of twelve percent (12%) per annum.

A. Curing of Construction and Reimbursement Period Default. In the event of default of requirements of the Construction and Reimbursement Period of the Agreement, before exercising any remedies, Holder shall give Maker written notice of such default. Maker shall have a period of ten (10) days after such notice is given within which to cure the default before exercise of remedies by Holder, or such longer period of time as may be specified in the written notice.

A default of the Construction and Reimbursement Period of the Agreement may be cured only by payment in full of the unpaid principal balance and any default rate of interest as provided herein, if any, that may be due hereunder or under any instrument relating to or securing this Note, plus any attorneys' fees incurred by the Holder by reason of such default.

7. Nonwaiver. Failure to exercise any right the Holder may have or be entitled to in the event of any default hereunder shall not constitute a waiver of such right or any other right in the event of any subsequent default.

8. Waiver of Presentment. The Maker and all guarantors and endorsers hereof hereby severally waive presentment for payment, protests, and demand, notice of protest, demand, dishonor, and nonpayment of this Note, and consent that the Holder hereof may extend the time of payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced by this Note, by agreement between the Holder and Maker and such consent shall not alter or diminish the liability of any person or the enforceability of this Note. Each and every party signing or endorsing this Note binds itself as a principal and not as a surety. This Note shall bind the undersigned and its successors and assigns, jointly and severally.

9. Security for Note. This Note is secured by a Deed of Trust (the "Deed of Trust") of even date herewith granted by **MACHINISTS INSTITUTE**, a non-profit corporation of the State of Washington, ("Owner"). Owner will undertake the obligations of this Promissory Note and the Agreement referenced in Paragraph 1, covering certain real property in Snohomish County, Washington, together with the buildings and improvements now or hereafter erected thereon (the "Property").

10. Collection Costs. Maker agrees to pay all costs, including reasonable attorneys' fees, incurred by Holder hereof in any suit, action, or appeal therefrom, or without suit, in connection with collection hereof, foreclosure of the Deed of Trust, or enforcement of any instrument securing payment hereof or otherwise relating to or securing this Note.

11. Maximum Interest. Neither this Note nor any instrument securing payment hereof or otherwise relating to the debt evidenced hereby shall require the payment or permit the collection of interest in excess of the maximum permitted by any applicable usury statute or any other law (the "Maximum Rate"). If this Note or any other such instrument does so provide, the provisions of this paragraph shall govern, and neither Maker nor any endorsers of this Note nor their respective heirs, personal representatives, successors, or assigns shall be obligated to pay the amount of interest in excess of the Maximum Rate. In such event, the interest rate in excess of the Maximum Rate shall be reduced by appropriate credits to the balance owing at maturity hereunder so that the Maximum Rate shall not be exceeded.

12. Notice. Any demand or notice to be made or given under the terms hereof or any instrument now or hereafter relating to or securing this Note by the Holder to Maker shall be effective when mailed, emailed, or delivered by registered mail, postage prepaid, to the Maker to the addresses set forth in the Agreement.

13. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Washington and applicable federal law.

14. Nonrecourse. Notwithstanding any other provision hereof or of any other instrument relating to or securing this Note, the Maker, their managers, members, officers and employees shall not have any personal liability for the indebtedness evidenced hereby or any deficiency judgment, and upon the occurrence of a default or event of default hereunder, the Holder hereof shall look solely to the instruments by which this Note is secured and the Property constituting the security, together with the rents, issues, and profits thereof for satisfaction of the indebtedness, and resort shall not be made to any other property of the Maker; PROVIDED, HOWEVER, that nothing herein contained shall limit or be construed to limit or impair the enforcement against said Property of the rights and remedies of the Holder hereof, including the joinder of the Maker in any action to foreclose the liens and security interests securing this Note, and PROVIDED, FURTHER, that nothing herein shall diminish Maker's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation or misuse of rents.

15. Agreement. This Note is subject to the terms and conditions of the Agreement between the Maker and Holder dated as of the **10th day of July, 2024**. Disbursement of the funds evidenced by this Note is to be made subject to the terms and conditions of said Agreement.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN OR GRANT MONEY,
TO EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A
DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Promissory Note as of the day and year first written above.

MAKER: MACHINISTS INSTITUTE, a Washington non-profit corporation

E-SIGNED by Shana Peschek
on 2024-04-24 21:06:16 GMT

By
Shana Peschek, Executive Director

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF _____)

On this _____ day of _____, **2024**, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Shana Peschek**, and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **Executive Director** of the **MACHINISTS INSTITUTE**, a Washington non-profit corporation, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said corporation for the uses and purposes therein mentioned.

By _____

(Print Name)

My appointment expires: _____

**EXHIBIT H
DEED OF TRUST**

WHEN RECORDED RETURN TO:

Snohomish County
3000 Rockefeller Ave., M/S 407
Everett, WA 98201
Attention: Jessica Ruhle

DEED OF TRUST

**MACHINISTS INSTITUTE
CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE**

GRANTOR: **MACHINISTS INSTITUTE**, a non-profit corporation of the State of Washington

BENEFICIARY: **SNOHOMISH COUNTY**, a political subdivision of the State of Washington

GRANTEE (TRUSTEE): **FIRST AMERICAN TITLE COMPANY**

LEGAL DESCRIPTION: SEC 23 TWP 28 RGE 04RT-7D) E1/5 OF NE1/4 SW1/4 NW1/4 EXC S 20FT THOF CONVD TO SNO CO FOR RD BY DEED REC UNDER AUDS FILE NO 453318

(Additional Legal Description on page)

