

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO SUBORDINATE A CITY OF OLYMPIA COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN TO SAFEPLACE, A WASHINGTON NONPROFIT CORPORATION, UPON 521 LEGION WAY SE, OLYMPIA, WA 98501 (DPL-382)

WHEREAS, SafePlace, a Washington nonprofit corporation (“SafePlace”), engages in efforts to stop sexual and domestic violence and advocate for personal and societal change through crisis intervention and education; and

WHEREAS, the City of Olympia (“City”) currently has a Community Development Block Grant (CDBG) loan in the amount of Eighty Thousand Five Hundred Sixteen Dollars and Twenty Cents (\$80,516.20) CDBG Loan No. 916, DPL-382 (the “Loan”) upon property owned by SafePlace at 521 Legion Way SE Olympia, WA, Thurston County Assessor Tax Parcel No. 7860-56-00300; and

WHEREAS, the Loan on the Property is secured by a Deed of Trust owned and held by the City, executed by SafePlace, dated June 30, 2015, and recorded on June 30, 2015, under Thurston County Auditor’s File No. 4452637, encumbering the Property; and

WHEREAS, SafePlace is working with Timberland Bank to secure an additional line of credit to make further improvements to the Property; and

WHEREAS, SafePlace is requesting that the City subordinate to the new Timberland Bank Deed of Trust, remaining in second lien position as a lender behind Timberland Bank; and

WHEREAS, the document attached hereto as Exhibit A relates to interests in real estate, said document has gone through legal review, and has been approved in substantially final form; and

WHEREAS, the Olympia City Council considers it to be in the best interests of the City of Olympia and its residents to provide for its most vulnerable populations, including survivors of domestic violence, by agreeing to SafePlace’s request to subordinate the City’s CDBG loan to Timberland Bank;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE as follows:

1. The Olympia City Council hereby approves the form of Subordination Agreement between the City of Olympia, SafePlace, and Timberland Bank attached hereto as Exhibit A in substantially final form.
2. The City Manager is authorized and directed to execute on behalf of the City of Olympia the attached form of Subordination Agreement in substantially the final form as presented in this Resolution, subject to the City Manager’s authority and discretion to execute any other documents necessary to execute said Agreement, and to make any amendments or minor modifications as may be required and are consistent with the intent of the attached Subordination Agreement, or to correct any scrivener’s errors.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____ 2023.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Mark Barber
CITY ATTORNEY

EXHIBIT A

WHEN RECORDED RETURN TO:

Name **TIMBERLAND BANK**

Address **624 SIMPSON AVENUE**

City, State, Zip **HOQUIAM, WA, 98550**

XXXXX.2330

Subordination Agreement

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

Reference # (if applicable): xxxxx2330

Grantor(s): Safeplace

Grantee(s): City of Olympia

Legal Description (abbreviated): LOT 3 AND 4 UNNUMBERED BLOCK SWAN'S ADD TO OLYMPIA

Full legal on page: 2

Assessor's Tax Parcel ID#: 7860-56-00300

_____, 2023

The undersigned subordinator and owner agrees as follows:

1. **City of Olympia, a Municipal Corporation** referred to herein as "subordinator", is the owner and holder of a mortgage dated **June 30, 2015** which is recorded in volume N/A of Mortgages, page N/A, under auditor's file No **4452637**, records of **Thurston** County.
2. **TIMBERLAND BANK** referred to herein as "lender", is the owner and holder of a mortgage dated _____, executed by **Safeplace, a Washington Non-Profit Corporation** (which is recorded in volume N/A of Mortgages, page N/A, under auditor's file No. _____, records of _____ County) (which is to be recorded concurrently herewith).
3. **Safeplace, a Washington Non-Profit Corporation** referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.
4. In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing there under, including any extension or renewal thereof.
5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.
7. This agreement shall be the sole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the lien or charge of the mortgage in favor of "lender" above referred to and shall supersede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.
8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

LEGAL DESCRIPTION:

LOT 4 OF AN UNNUMBERED BLOCK IN SWAN'S ADDITION TO OLYMPIA, ADJOINING AND EAST OF FRACTIONAL BLOCK 56 OF SYLVESTER'S PLAT OF OLYMPIA, ACCORDING TO THE PLAT OF SAID SWAN'S ADDITION RECORDED IN VOLUME 1 OF PLATS, PAGE 37; EXCEPT THAT PORTION LYING IN ALLEY ALONG THE SOUTHERLY BOUNDARY. TOGETHER WITH THE VACATED SOUTH 20 FEET OF SIXTH AVENUE (LEGION WAY) IN SAID SWAN'S ADDITION ADJACENT TO SAID LOT 4 ON THE NORTH. ALSO, LOT 3 IN THAT CERTAIN BLOCK IN SWAN'S ADDITION TO THE TOWN (NOW CITY) OF OLYMPIA, RECORDED IN VOLUME 1 OF PLATS, PAGE 37, LYING EASTERLY OF BLOCK 56 OF SYLVESTER'S PLAT OF THE TOWN (NOW CITY) OF OLYMPIA, RECORDED IN VOLUME 1 OF PLATS, PAGE 14, THE WEST LINE OF SAID LOT 3 BEING ESTABLISHED AS A LINE 130.44 FEET EAST FROM THE EAST LINE OF JEFFERSON STREET. EXCEPT THAT PORTION LYING IN ALLEY ALONG THE SOUTHERLY BOUNDARY. TOGETHER WITH THE VACATED SOUTH 20 FEET OF SIXTH AVENUE (LEGION WAY) IN SAID SWAN'S ADDITION ADJACENT TO SAID LOT 3 ON THE NORTH.

IN THURSTON COUNTY, WASHINGTON.

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER: **7860-56-00300**

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

Grantee: CITY OF OLYMPIA

By: _____
Title: City Manager Date
STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On the ____ day of _____ 2023, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven J. Burney, to me known to be the City Manager of the City of Olympia, a municipal corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath states that he is authorized to execute the said instrument.

WITNESS my hand and official seal the day and year first above written.

Signature

Print Name
NOTARY PUBLIC in and for the State of

Residing at _____
My appointment expires: _____

Grantor: SAFEPLACE

By: _____
Title: _____ Date
STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that _____ (is/are) the person(s) who appeared before me and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (he/she/they) free and voluntary act for the uses and purposes mentioned in this instrument.

Signature

Print Name
NOTARY PUBLIC in and for the State of

Residing at _____
My appointment expires: _____