TAX PARCEL NUMBERS: 28042300201500

DEED OF TRUST

MACHINISTS INSTITUTE CHILD CARE FACILITY RENOVATIONS AND OUTDOOR CHILD CARE SPACE

THIS DEED OF TRUST (“DEED OF TRUST”), made this _____ day of _____, **2024**, by and among **MACHINISTS INSTITUTE**, a Washington non-profit corporation, whose mailing address is **c/o 2407 106th Street SW, Everett, WA 98204**, as grantor (“GRANTOR”); First American Title Company, a Washington corporation whose mailing address is **2707 Colby Ave., Suite 601, Everett, WA 98201**, as trustee (“TRUSTEE”); and Snohomish County, a political subdivision of the State of Washington, (“GRANTEE” or “BENEFICIARY”), whose address is 3000 Rockefeller Avenue, MS 305, Everett, WA 98201.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, the real property in Snohomish County, Washington described in **Attachment 1** attached hereto and incorporated herein by this reference (“the Property”), which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor contained herein and in the Construction and Reimbursement Period of the CLFR Child Care Facility Agreement between the Grantor and the Beneficiary (hereinafter the “Agreement”) dated the **10th** day of **July, 2024**, and payment of the sum of **Five Hundred Thousand dollars (\$500,000)**, in accordance with the terms of a Promissory Note of even date herewith (the “Note”), payable to Beneficiary or order, made by **Machinists Institute**, a Washington non-profit corporation.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the Property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon the Property in violation of law; and to do all other acts which from the character or use of the Property may be reasonably necessary to preserve and conserve its value.
2. To pay before delinquent all taxes, assessments and any other charges affecting the Property when due; and to keep the Property free and clear of all other encumbrances, charges, and liens impairing the security of this Deed of Trust, subject to the Grantor’s right to contest such taxes, assessments and other charges in good faith.

3. To keep all buildings now or hereafter erected on the Property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. The Beneficiary shall be an additional insured under all such insurance policies, which shall be issued by such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. Except as otherwise set forth in the Construction and Reimbursement Period of the Agreement or the Note, the amount collected under any insurance policy may be applied to any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and reasonable attorneys' fees actually incurred, as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. Except as otherwise set forth in the Construction and Reimbursement Period of the Agreement or the Note, in the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon the occurrence of default by Grantor in the performance of any requirement of the Construction and Reimbursement Period of the Agreement (after the expiration of any applicable cure period), all sums secured hereby shall immediately become due and payable in accordance with the Agreement, the Note, and this Deed of Trust (at the option of the Beneficiary). In such event and upon written request of Beneficiary, Trustee shall sell the trust Property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.
 - a. Curing of Construction and Reimbursement Period Default. In the event of default of requirements of the Construction and Reimbursement Period of the Agreement, before exercising any remedies, Grantee shall give Grantor written notice of such default and provide for a cure period of ten (10) calendar days after such notice is given, or such longer period of time as may be specified in the written notice, within which to cure the default before exercise of remedies by Grantee under this Deed of Trust or the Agreement.
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of its execution of this Deed of Trust, and such as it may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.
6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. This Deed of Trust applies to and inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

9. Notwithstanding any provision contrary in the Agreement or this Deed of Trust, Beneficiary acknowledges and agrees that (a) the Property is or will be subject to a Use Restriction Covenant Agreement (as defined below), (b) the recordation of the Use Restriction Covenant Agreement against the Property is permitted under the terms of the Agreement and this Deed of Trust.

GRANTOR FURTHER AGREES:

1. Grantor will perform each and every obligation contained in the Construction and Reimbursement Period of the Agreement and any amendments thereof.
2. If Grantor shall fail to perform any obligation hereunder and the Beneficiary elects to perform the same and expends any monies therefor, such expenditure shall be deemed in addition to the amount secured by this Deed of Trust and be immediately due and payable in accordance with the Agreement.
3. If an event of Construction and Reimbursement Period default occurs under the foregoing Agreement or Note (after the expiration of any applicable notice and cure period), the whole indebtedness secured thereby shall be due and payable in accordance with the Agreement and this Deed of Trust and the Beneficiary may proceed to foreclose this Deed of Trust. If the Beneficiary shall incur any costs and expenses, including reasonable attorneys' fees and costs of any title reports, in connection with the performance of any of its rights hereunder including foreclosure, such costs and expenditures shall remain secured by this Deed of Trust and shall be immediately due and payable by Grantor.

(Signature Page to Follow)

IN WITNESS WHEREOF, the parties hereto have executed and delivered by their duly authorized representatives this Deed of Trust as of the day and year written above.

GRANTOR: **MACHINISTS INSTITUTE**, a Washington non-profit corporation

E-SIGNED by Shana Peschek
on 2024-04-24 21:06:28 GMT

By: _____
Shana Peschek, Executive Director

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
)SS.
COUNTY OF _____)

On this _____ day of _____, **2024**, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, to me personally known (or proved on the basis of satisfactory evidence), appeared before me, **Shana Peschek**, and said person acknowledged that s/he executed the foregoing instrument on oath and stated that s/he was authorized to execute the instrument as the **Executive Director** of the **MACHINISTS INSTITUTE**, a Washington non-profit corporation, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said company, on behalf of said company, for the uses and purposes therein mentioned.

By: _____

_____ (Print Name)

My appointment expires: _____

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust ("Deed of Trust"). Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____

ATTACHMENT 1

Property Legal Description

**Real property in the City of Everett, County of Snohomish, State of Washington,
described as follows:**

LEGAL DESCRIPTION:

SEC 23 TWP 28 RGE 04RT-7D) E1/5 OF NE1/4 SW1/4 NW1/4 EXC S 20FT THOF
CONVYD TO SNO CO FOR RD BY DEED REC UNDER AUDS FILE NO 453318

TAX PARCEL NO(S): 28042300201500

SITUS ADDRESS: 2407 106TH ST SW, EVERETT, WA 98204-3628